



*City of Arts & Innovation*

# City Council/Successor Agency/Housing Authority/Parking Authority Joint Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 12, 2021

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARDS: ALL

SUBJECT: RESOLUTIONS ESTABLISHING LOCAL HIRING GOALS AND SKILLED WORKFORCE 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:**

Adoption of four separate Resolutions establishing local hiring goals and skilled workforce requirements for the sale and development of City, Successor Agency, Housing Authority, and Parking Authority-owned surplus or exempt surplus real property.

## **RECOMMENDATIONS:**

1. That the City Council adopt a Resolution (Attachment 1) establishing local hiring goals and skilled workforce requirements for the sale and development of City-owned surplus or exempt surplus real property;
2. That the Successor Agency Board adopt a Resolution (Attachment 2) establishing local hiring goals and skilled workforce requirements for the sale and development of Successor Agency-owned surplus or exempt surplus real property;
3. That the Housing Authority Board adopt a Resolution (Attachment 3) establishing local hiring goals and skilled workforce requirements for the sale and development of Housing Authority-owned surplus or exempt surplus real property; and
4. That the Parking Authority Board adopt a Resolution (Attachment 4) establishing local hiring goals and skilled workforce requirements for the sale and development of Parking Authority-owned surplus or exempt surplus real property.

## **COMMITTEE RECOMMENDATION:**

On August 19, 2021, the Economic Development, Placemaking and Branding/Marketing Committee: 1) received and filed an update on local hiring goals and skilled workforce

requirements for the sale and development of City, Successor Agency, Housing Authority, and Parking Authority-owned surplus or exempt surplus real property; and 2) directed staff to amend the draft resolutions with changes as set forth in the red-lined “Proposed Amendment to Local Hiring Goals and Skilled Workforce Requirements – Surplus Property” presented by Chair Fierro as an amendment to item number 3 of the staff report; and 3) recommended that the City Council adopt the resolutions as amended.

## **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’ topic and information on 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 ten (10) tasks and objectives. The Purchasing Division formulated data requirements to meet four (4) 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 the 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 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, Placemaking and Branding/Marketing Committee for further review, discussion, and direction.

On August 19, 2021, the Economic Development, Placemaking and Branding/Marketing Committee received and filed an update and provided further feedback and direction on local hiring goals and skilled workforce requirements for the sale and development of City, Successor Agency, Housing Authority, and Parking Authority-owned surplus or exempt surplus real property.

## **DISCUSSION:**

Based on the most recent direction provided by the Economic Development, Placemaking and

Branding/Marketing Committee, staff from the Community & Economic Development Department and City Attorney's Office have developed the attached proposed Resolutions, which establish local hiring goals and skilled workforce 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 attached Resolutions encompasses the following:

Resolutions Application: The Resolutions will be applied to all City-owned, Successor Agency-owned, Housing Authority-owned, and Parking Authority-owned (collectively "City") declared to be surplus, which the City seeks to sell on the open market after complying with the Surplus Land Act (Government Code §§ 54220, et seq.), and on which the buyer intends to construct proposed development, buildings, facilities, or other improvements on the real property. The Resolutions shall apply whether the City seeks to dispose of the property through a Request for Proposal ("RFP") process or through direct negotiations.

Local Hire Goals: Unless such a requirement would conflict with State or Federal law or regulation applicable to a particular sale of real property, all prospective buyers of City-owned surplus or exempt surplus real property shall commit to making good faith efforts to employ qualified local individuals in sufficient numbers so that no less than thirty (30) percent of the workforce, measured in labor hours, is comprised of local individuals for the construction of the development.

Moreover, no less than semi-annually during the course of construction, the buyer shall provide to the City a statement showing that either the thirty (30) percent local individuals hiring goal has been met or that the buyer made good faith efforts to reach that goal. Such reports shall be signed by the buyer under penalty of perjury. "Local individual" shall mean an individual with a permanent residence within a 20-mile radius of the center of the City of Riverside.

"Good faith efforts" include, but are not limited to: (1) Contacting and engaging local hiring halls and reputable recruitment sources, such as the American Jobs Center, 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.

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 real property shall disclose the percentage of Skilled and Trained Workforce utilized during the course of construction of the development and their commitment to work with area State certified apprenticeship programs to use a Skilled and Trained Workforce during the construction of the development. This shall apply only to apprenticeable occupations involved in the proposed construction for which there are State certified apprenticeship programs.

For real property sought to be sold through the Request for Proposal process, additional scoring points, up to the equivalent of ten points, shall be given to prospective buyers that commit to the use of a Skilled and Trained Workforce and to the use of apprenticeship programs. Points shall be awarded on a sliding scale basis based on the percentage of Skilled and Trained Workforce the prospective buyer has committed to use.

Each buyer of City-owned real property required to comply shall provide semi-annual reports

during construction showing compliance with this section. Such reports shall be signed by the buyer under penalty of perjury. Additionally, for each semi-annual report that the buyer fails to comply, the buyer shall pay to City the sum of Twenty-Five Thousand Dollars (\$25,000) for each violation. Moreover, as noted in the Resolutions, buyers of City-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 land shall exercise this right in good faith and not for the purpose of avoiding the provisions of the Resolutions.

The provisions of the Resolutions will be incorporated into applicable Purchase and Sale Agreements for specific sale transactions. Staff will monitor compliance with the Resolutions and agreement provisions through the semi-annual reports and will have the ability to enforce the agreements through liquidated damages provisions in the agreements (as noted above). A sample Purchase and Sale Agreement is included as Attachment 5. Sales of the property will otherwise have to comply with all 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.

Staff recommends that the City Council, Successor Agency Board, Housing Authority Board, and Parking Authority Board adopt the attached Resolutions establishing local hiring goals and skilled workforce 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.

The Interim Public Works Director and Housing Authority Manager concur with the recommendations in this report.

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to the Envision Riverside 2025 City Council **Strategic Priority 3 – Economic Opportunity** and, more 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.

Additionally, the proposal aligns the 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 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 services to all.
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 this report.

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

Concurs with:

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Ronaldo Fierro, Chair  
Economic Development, Placemaking and Branding/Marketing Committee

Attachments:

1. City Resolution
2. Successor Agency Resolution
3. Housing Authority Resolution
4. Parking Authority Resolution
5. Sample Purchase and Sale Agreement Language
6. Presentation