



CITY COUNCIL STAFF REPORT

ITEM NO. 6.24

DATE: May 11, 2026
TO: Honorable Mayor and City Council
FROM: Brandon Cardwell, Innovation and Economic Development Director
SUBJECT: Resolution amending the City's Community Benefit Policy and appropriating \$600,000 in Community Benefit funds.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution amending the Community Benefit Policy and appropriating \$600,000 in Community Benefit funds.

DECISION TYPE

Administrative

SUMMARY

In January 2024, the City Council adopted the Community Benefit Policy and established the Community Benefit Fund, which has since generated over \$600,000 in revenue from private development projects, with additional funds committed from future projects. Despite the success of the Community Benefit Program as a tool for obtaining contributions from development projects, the current policy's expenditure provisions lack sufficient flexibility to pursue time sensitive economic development opportunities, as the current policy relies on the regular City budget process or a specific appropriation to allocate funds. Additionally, the current Community Benefit Policy identifies "Economic Incentive Programs" as an eligible expenditure category. Staff recommends amending the policy to delegate expenditure authority to the City Manager consistent with the approval threshold set forth in the City of Livermore's purchasing ordinance, and to expand eligible uses to include "Economic Development Programs." These amendments would increase flexibility, improve efficiency, and enable more effective support of local economic development efforts while maintaining appropriate oversight. There are no fiscal or administrative impacts.

DISCUSSION

In January 2024, the City Council adopted the Community Benefit Policy (Attachment 1) and established the Community Benefit Fund to support economic development and other community-serving investments through the negotiation of financial contributions through development agreements and

other means. Since that time, implementation of the policy has been successful from the perspective of facilitating contributions from development projects, with more than \$600,000 collected to date and several million dollars in additional contributions committed. The Community Benefit Fund does not contain any general fund or other taxpayer dollars.

While fund accumulation has progressed well, the current policy's expenditure provisions lack sufficient flexibility in allocating funds. Because expenditures are generally tied to the biennial budget process or require supplemental appropriations, staff has limited ability to deploy funds with the speed economic development opportunities often require. The lack of an expeditious path to allocating these Community Benefit monies can result in the need to use alternative sources, such as the General Fund, even though the Community Benefit Fund would have otherwise been an eligible and appropriate source.

City staff recommends amending the Community Benefit Policy to better align with the operational realities of economic development and improve the City's ability to respond to time-sensitive, competitive opportunities. Efforts to attract, retain, and expand businesses often require the City to evaluate proposals, negotiate terms, and commit resources within compressed timeframes. Under the current framework, delays associated with budget cycles or supplemental appropriations can limit responsiveness and, in some cases, result in missed opportunities, reduced negotiating leverage, or less favorable project terms. While the City's Purchasing Policy already provides delegated authority for staff to execute agreements within defined limits, the Community Benefit Policy does not currently provide the same level of flexibility, creating inconsistency and administrative inefficiency.

Additionally, the current Community Benefit Policy identifies "Economic Incentive Programs" as an eligible expenditure category, which lacks sufficient breadth to cover the range of economic development activities that may help advance community priorities. For example, a business considering locating or starting in Livermore may request specialized information about the local market that requires a consultant-led study. Such a request would not fall under the conventional definition of an "economic incentive," but may be critical to bringing that business to Livermore.

The proposed amendments (Exhibit A) address both of these challenges by:

1. Establishing a \$200,000 threshold, consistent with the City of Livermore's purchasing ordinance, for City Manager authority to expend Community Benefit funds and execute agreements, while reserving City Council approval for larger amounts; and
2. Changing "Economic Incentive Programs" to "Economic Development Programs" to better support opportunistic projects that may arise outside the budget cycle.

If approved, these changes would improve administrative efficiency, enable more timely deployment of funds, and support strategic cash flow management while maintaining accountability and fiscal stewardship. Collectively, these changes enhance the City's ability to act quickly, negotiate effectively, and position Livermore as a responsive and reliable partner in advancing local economic development objectives.

FISCAL AND ADMINISTRATIVE IMPACTS

The proposed resolution will appropriate the \$600,000 in Community Benefit funds that the City has already collected to accomplish the goals of the amended Community Benefit Policy. There are no other fiscal or administrative impacts associated with the amendment. The amendment would improve

operational efficiency. Staff time allocated to preparation of this report and the amendment is fully covered by the General Fund.

COMMUNITY PILLAR

2: Economy That Prospers

GOAL

1: Lead efforts to provide effective communication and engagement with businesses

ATTACHMENTS

- 1. Existing Community Benefit Policy
- 2. Resolution
- 3. Exhibit A - Community Benefit Policy Amendment

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Approved by:



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Fiscal Review by:



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