

State of the City



Bay Front. Home Front. Out Front.

Presented by Mayor Tom Butt

February 27, 2018

Charter Requirement

“The Mayor shall make an annual report to the City Council as to the conditions and affairs of the City.”

Richmond City Charter



Thanks for a terrific 2017!

- People of Richmond
- City Council
 - **Gayle McLaughlin resigned 2017**
 - **Ada Recinos appointed to fill vacancy**
- City Manager and Management Team
- City Employees



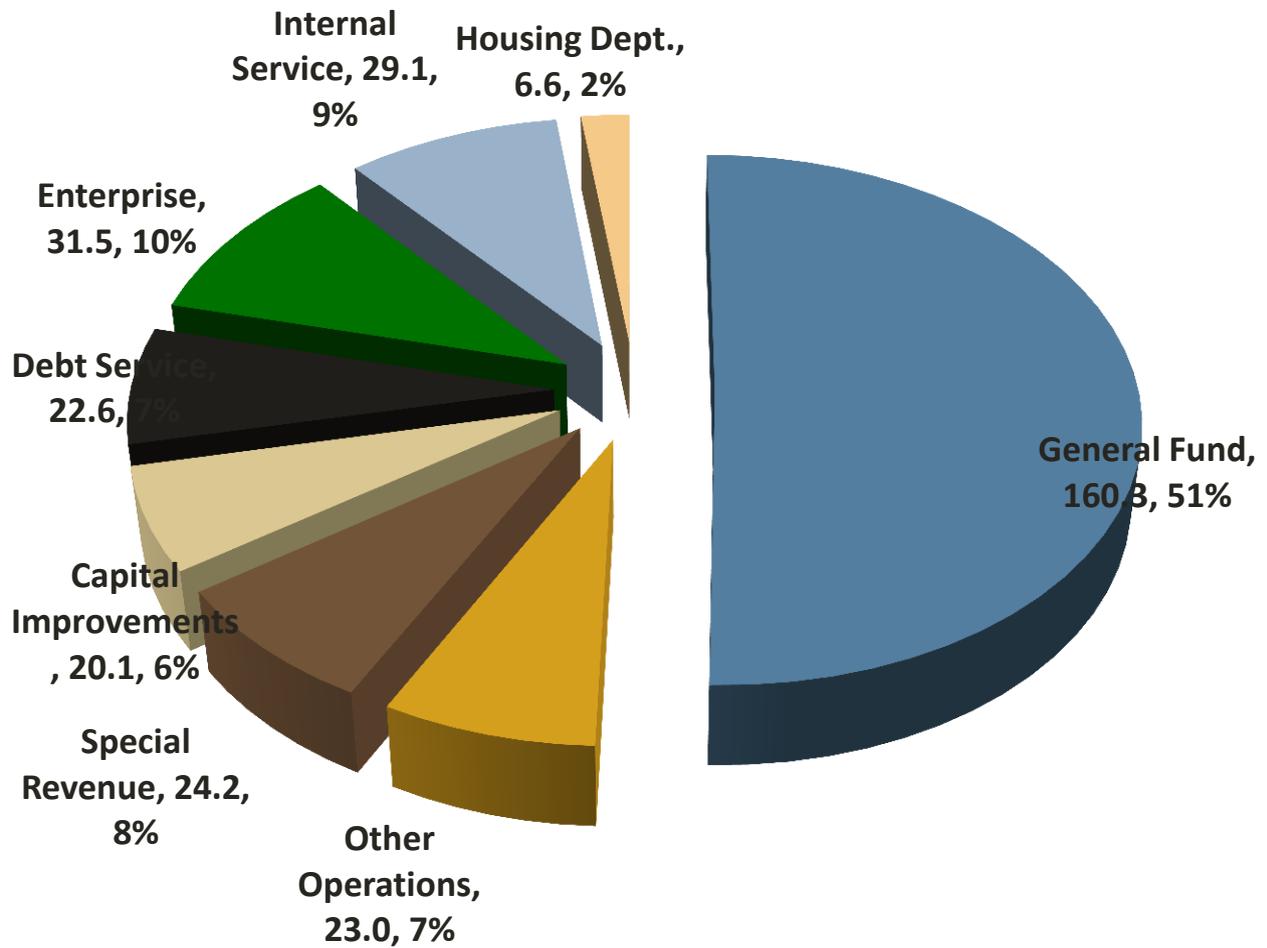
Mayor's Office Staff



- Alex Knox, Chief-of-Staff
- Irene Perdomo, Director of Projects and Programs
- Christopher Whitmore, Director of Policy and Strategy
- Sequoia Erasmus, Director of Community Engagement

Top 10 News Stories

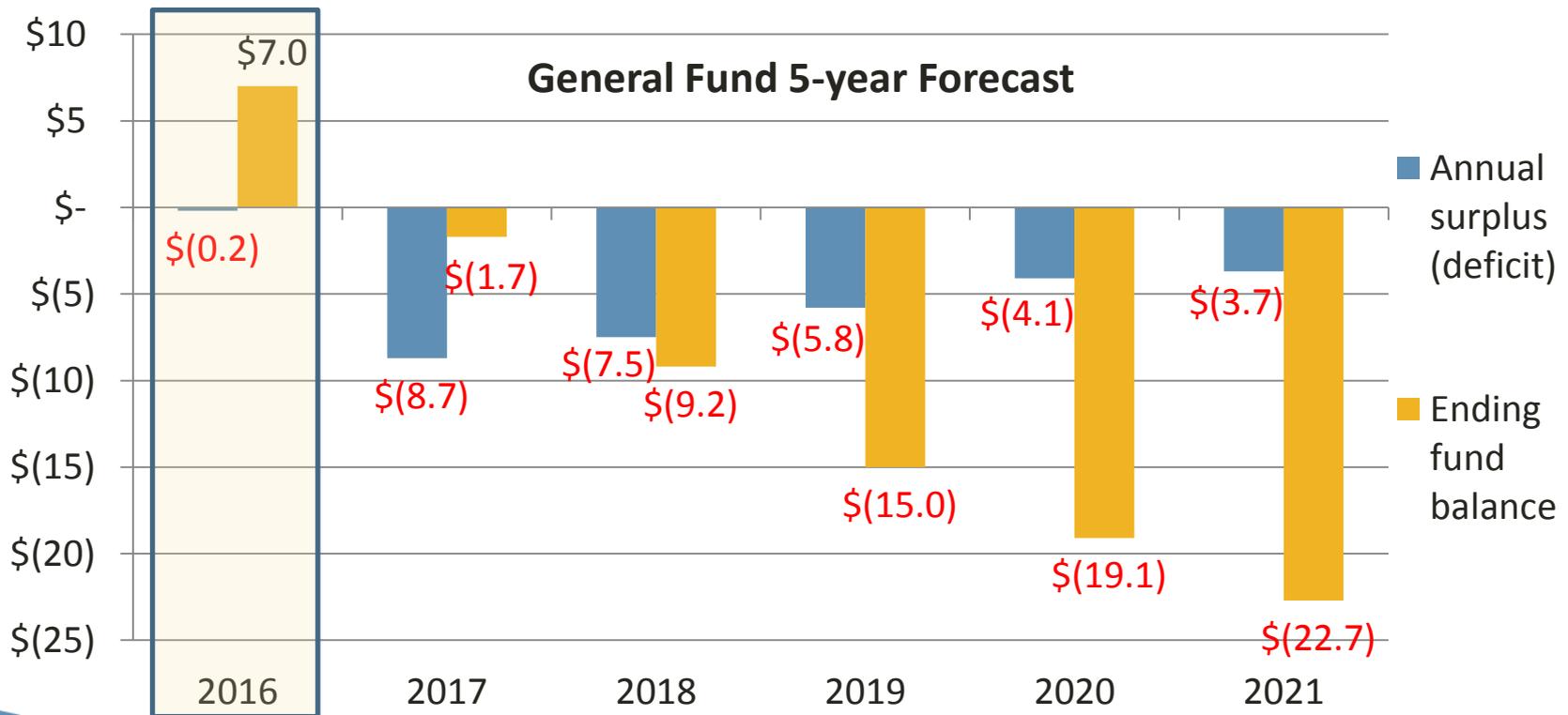
- Lowest unemployment rate on record
- Bond rating gets a bounce
- Homebuilding rebounds
- New life for Hilltop Mall
- Ferry terminal groundbreaking
- 2nd lowest homicide rate in decades
- Branding and Marketing initiative completed
- North Richmond annexation advances
- Rent Control up and running
- Ada Recinos selected to replace Gayle McLaughlin on City Council



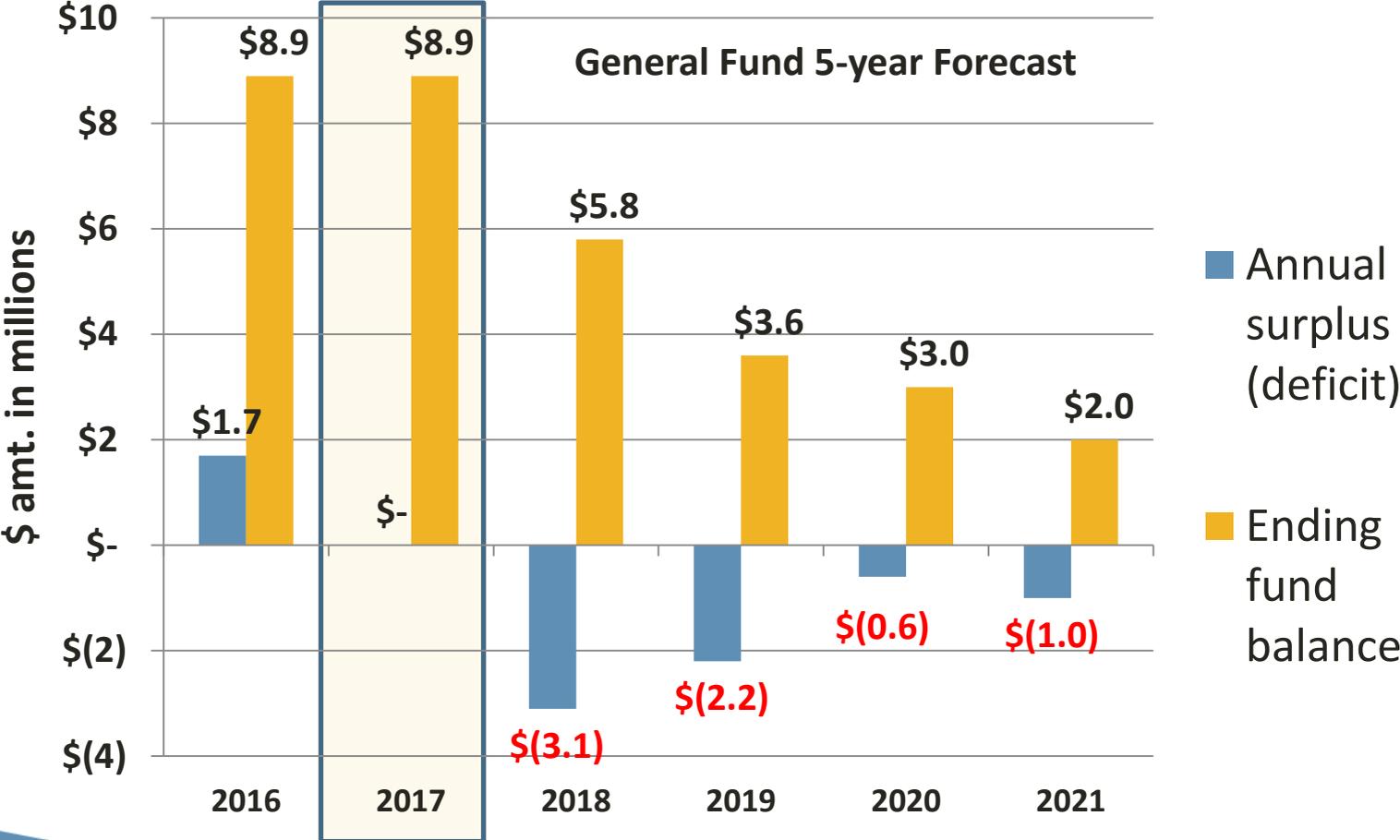
CITY FINANCES

Forecast Results – December 2015

- New 5-year model showed declining deficits
- Required major improvement to avoid a negative fund balance

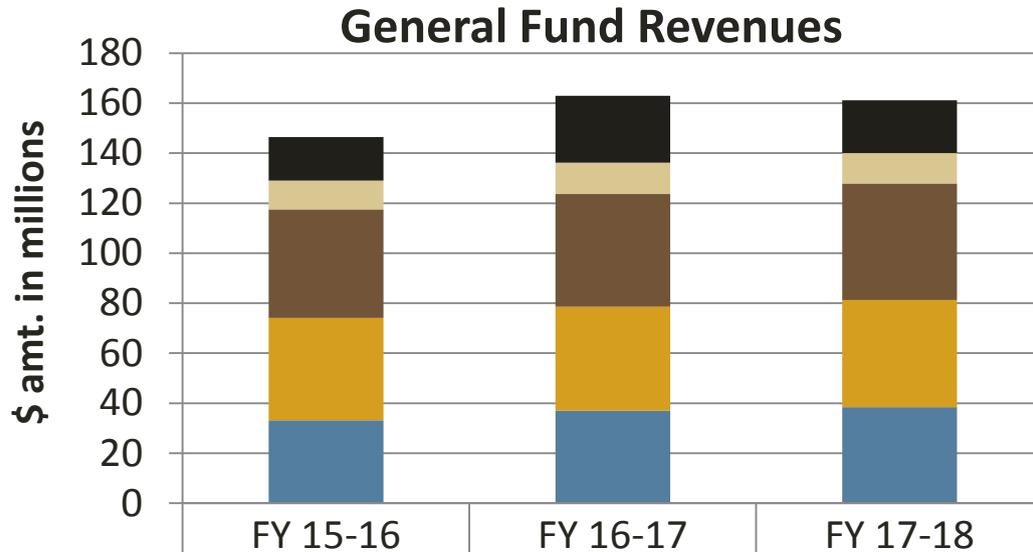


Adopted Balanced FY 16 - 17



Revenues Improve

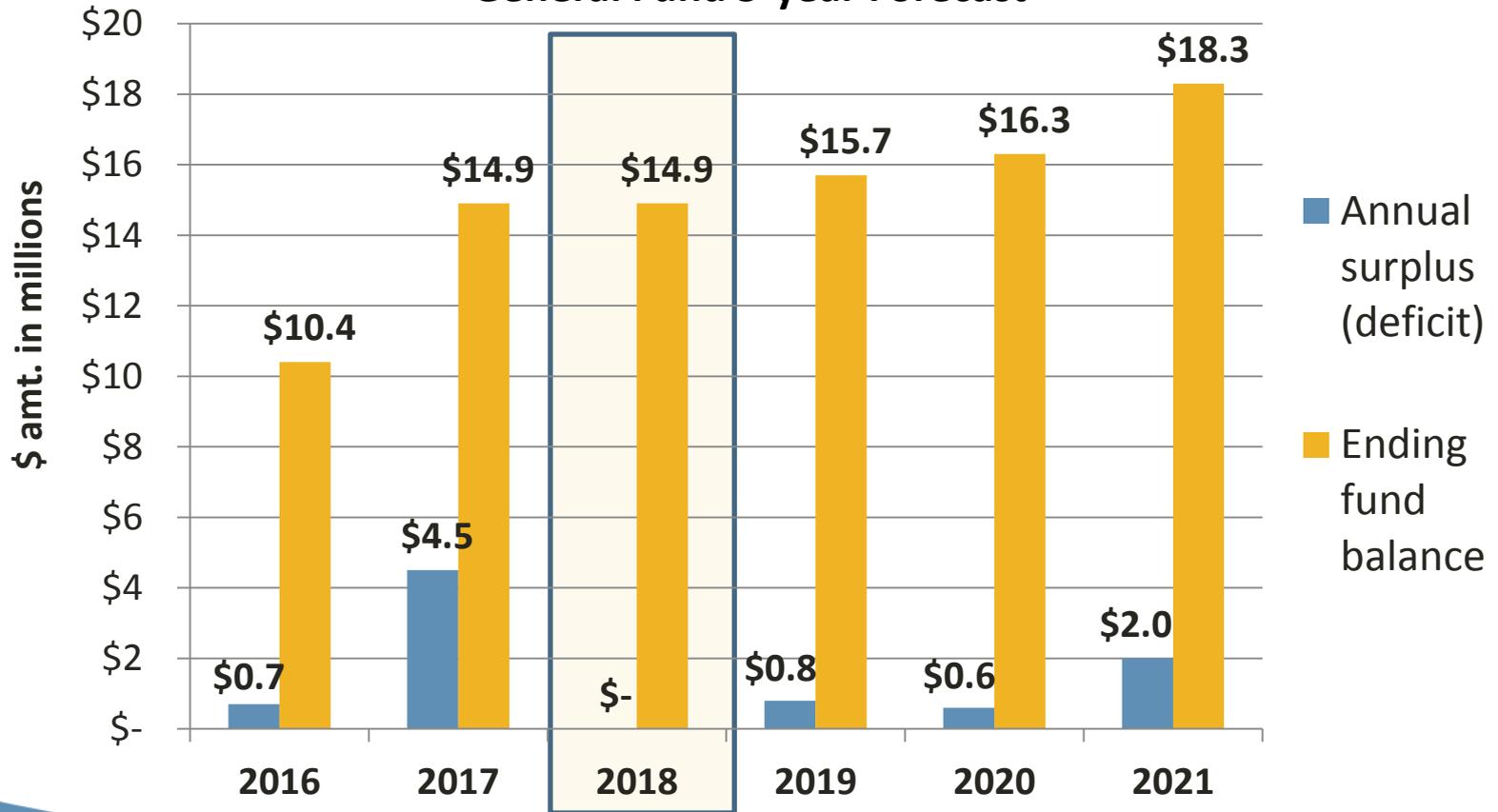
- Sales & Property Tax revenue
 - **9.7%** 3-year increase
- Ending **surplus** in last three fiscal years
- FY 16-17 jump
 - **Extra 1-time \$**
 - **Operating performance**



	FY 15-16	FY 16-17	FY 17-18
Property Tax	\$33.2	\$37.0	\$38.4
Sales Tax	\$40.9	\$41.6	\$42.9
UUT	\$43.4	\$45.0	\$46.6
Other Tax	\$11.6	\$12.6	\$12.1
Other Rev.	\$17.4	\$26.7	\$21.2
Total	\$146.5	\$162.8	\$161.2

This Year – sustainable outlook

General Fund 5-year Forecast



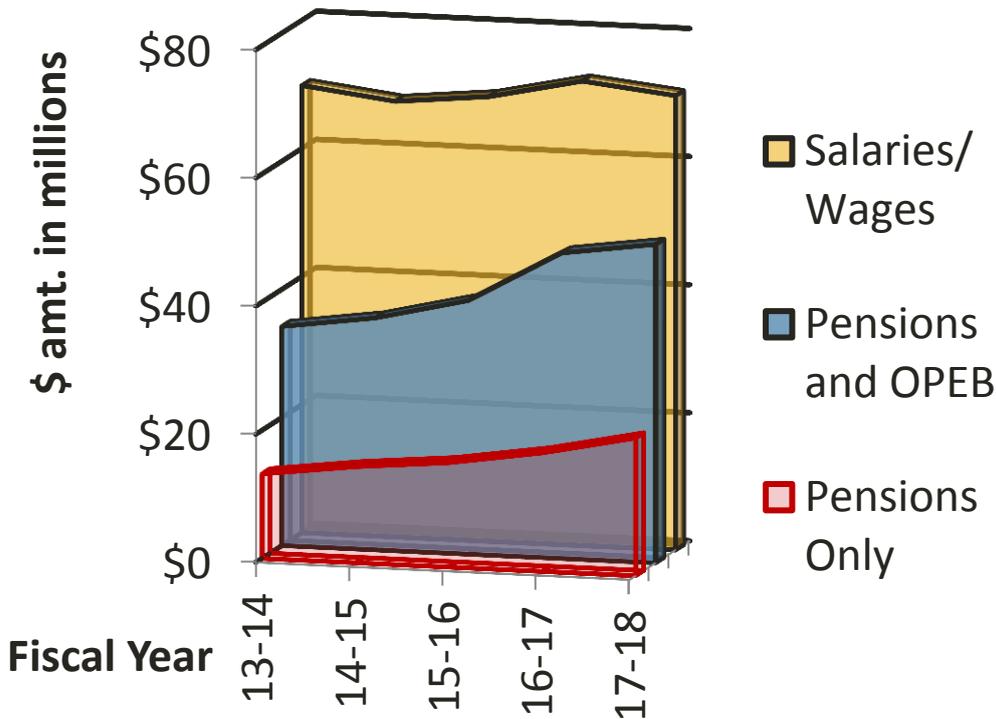
S&P Upgrades Richmond Credit Ratings

- S&P Global Ratings “positive outlook”
 - Issuer Credit Rating (ICR): **Upgraded**
 - Wastewater revenue bonds: **Unchanged**

Standard & Poor's Rating	New	Old
ICR	A-	BBB+
Wastewater	AA-	AA-

Growing problem - Pensions

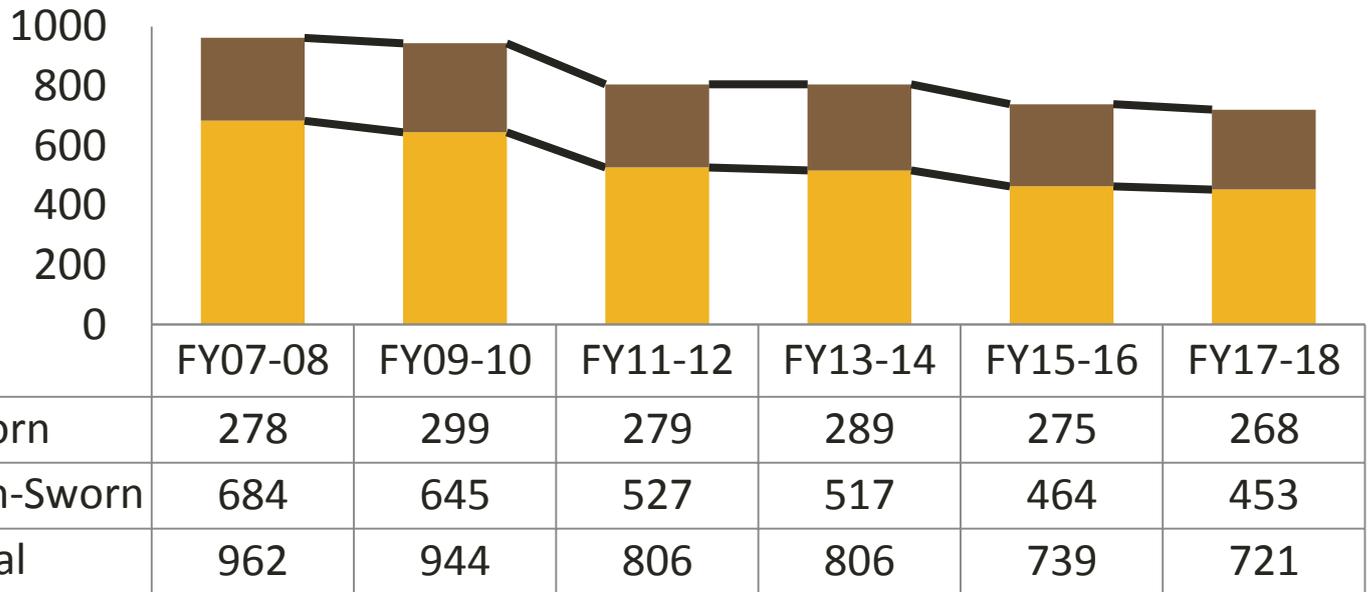
General Fund Expenditures



- Pensions & OPEB expenditures
 - 30% of General Fund
 - \$49.7 million
- Pension/CalPERS costs growing:
 - + 63% last 5 years
 - + 50% in next 6 years*
- Solutions
 - Increase employee contributions
 - Increase revenues

10-year 25% Staff Reduction

Adopted Full Time Equivalent (FTEs) by Fiscal Year



Revenue Enhancement Opportunities

FY 18-19

General Fund

- Property taxes: 4% estimated growth
- Sales Taxes: 3% estimated growth
- Utility Users Tax: 1.6% estimated growth

New opportunities

- Soda Tax
- Increases in Cannabis Business tax revenue
- Storm water and litter fee
- Real-Estate transfer tax “exit tax”

City Receives Four Finance Awards

- Operating Budget Excellence Award
- Capital Budget Excellence Award
- Distinguished Budget Presentation Award
- Certificate of Achievement for Excellence in Financial Reporting





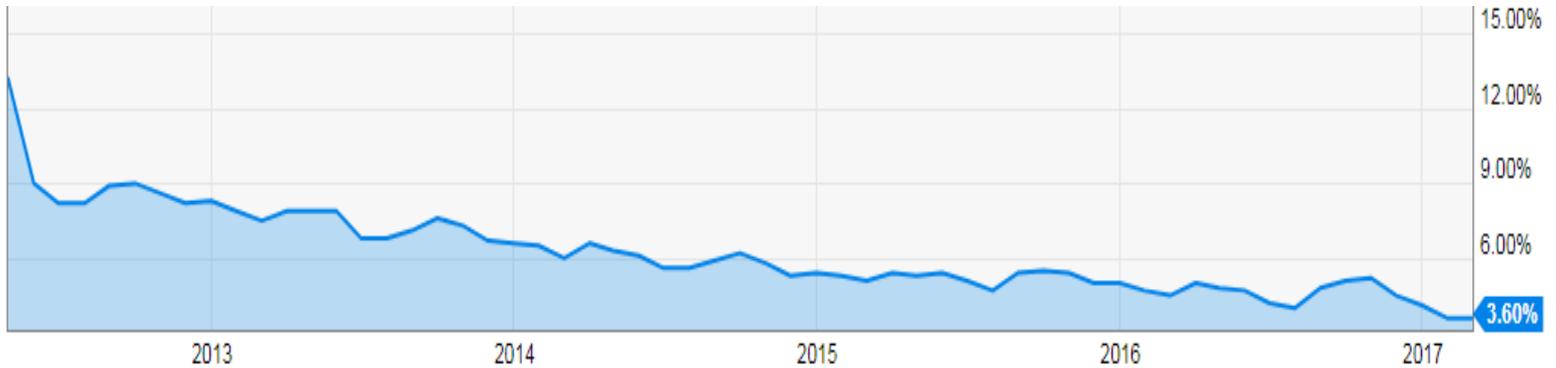
“Nothing stops a bullet like a job,” said DeVone Boggan, director of Richmond’s Office of Neighborhood Safety.

San Francisco Chronicle, February 25, 2018

WORKFORCE AND LABOR

Record Low Unemployment 3.60%

Richmond, CA Unemployment Rate



Richmond, CA Unemployment Rate Historical Data

[Source: https://ycharts.com/indicators/richmond_ca_unemployment_rate](https://ycharts.com/indicators/richmond_ca_unemployment_rate)

BUILDing 10 Years of Success

- **RichmondBUILD celebrated 10 year anniversary**
- **Over 1,000 Richmond residents trained and over \$13 million secured in grants**
- **Grand opening of the Construction Resource Center**
- **Launch of the ACES Academy (Accelerating Careers through Essential Skills)**



Source: Employment and Training Department

Graduation Canceled due to Full Employment

100% of Cohort 34 graduates start work before graduation, a first in RichmondBUILD history



RichmondBUILD participants. Photo from the New York Times

Minimum Wage Increases

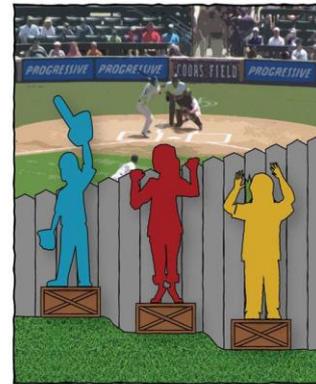
- \$13.41 per hour, effective January 1, 2018
- Minimum wage will increase on January 1, 2019 to \$15.00 per hour.



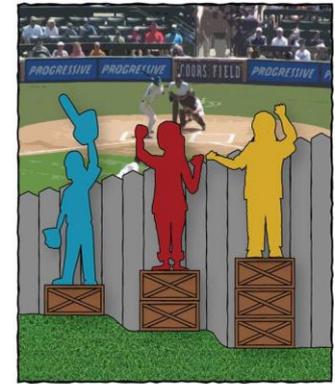
Source: Statewide minimum wage to rise New Year's Day, KTVU Channel 2

City Advances Equity and Inclusion

- Government Alliance on Race and Equity (GARE)
 - **Draft Equity Action Plan presented**
- Human Rights Campaign – Municipal Equity Index Score (MEI)
 - **New high score received – 84 out of 100**
- Comprehensive Economic Development Plan (CEDP)
 - **Completed the Final Report Draft**
- Bay Area Young Men of Color Employment Partnership/LeadersUp
 - **36 Richmond residents received job offers**



EQUALITY



EQUITY

Dual Approach for North Richmond Annexation

- City Council's two-part approach:
 - **Initiation of the annexation application process through Local Agency Formation Commission (LAFCO)**
 - **Informal ballot for North Richmond residents, property owners, and business owners**



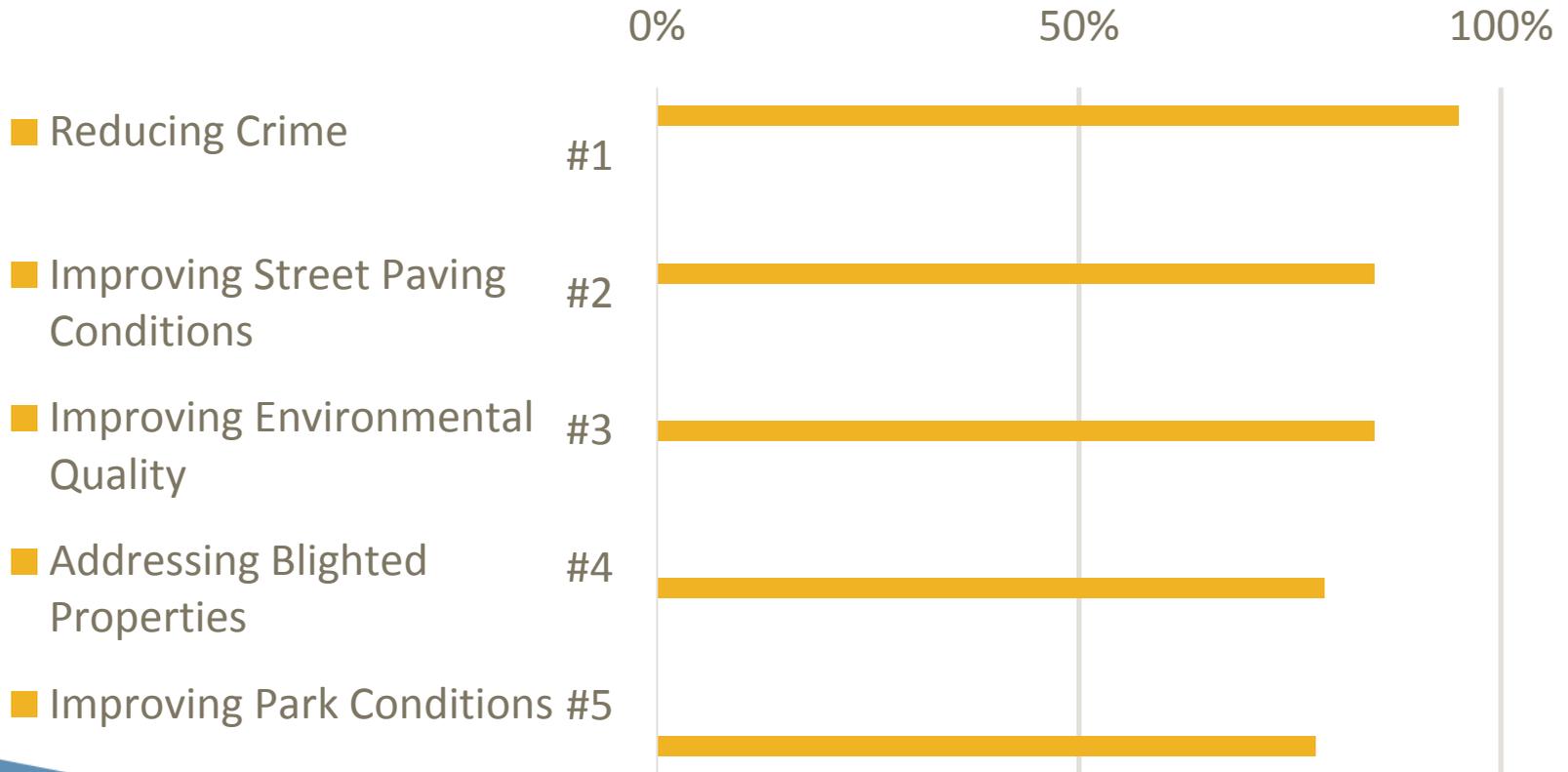
North Richmond Annexation presentation at a North Richmond Network meeting.

Resident ratings keep climbing

Community Characteristics (rating service as either “good” or “excellent”)	2007	2017	% Change
Neighborhood	50%	62%	+24%
Place to live	20%	47%	+135%
Overall quality of life	17%	32%	+88%
Place to retire	15%	32%	+113%
Place to raise children	9%	24%	+167%
Overall appearance	8%	15%	+87%
Overall image	4%	14%	+250%

Resident's Top Ranked Issues

2017 Community Survey Results



Boards, Commissions and Committees

About 180 commissioners are attending a combined 25 meetings every month



Total # of appointments since Jan 2015	Total # of seats	2017 appointments	Vacancy Rate	Total # boards and commissions
263	217	59	21%	29



Teacher housing is being eyed for the Quarry Residential Project, according to City Manager Bill Lindsay.

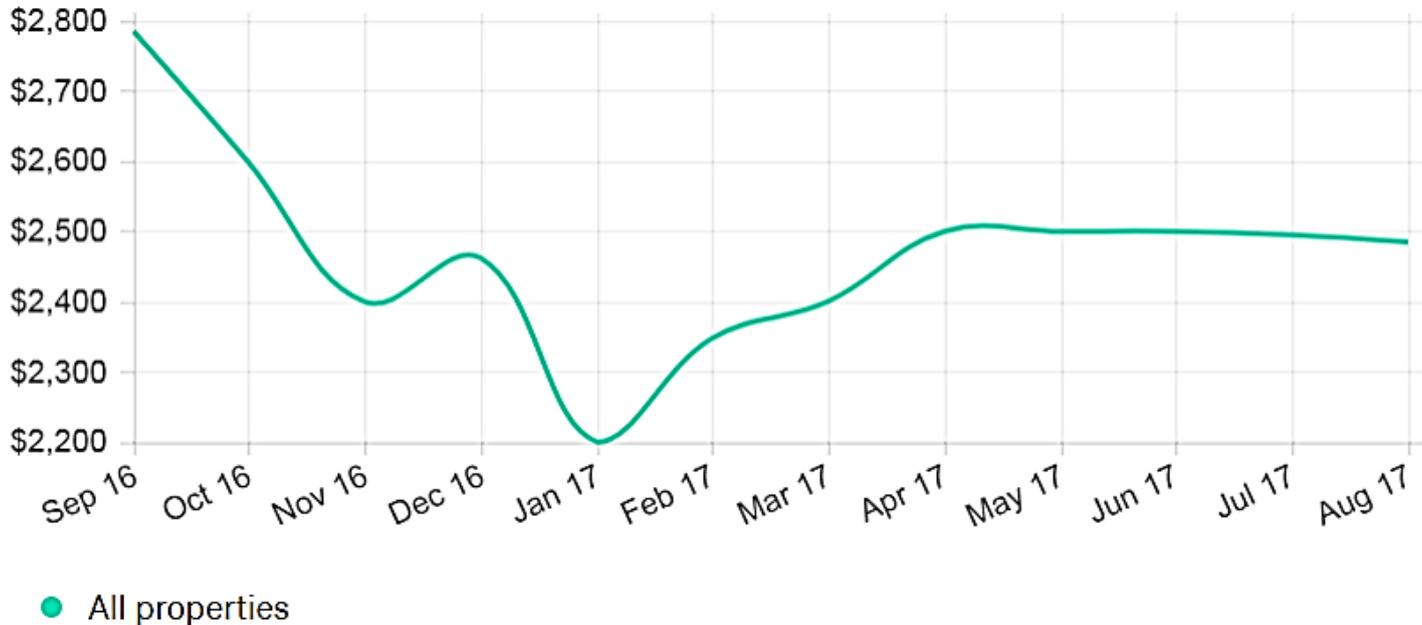
The Richmond Standard, February 21, 2018

HOUSING AND DEVELOPMENT

Richmond Rents are Stable

Median rent down 11% from September 2016 (Trulia)

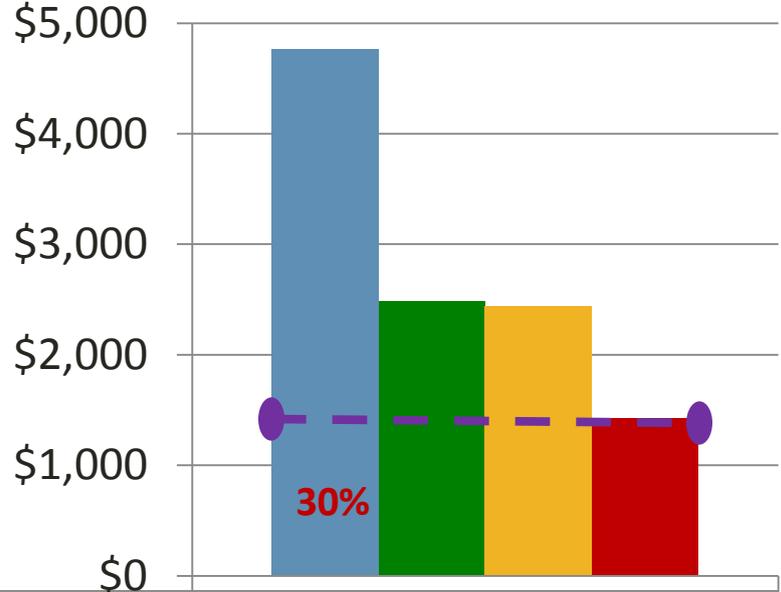
Median Rent



Rents Still a Bargain

- “Affordable” monthly rent (4-person household)
 - **Richmond \$1,426**
 - **County AMI \$2,435**
- Actual median rent
 - **Richmond \$2,485**
 - **County \$2,718**

Monthly Income and Rent

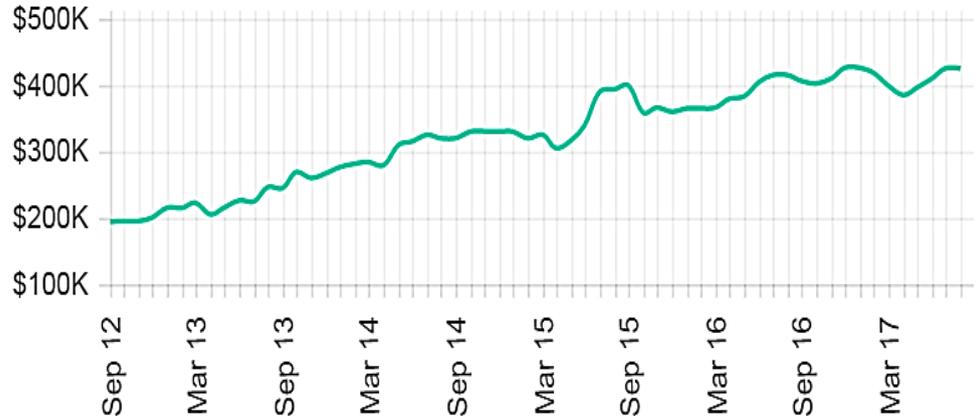


■ Median Income/mo	\$4,759
■ Median Rent Aug. '17	\$2,485
■ AMI Affordable Rent	\$2,435
■ Richmond Affordable Rent	\$1,426

Home Values Up & Foreclosures Down

- \$440,000 Median Sales Price
- Property value increases:
 - **+6.2%** value in 2017
 - **+3.9%** forecast for 2019
- Richmond Mortgages
 - **6.5%** underwater
 - **0.8%** delinquent

Median Sales Price

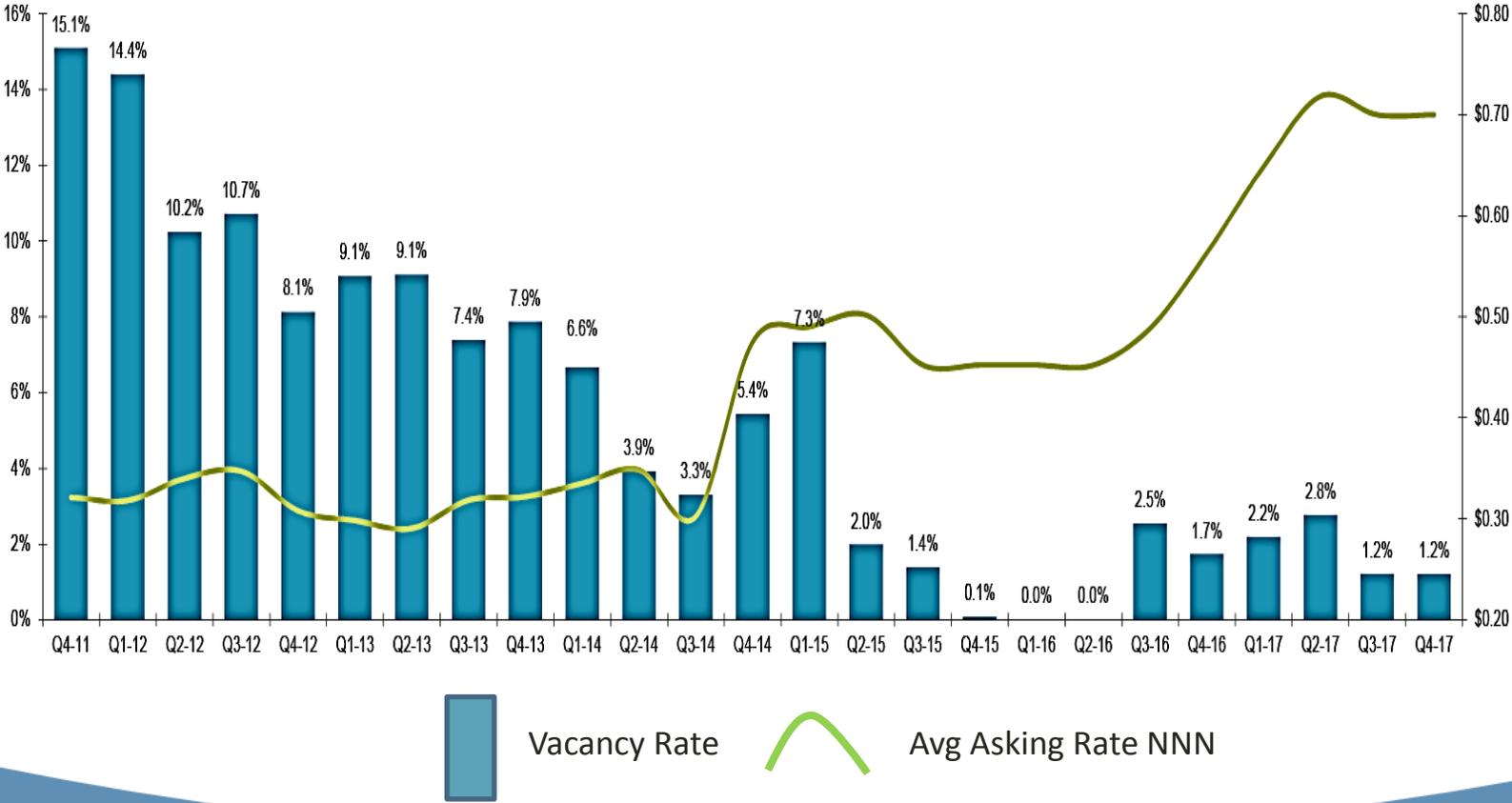


● All properties

Warehouse Market

Prices Up – Vacancies Down

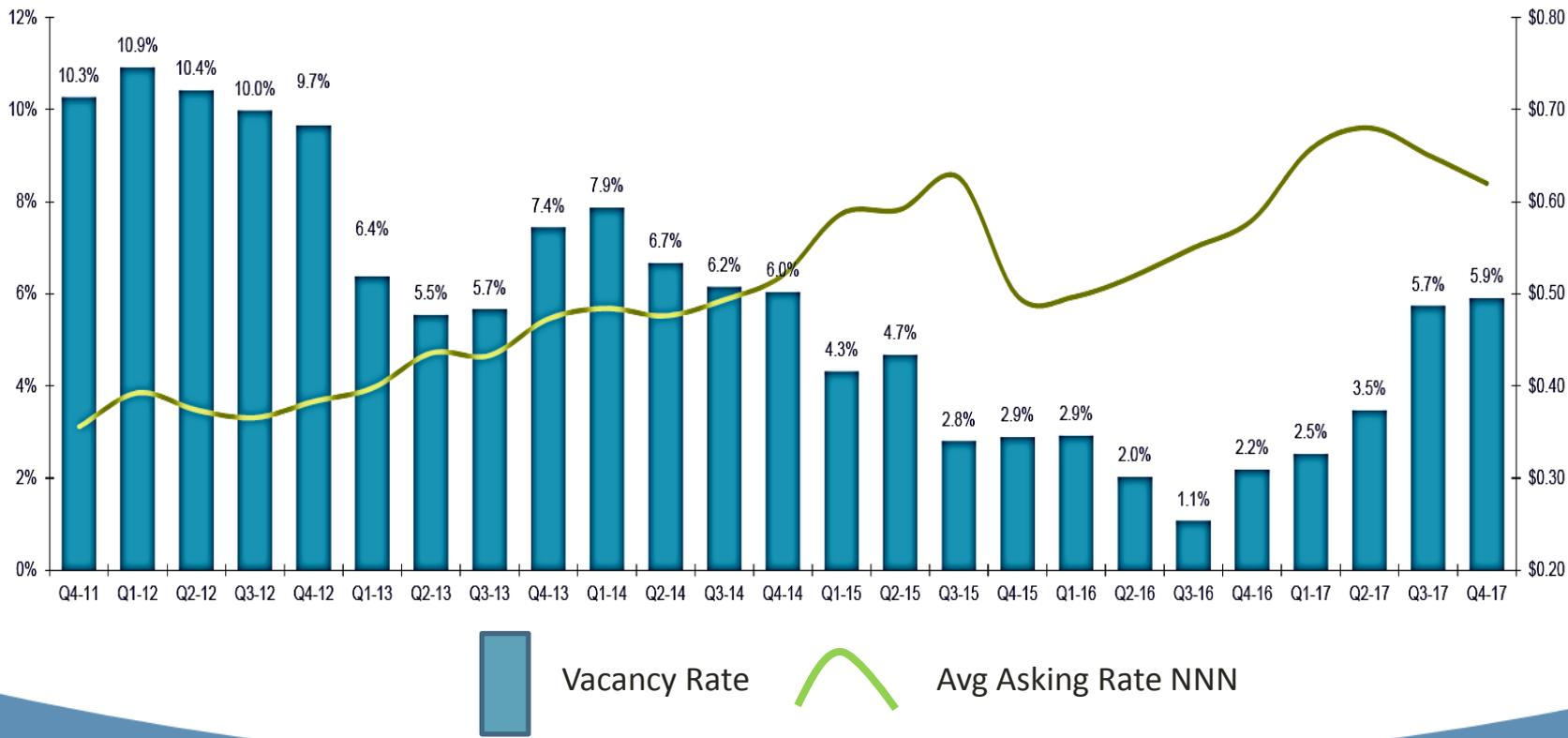
Richmond Warehouse Vacancy & Average Asking Rate Trend



Manufacturing Market

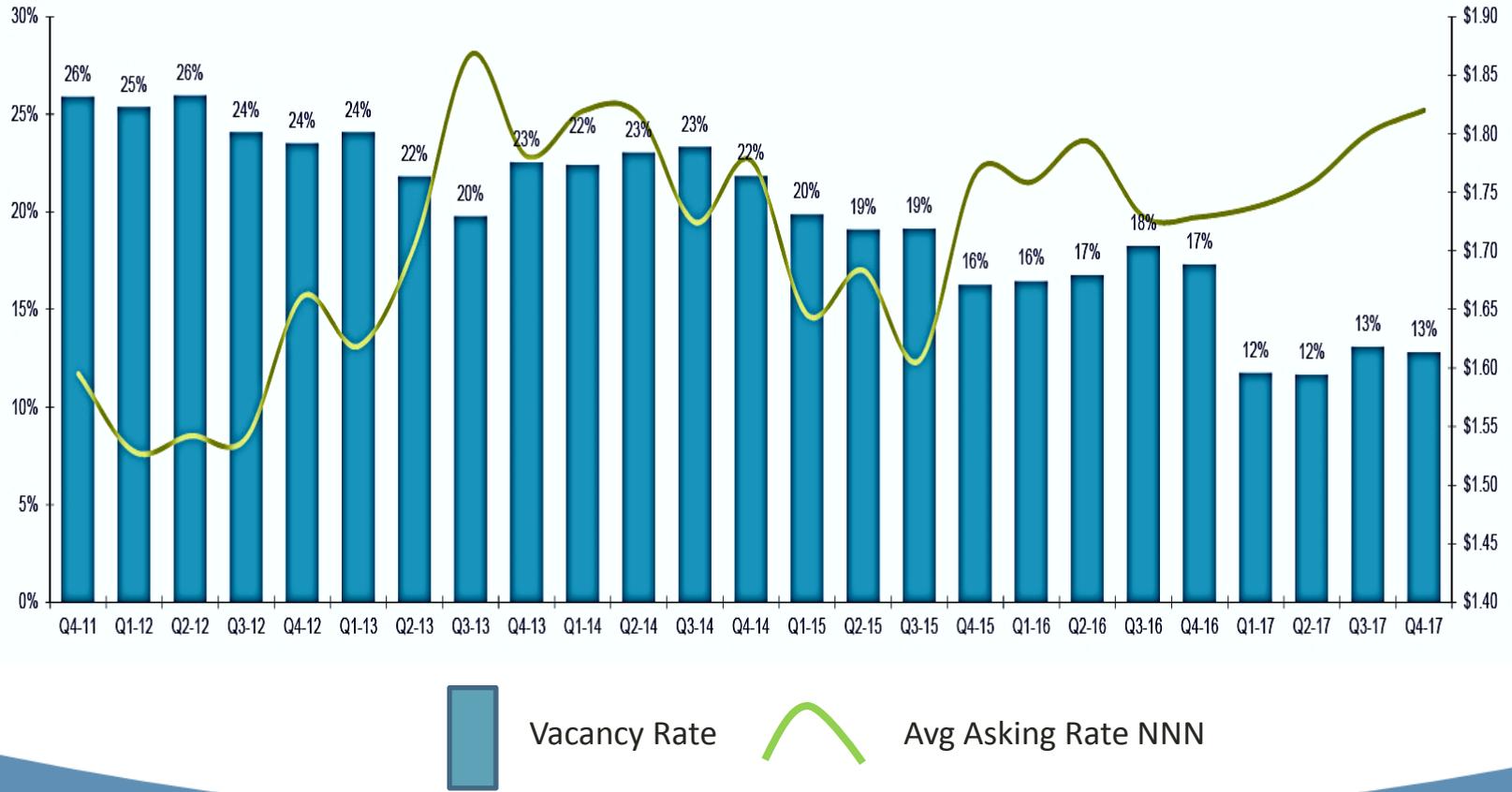
Low Vacancy, Prices Steady

Richmond Manufacturing Vacancy & Average Asking Rate Trend



Office Vacancies Down, Prices Up

Richmond Office & Office/Flex Vacancy & Average Asking Rate Trend

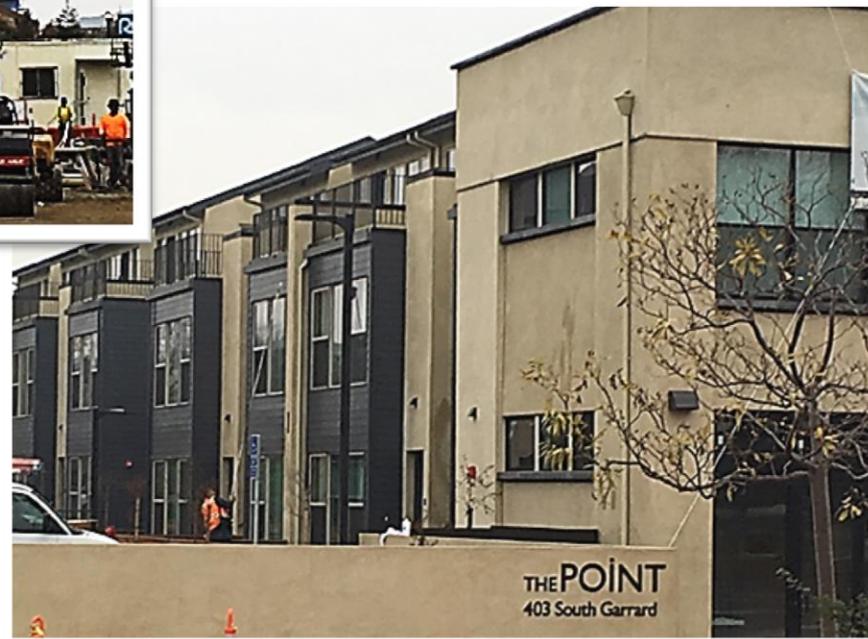


UC Berkeley – Richmond Bay Campus

- Mayor and UCB Chancellor discussed next steps and poised to work together



- UC Berkeley preparing to develop new commercial real estate
- Fulfilling the Richmond Bay Specific Plan – surrounding area housing to support growth



Richmond Rent Program

- Implements Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance
- Launched : January 3, 2017
- Received over 5,000 inquiries
- \$1,629,052 in Rental Housing Fees collected for 11,230 Rental Units
- Many community engagement workshops for landlords and tenants



www.richmondrent.org

First Richmond Rent Board



- 5 members appointed - March 21, 2017
- First meeting - April 5, 2017
- Adopted Rent Program operating budget
- Passed several critical regulations
- Attended and facilitated community workshops
- Approved a reimbursement agreement between the City of Richmond and the Rent Board to repay initial funds advanced by the city

Richmond Comes Together to Address Homelessness

- Partnering with CCHS to develop 50 unit MicroPAD permanent supportive housing
- Tiny Houses on Wheels Pilot program
- Richmond City Council launched Homelessness Task Force
- Exploring funding a Coordinated Outreach, Referral, and Engagement (CORE) team to support homeless residents



A model MicroPAD is displayed at City Hall

City Advances Housing Goals

- Inclusionary Housing
 - Funds for affordable housing applied to public housing
 - Millions of \$ added by new market rate developments
- Aggressive new Second-Unit and JADU policies
- Active engagement with developers to build high-density housing

# of Units completed or under construction	# of affordable units	# of units in the pipeline
379	80	1,820

Richmond Housing Renovation Program

Steady progress

- 17 properties in total
 - 8 completed
 - 5 sold
 - 4 coming soon
- Fiscal benefits
 - + \$1,237,199 generated
- Awards:
 - Foundation of the Year
 - Innovation Award
 - CLAY Award





Businesses initially come to Richmond for affordable space and transportation access to the greater Bay Area, but once here, they find a great workforce and a welcoming community.

BUSINESS AND ECONOMIC DEVELOPMENT

Downtown on the Up & Up

12th and Macdonald Development

Final Concept | Aerial Rendering | 1.28.2018



12th & Macdonald | Richmond, CA | 60

SAAJEVI WARE HAUS

CoBiz Richmond/BART Retail Space



Dormitory O Monument

- National-scale monument to honor black shipyard workers, laborers, and sacrifice of life.



Richmond Visitor Center

- Transit Center to become Richmond Visitor Center
- Richmond Main Street and Visit Richmond CA will move in during 2018
- Richmond-themed merchandise store
- 8,000 transit users per day



Nevin Pedestrian Project Connects BART and Civic Center

- North entry to BART Station open to public
 - New elevator
 - Staircase
 - ADA accessible ramp
 - Roundabout with Kiss-and-Drop
- Completes redesigned Nevin Ave Streetscape
- Catalyst for new transit-oriented housing



Richmond Transit Village Access project ribbon cutting, December 2017

Hilltop Mall – SOLD!

- Name change – The Shops at Hilltop
- Grocery store, new shops, restaurants and entertainment
- Mall owners acquire JC Penny property
- Potential for approx. 9,600 new housing units



Business Economy Continues to Improve

- Business Roundtable
- Taste of Richmond
- New retail businesses and opportunities throughout city
- Beer and wine industry continues to thrive



Taste of Richmond – May 20, 2017

Business License Collection

Business Licenses	Business License Revenue	Business License Enforcement Total Revenue	Est. # of Unlicensed Businesses	Citations Issued
1,850	\$1,586,000	\$350,148*	850	126*

Department of Infrastructure and Maintenance
Operations

*As of September 22, 2017

Activity Buoyed at Port of Richmond

- Vehicle distribution exceeded 150,000 units
- 200 employees at Auto Warehousing Company
- Rehabilitation underway for the machine shop at Terminal 3 and Warehouse #1 at Point Potrero Marine Terminal.



Port of Richmond, photo by Auto Warehousing Co.

Marketing the City

- Mayor's Branding and Marketing Initiative completed
- Marketing Strategy action steps
 - Strategic partnerships
 - Outreach materials, merchandise, displays, retail locations, websites
 - Events and social media



Bay Front. Home Front. Out Front.

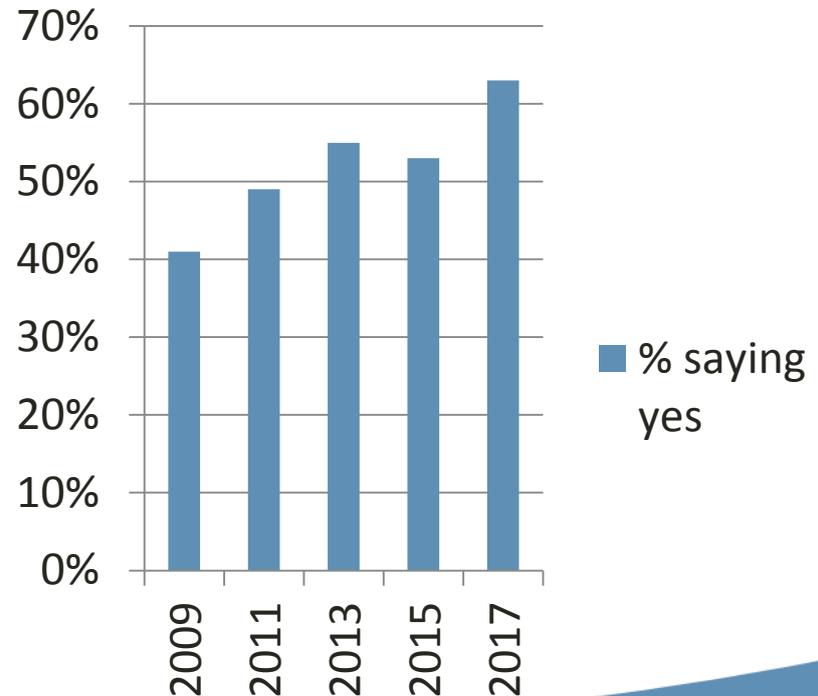
Promoting Richmond – Room for Improvement

Marketing and Branding Insights

- Many strengths but a very weak message.
- Lack of positive promotion allowing negative perceptions to stick.
- Visiting greatly improves perceptions.
- Resident's less likely to recommend Richmond as a place to live, visit or do business.

Would you recommend Richmond as a place to live?

Community Survey





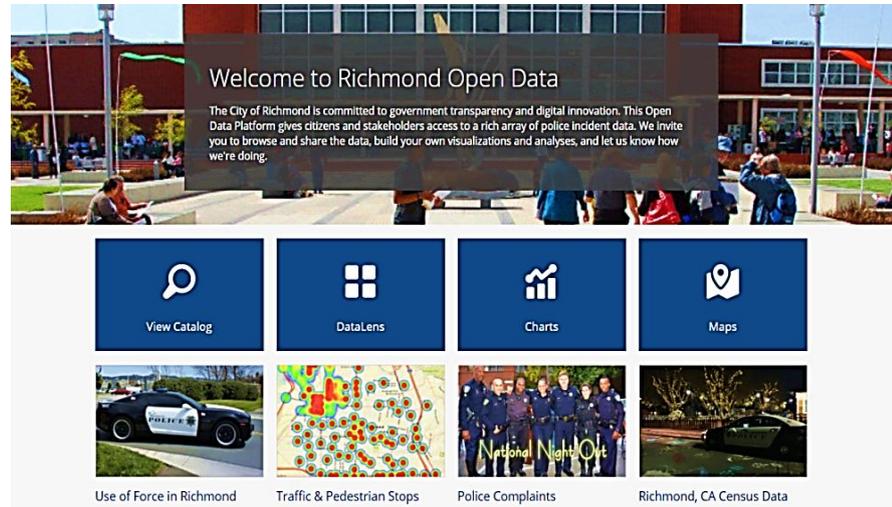
Richmond had a landmark year in 2017, with one of the larger homicide drops in the East Bay. The number of killings dropped by 37 percent, from 24 in 2016 to 15 last year.

San Francisco Chronicle, February 25, 2018

PUBLIC SAFETY

Homicide Rate Decreases 37%

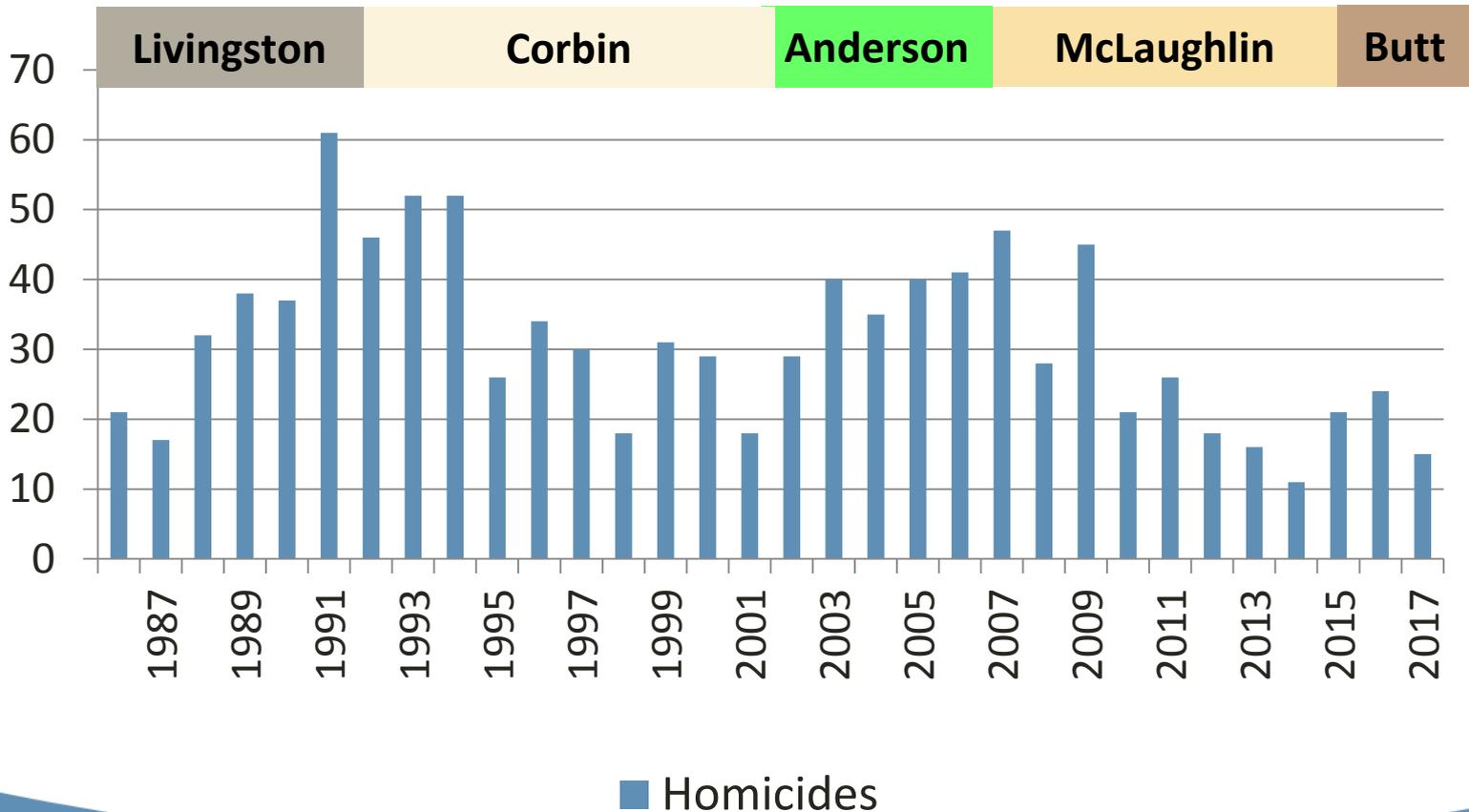
- **-2%** Violent crime in 2017
 - **Shotspotter activations: - 8%**
 - **15 homicides in 2017**
- Full-time Sworn Officers: 178
 - **Down 4 from 2016**
- Open Data website launches to public



Richmond Open Data website,
<https://opendata.ci.richmond.ca.us/>

Richmond Homicide Rates Through the Years

Mayors



Property Crimes Increasing

- Sharp increases in Richmond and Bay Area
 - **Property crime: +18%**
 - **Auto burglary: + 28%**
- Smash-and-grabs continue to trend



Reducing Crime through Partnerships

- Community Safety Academy
 - Two cohorts, 41 graduates
- Family Justice Center
 - Over 1,000 families served in Richmond
 - Elder abuse program launched
- Operation Ceasefire
 - RPD hired two coordinators



Fired-Up Fire Department



- Teams helped battle fires in Napa, Sonoma, Los Angeles, and San Diego
- 9 new firefighter trainees
- Implemented new emergency protocols for patients afflicted by opioids
- All apparatus now carry Narcan and epinephrine



Mayor Butt visits fire crews in Santa Rosa

Emergency Preparedness

Fire Department Hires New Emergency Services Manager



Office of Emergency Services Highlights Community Preparedness

- 40 Graduates from Community Emergency Response Team (CERT) Training
- Upcoming: Spanish CERT and LISTOS

City of Richmond Emergency Readiness

- Emergency Operations Center (EOC) Staff Training
- 100 City staff and external partners participated in an EOC exercise.

Blight Busters

Abatement Updates

- 12 Neighborhood Clean-ups
 - 172.38+ tons removed
 - 43.06+ tons removed for Seniors
- 19 new CCTV Cameras
- 3 “Zombie” properties demolished

Code Enforcement Updates

- Closed 6 of 12 known illegal transfer stations
- Ongoing attention to abandoned properties



Before and after – abandoned properties are demolished

End of the Line for Water and Waste

- Issued over \$30M in bonds
- Replaced sewer pipe along South 23rd Street
- Environmental compliance division formed
- New Waste Water Treatment Program electrical distribution system installed



Hydrodynamic Separator Installation



COMMUNITY INVESTMENTS

Chevron Environmental and Community Investment Agreement (ECIA)

GHG Reduction Programs

- Transportation and Transit
- Climate Action Plan
 - Urban Forestry
- Roof-top solar and energy efficiency

Community Programs

- Richmond Promise
- Community Grant Program
 - Job Training
 - Public Safety
- Free WiFi & Broadband access



Urban Forest - Tree City USA

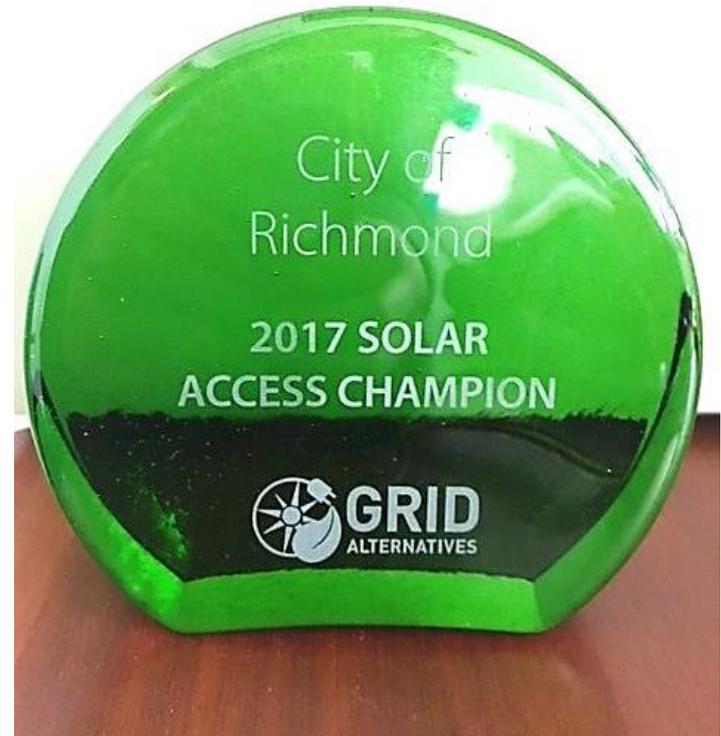
- 500 trees planted
- Over 100 neighbors adopted trees and are caring for them
- Planted trees at Wendell Park, Unity Park and Carlson Meadow
- Over 1500 residents learned about the benefits of trees



Richmond Recognized with 2017 Solar Access Champion Award

10 years with GRID:

- Installed solar for **271** income-qualifying families
- **\$7.85** million in energy cost savings for Richmond families
- Eliminated **19,140** tons of harmful Greenhouse Gas emissions



Free Solar for Income-qualifying Homeowners



- Installed solar at 98 housing units in Triangle Court
- Reducing energy bills 50%-90%
- To apply visit at www.gridsolar.org/richmond or call 1-866-921-4696.

ECIA Community Grant Program

- 13 organizations awarded in the first year
- 28 organizations awarded in the second year
- \$1.2 million awarded total in two years



Richmond Promise: A Community Based Scholarship

- A community-wide college scholarship fund + college success Initiative
- Environmental & Community Investment Agreement: \$35 million over 10 years
- Launched with Class of 2016



Richmond Promise: Year 2 Update

- \$3.4 million pledged for classes of 2016-2017
- College Partnerships: CCC First Year Experience & Promise Innovation Grant
- Peer Leadership
 - Near Peer Ambassador Program at Kennedy High School
 - Richmond College Scholars Network (UC Davis & UC Berkeley)

FIRST YEAR EXPERIENCE
For Richmond Promise Scholars at CCC!

SUMMER 2017
June College Success Workshop
July 31 - August 4: Math Jam

FALL 2017
Counseling 130: Career Exploration

SPRING 2018
Counseling 103B: Ensuring Transfer Success

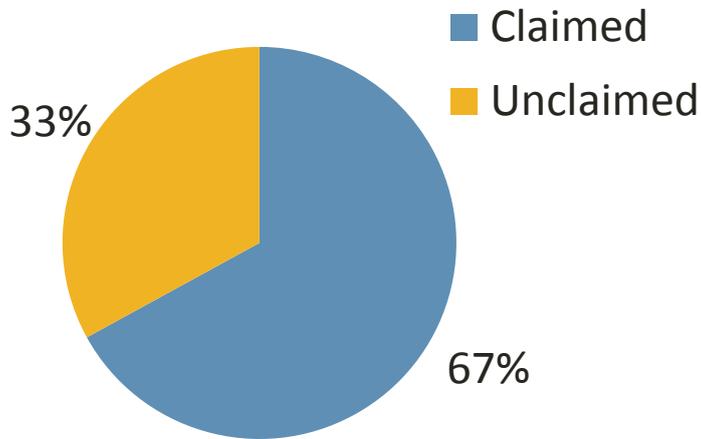
AND MORE...

- Cohort Community
- University transfer services
- College Success Coach
- Tutoring & Academic Advising

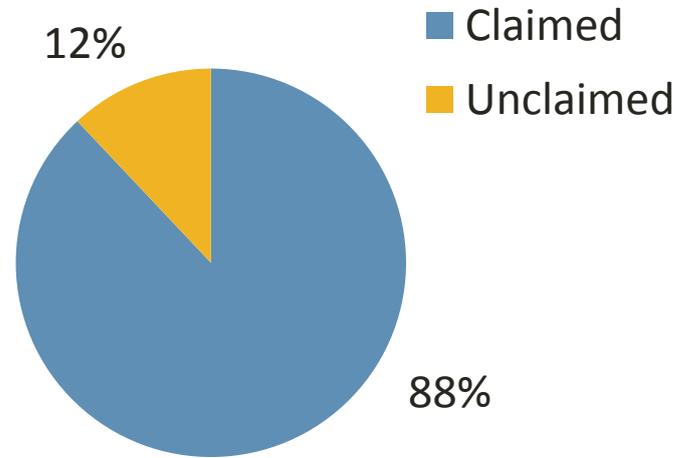
 A partnership of Contra Costa College & Richmond Promise. 

Year 2 Improvements

Summer Melt Rate 2016



Summer Melt Rate 2017



	2016	2017
Scholarships Awarded	255	361

Who are our Richmond Promise Scholars?



Mayor Butt meeting with Richmond Promise Scholars attending UC Berkeley.

- 82% First-generation college students
- 96% students of color
- 70% eligible for free or reduced lunch
- Attending 82 Colleges & Universities

Getting Around is Getting Easier

- Leading new infrastructure projects focused on improving mobility
- Improving: access to city amenities, environmental health, and community connection



The Richmond Wellness Trail Plan, BART station improvements, and bike share programs

Ferry Service – Fall 2018



- Contracts were approved in February, 2017
- Construction has started on the new terminal
- Ferry service is scheduled to begin in October, 2018

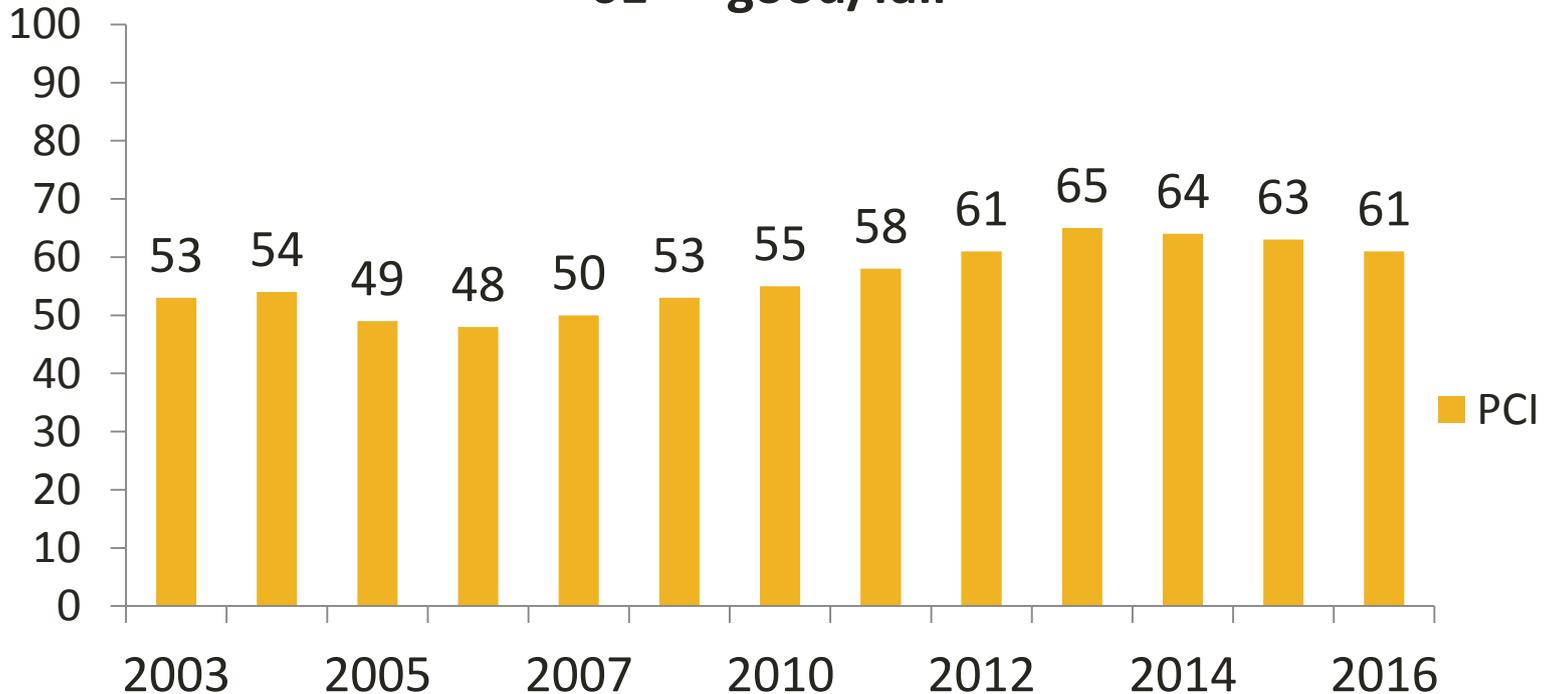
New Partners Richmond Field Trip



Richmond was featured as a regional tour destination exploring the city's "Pathways to Wellness"

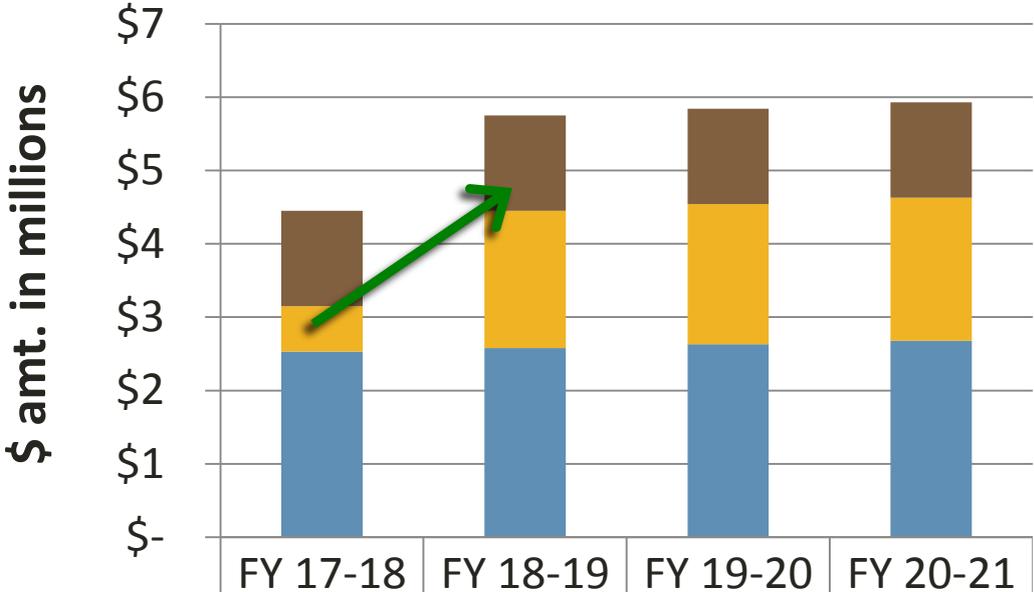
Street Conditions at Risk

Richmond Pavement Condition Index 61 = "good/fair"



SB 1 Ramps up Funding

- 5-year funding
 - \$30.2 million
- More funds needed
 - Approx. \$29 million
- **SB 1** driving increase in funds
 - State 12 cent gas tax



	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Total	\$4.45	\$5.75	\$5.84	\$5.93
Measure J	\$1.30	\$1.30	\$1.30	\$1.30
SB1	\$0.62	\$1.87	\$1.91	\$1.95
Gas Tax	\$2.53	\$2.58	\$2.63	\$2.68

Bikes and Peds

- Wellness Trail Plan adopted
- Over 100 bike racks installed, including several electronic bike lockers
- Carlson crosstown connection
- Nevin Ave complete streets project
- Bikeshare – coming soon!



The Greenway Gap Closure Project at San Pablo Ave

Parks and Transportation Grants

Active Transportation

Project	Awarding Agency	Amount Awarded
Electronic Bike Lockers	Bay Area Air Quality Management District	\$40,000
Bikeshare Program	Metropolitan Transportation Commission	\$1,000,000
Bike Rack Program	Bay Area Air Quality Management District	\$3,600

Urban Greening

Project	Awarding Agency	Amount Awarded
Greening the Yellow Brick Road	California Natural Resources Agency	\$4,100,000
Richmond Wellness Trail, Phase 1	California Natural Resources Agency	\$3,114,025
Housing Related Parks Program	CA Department of Housing and Community Development	\$1,710,829

Almost \$10 Million!

Richmond-San Rafael Bridge & Pt. Molate Access

- Phase I, Richmond – San Rafael Bridge Access Improvement Project almost complete
 - **Over one mile of Point Molate Bay Trail between Castro St. and Stenmark Drive.**
- Bidirectional Bay Trail on upper-deck of the bridge under construction
- Completion of third eastbound traffic lane, April 2018



Rendering of Bay Trail on Richmond-San Rafael Bridge.



On December 4, 2017, more than 25 mayors who are part of the *We Are Still In* coalition signed the “[Chicago Charter](#)” at the North American Climate Summit.

CLIMATE ACTION AND SUSTAINABILITY

Resilient By Design

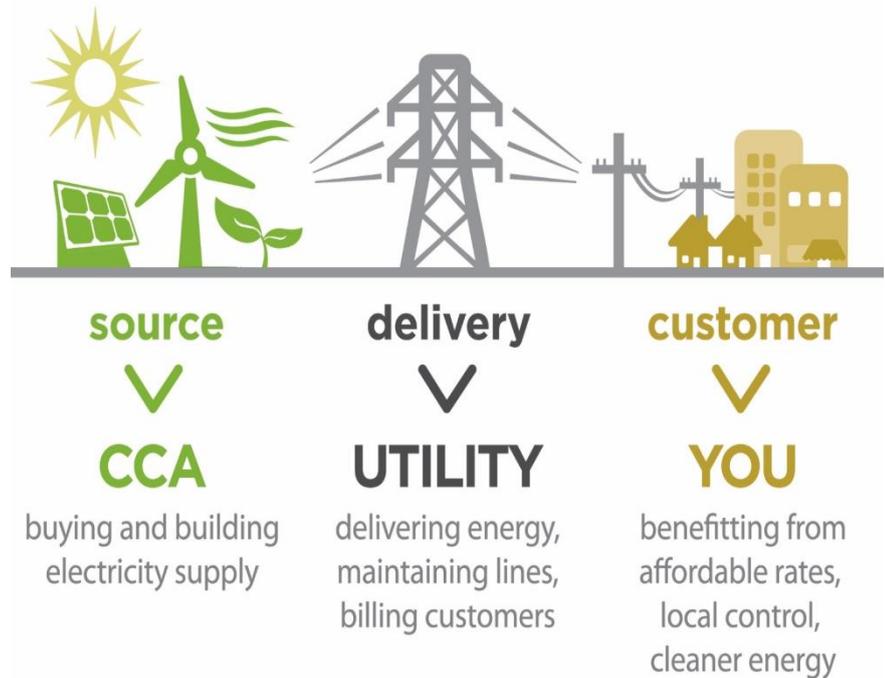


Portions of Richmond subject to inundation

- Design team chosen for North Shoreline area
 - The “Home Team”
- Shoreline resiliency to climate change and sea-level rise
- Designs will be presented in May of 2018

MCE Clean Energy - Deep Green Champion

- 34,433 Accounts in Richmond
 - **80% Enrollment rate**
 - **2.3% Deep Green enrollment**
- New renewables: Over \$1 billion in construction to date
- Top 5 in Deep Green consumption
- Growth of MCE service area
 - **13 communities added in Contra Costa**



Solar One – up and buzzing

- Completed and online December 22, 2017!
- 10.5 MW = energy for about 3,400 homes annually
- 3,234 metric tons of CO₂ eliminated per year
- 341 construction jobs and 50% local resident workforce





MCE Solar One

Bringing Home the Beacon

- Platinum - Sustainability Best Practices Award 2017
- Gold - Community Energy Savings Award 2017

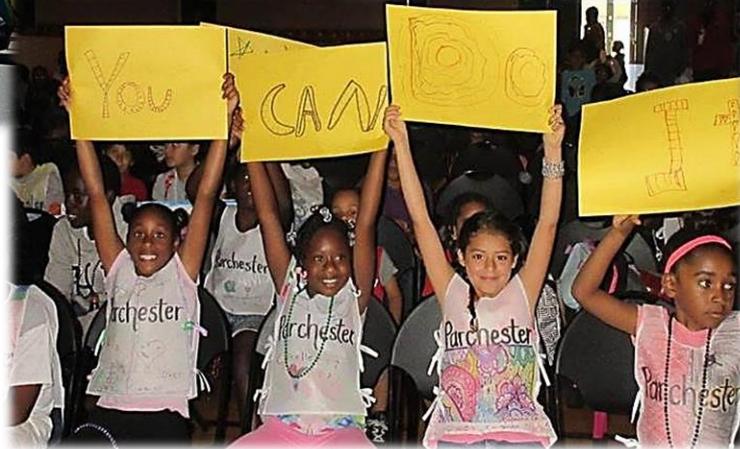


Community Highlights



Movies on the Plaza

Community and Cultural Events



Community and Cultural Events



Richmond Fire and Police Bike give away 700 bikes



Mayor's Community Fund

- \$18,000 for youth sports and community programs in spring 2017
- Raised over \$30,000 in Fall 2017
- Thanks to Richmond Community Foundation, grant review committee, donors



Person of the Year

Ryan Coogler

- **Director of Black Panther, Creed, Fruitvale Station**
- **Grew up in Richmond**
- **Black Panther grossed over \$700 million so far!**



Photo source: San Francisco Chronicle



HEALTH AND RECREATION

Richmond residents love their neighborhoods!

Love Your Block Grants- over 200 residents volunteered to beautify their neighborhoods

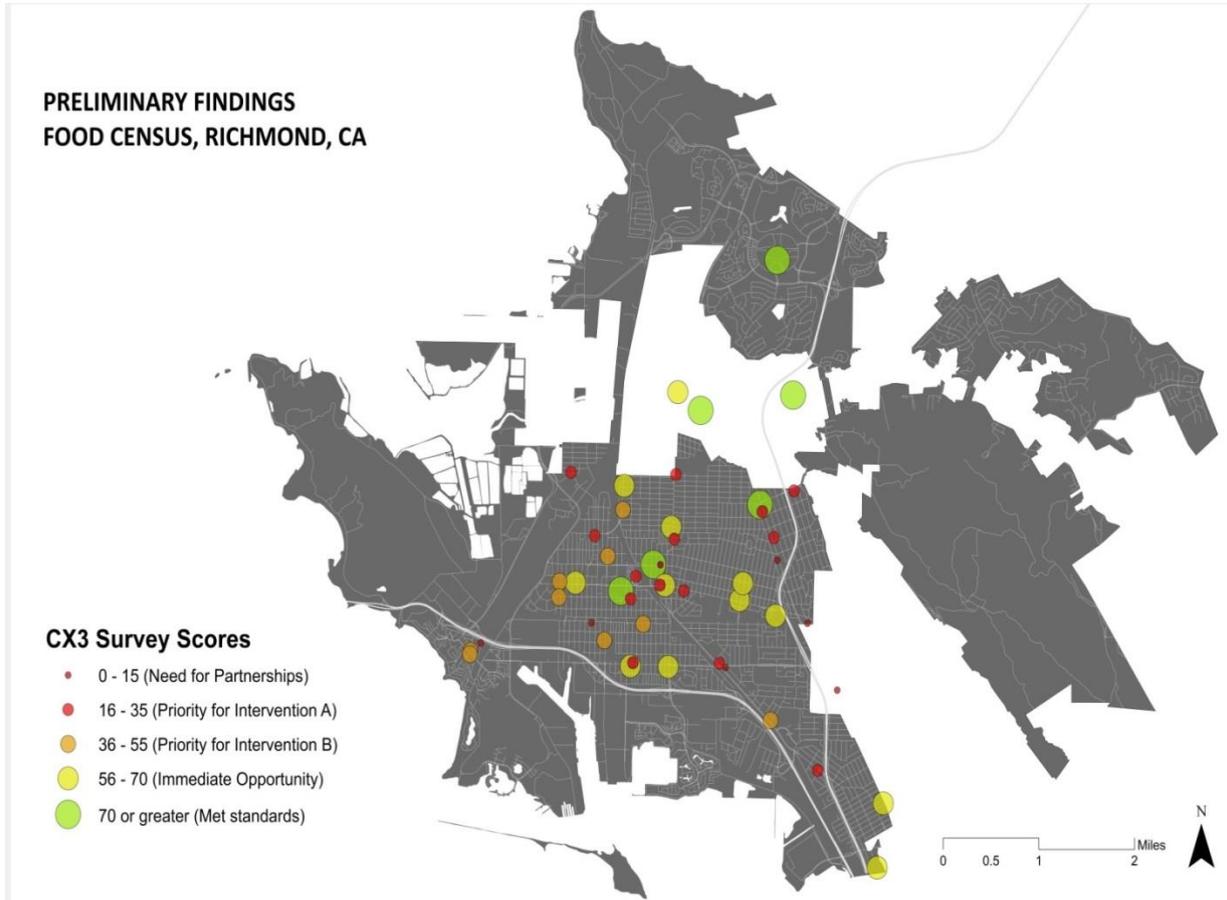


Tool Lending Library continues to grow

- Added nearly 150 new members in 2017
- Total membership: 263
- Average 30 tools checked out each week
- 27 project groups utilized Tool Lending Library



The Richmond Food Census



New Parks



Robert Wood Johnson Foundation Funds health equity study



2017 Progress Report

Goal	Status	What Happened
Roll back the number of homicides and other violent crimes.	Green	Homicides dropped by 37% in 2017 and all violent crime dropped by 2%.
Adopt a structurally balanced budget for fiscal year '17 – '18.	Green	The budget is balance and reserves are growing.
Start building out of the housing crunch.	Green	Over 2000 housing units built and in the pipeline.
Take back Point Molate and start developing.	Light Green	Settlement discussions still ongoing.
Define future for Hilltop Mall.	Dark Green	Mall has been sold. Revitalization is forthcoming.
Rehab Historic Shipyard 3 buildings.	Light Green	Leases for general warehouse and cafeteria buildings under negotiation.
New Future for Richmond Field Station.	Light Green	New UC Berkeley chancellor committed to development strategy.

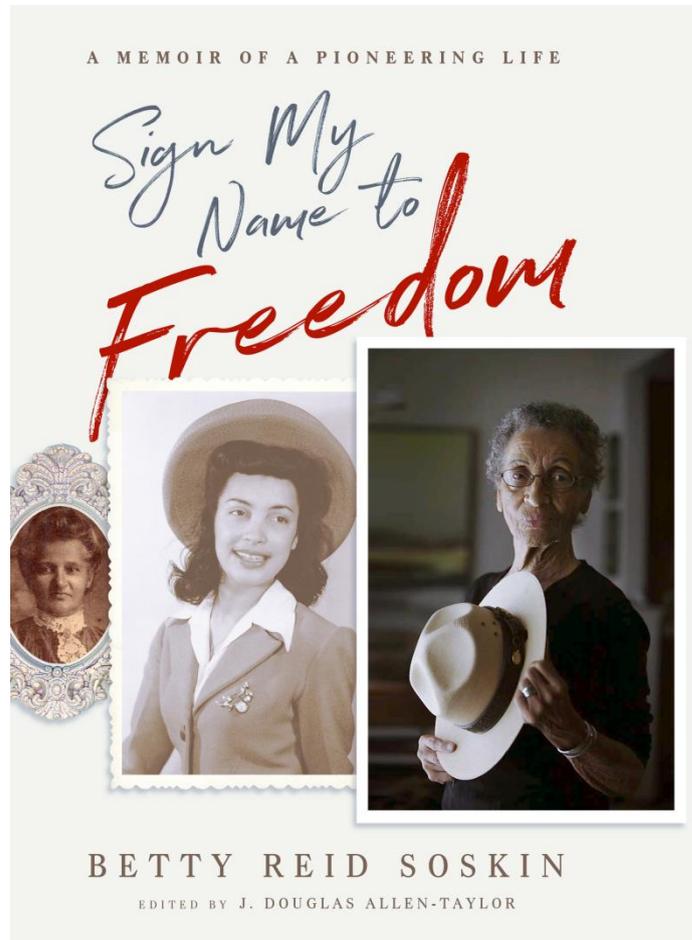
My Wish List for 2018

- Further reduction in crime and homicides
- Settle Point Molate Litigation
- Annex North Richmond
- Begin ferry service
- 1,000 homes under construction
- 50 units of homeless housing under construction
- Richmond Visitor Center up and running
- Balanced budget for 2018 -19
- Settle Chevron litigation
- Adopt litter and stormwater fee ordinance

Top 10 Challenges are also Opportunities

- Homelessness
- Trash Dumping
- Rising Pension Costs
- Fewer City Employees
- Political Dysfunction
- Crime
- Deteriorating Street Conditions
- Education
- Housing
- Rebranding Richmond

And Now We Pause for a Commercial...



Have a great Year!

