

DRAFT Market Conditions and Trends Report

Prepared for the City of San Pablo

July 1, 2022



bae urban economics

July 1, 2022

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Dear Ms. Tyler:

As part of the Dyett and Bhatia team, BAE is pleased to submit our existing conditions report in support of the Rumrill Specific Plan. We look forward to reviewing to your comments and suggestions.

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EXECUTIVE SUMMARY

Scope and Purpose of the Report

- BAE Urban Economics, Inc. (“BAE”) is a national urban economics and real estate consultancy based in Berkeley, California that has been engaged by the City of San Pablo (“City”) as part of the Dyett & Bhatia consultant team to prepare a market conditions and trends report to support the City’s Rumrill Boulevard Corridor Plan.
- The market conditions and trends report consists of a real estate analysis of the Rumrill Boulevard Corridor Plan area (“Plan Area”), focused primarily on industrial and ‘production, distribution, and repair’ (“PDR”) uses with brief discussions of office and retail uses. Given the limited industrial activity along the corridor, combined with the potential demand for residential and smaller-scale commercial uses, the report assesses potential future demand for industrial space and ways that the City can better support industrial users within the Plan Area. The purpose of the analysis is to identify the types of businesses that the City may be able to attract to the Plan Area and to identify the typical site and real estate requirements for these businesses.
- The report also presents an employment and industry profile for the Plan Area to identify existing industry concentrations, which can inform the City’s local economic development strategy. Finally, the report includes an analysis of housing affordability for workers in the Plan Area and discusses the importance of providing adequate, affordable housing to support economic activity.

Plan Area Location and Parcel Characteristics

- The Rumrill Plan Area is characterized by a wide variety of existing low intensity residential and commercial uses on small sites.
- Smaller sites (less than an acre) are generally not attractive for medium- and large-scale industrial uses since small sites typically cannot provide sufficiently sized facilities and an adequate paved area for truck maneuvering, loading, and docking.
- The Plan Area does not provide the quick access to major freeways and highways that is preferred by traditional industrial businesses such as medium- and large-sized warehouses, logistics facilities, and medium to large-scale manufacturers.

- The Plan Area is what is considered an ‘inside location’ which means that it can serve the local community’s needs for commercial space and small industrial businesses that seek more affordable space and do not require ready access to freeways and highways.
- While the Plan Area is bordered by a rail line, there are no access spurs into the Plan Area which limits the potential for rail-using businesses.
- Among the parcels designated for IMU, only one parcel is larger than an acre, but it is occupied by a mobile home park; only two of 34 parcels zoned IMU in the Plan Area have industrial improvements. Many other parcels have residential or service commercial uses.
- Adjacency and proximity of residential uses discourages industrial and warehouse tenants from leasing space due to concerns about traffic and noise impacts on nearby residents.

Market Conditions and Opportunities

- Industrial real estate is in high demand throughout the Bay Area, primarily driven by the logistics and distribution industries. However, the Plan Area is not well positioned to capture demand from logistics and distribution firms due to its small parcel sizes, less convenient location, and proximity of residential uses.
- Due to the small site sizes in the Plan Area, combined with the fact that the majority of parcels already have some existing use, the future potential for industrial-related business is somewhat limited in the near future. However, rising industrial rents in the East Bay market may result in industrial tenants seeking more affordable space in smaller markets such as San Pablo and the Plan Area.
- The Plan Area may be desirable for a range of small-scale manufacturers and repair entities that can use standalone industrial spaces or ground-floor spaces within mixed-use developments. These include food and beverage manufacturers, apparel and accessories manufacturers, ‘maker’ businesses, art studios and workshops, and some limited advanced manufacturing, as well as automotive and electronic repair shops.
- Small-scale PDR and industrial users such as breweries, wineries, and coffee roasters, can help activate the area by providing ancillary retail uses while not impacting the neighborhood with negative elements such as pollution and transportation concerns.

- Businesses such as clothing and sewn product stores, craft jewelry and accessory stores, and body and health care stores can function in the ground-floor of mixed-used buildings or in close proximity to non-industrial users.
- Although the Plan Area is not a viable location for new Class A office development, limited Class B office uses with local serving professional service businesses may be feasible.
- Additional residential housing demand can be satisfied within Plan Area since residential uses are already among existing uses. New higher density housing can be permitted as a standalone use or paired with ground floor commercial uses in either a horizontal or vertical format.
- Revised land use and zoning designations in the Plan Area should consider how to limit or mitigate the impacts of new industrial/PDR on adjacent or nearby residents.
- New flex industrial nodes can be encouraged south of Market Street with parcel aggregation incentives.

Industry Profile and Housing Affordability

- The Plan Area supports an active commercial sector comprised primarily of small and independently owned businesses. BAE identified 69 active establishments in the Plan Area with an estimated 217 workers.
- The industry and occupational mix for San Pablo residents reflects the labor force's orientation toward service and blue-collar jobs rather than "white collar" professional and other office occupations that are predominant elsewhere in the region.
- The local labor force also has lower educational attainment levels than the labor force in the East Bay Region. The lower level of educational attainment in the City suggests that residents can likely benefit from workforce development programs that improve and upgrade skills, offer re-skilling (e.g., new skills to transition from employment in a contracting sector to employment in an expanding sector), and provide building trades apprenticeships and other on-the-job training.
- Maintaining an inventory of housing that is affordable to workers is critical to retain and attract labor to support existing and new businesses in the Plan Area. The housing affordability analysis indicates a gap between the current pricing of homes, condos, and apartments and employee households. To expand its inventory of affordable housing, the City can consider utilizing publicly owned sites for new

affordable housing or density bonuses to developers of market-rate housing on privately owned parcels in exchange for higher levels of affordability.

INTRODUCTION

In the City's current adopted General Plan, the Rumrill Boulevard Priority Development Area (“PDA”) is envisioned as an employment district with a mix of manufacturing, light industrial, and production, distribution, and repair (“PDR”) type uses; however, this designation has not resulted in significant new investment for these uses and the district has many underutilized parcels or parcels with non-industrial uses.

At the same time, there have been changes in State and local policy that together have prompted the City to review the Plan Area’s existing general plan designation and zoning. Under the Association of Bay Area Government (“ABAG”)’s most recent Regional Housing Needs Allocation Plan,¹ the City is obligated by State law to plan for significantly more new housing and it is presently updating its Housing Element. As part of the Housing Element Update process, the City is re-evaluating the existing land use designations in the Plan area to accommodate additional housing.²

This focused market study provides data and analysis to inform the City and its stakeholders about the type of businesses the City could potentially attract to the area under a potential residential and commercial mixed-use framework and what their needs are in terms of land, buildings, and workforce skills. Findings of this focused study will also provide direction for land use and circulation alternatives and content of the Corridor Plan.

¹ ABAG, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023-2031.

² As part of the General Plan and Housing Element Update process, the City has identified several potential new locations for housing in the Plan Area, including in the southern portion of the Rumrill Boulevard corridor.

PLAN AREA PROFILE

The Rumrill Boulevard Corridor Plan area (“Plan Area”) covers approximately 55 acres near the western limit of the City’s boundary and is comprised of 102 parcels.

As shown in Figure 1, the Plan Area is an elongated corridor from north to south along Rumrill Boulevard and is bordered by the City of Richmond directly to the west and south and the Contra Costa County unincorporated area known as North Richmond further to the west beyond a narrow strip of the City of Richmond. Rumrill Boulevard, which runs for approximately 0.95 miles between Costa Avenue and Brookside Drive, is an auto oriented commercial corridor with a wide mix of generally low intensity residential and commercial uses.

The Plan Area is approximately two miles north of the Richmond BART Station and is serviced by several AC Transit Bus Routes (No. 71, 76, and 376). The Plan Area can access Interstate 80 approximately two miles to the east via Brookside Drive and Market Street which connect to San Pablo Avenue, and Interstate 580 approximately four miles to the south and west via routes along Richmond Parkway/Pittsburg Avenue/Brookside Drive, Harbor Way S./Pennsylvania Avenue/13th Street, and Market Street/23rd Street.

Figure 1: Rumrill Boulevard Corridor Plan Area

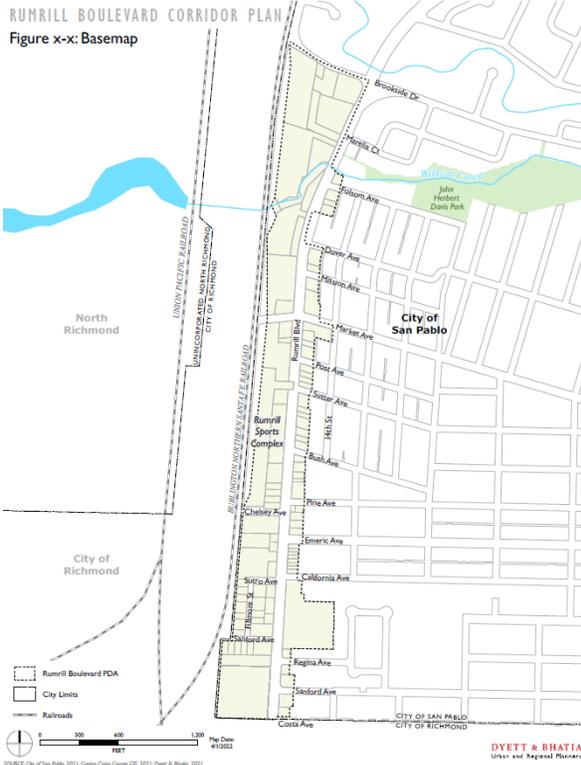


Figure 2: Rumrill Plan Area Location – Freeway Access



Sources: Google Earth; BAE, 2022.

Surrounding Land Uses

To the north, east, and southeast of the Plan Area, surrounding land uses are primarily low-density residential with some commercial uses along Market Avenue. Directly south of the Plan Area in the City of Richmond, BART operates a rail yard and maintenance facility. The west side of the Plan Area is bordered by north-south railroad tracks owned by BNSF and land to the west of the tracks is either vacant or in industrial, warehouse distribution, or outdoor storage use.

Implication of Location for Industrial and PDR Uses

- The Plan Area does not provide the quick access to major freeways and highways that is preferred by traditional industrial businesses such as medium- and large-sized warehouses, logistics facilities, and medium to large-scale manufacturers.

- The Plan Area is what is considered an ‘inside location’ which means that it can serve the local community’s needs for commercial space and small industrial businesses that seek more affordable space and do not require ready access to freeways and highways.
- While the Plan Area is bordered by a rail line, there are no access spurs into the Plan Area which limits the potential for rail-using businesses.

EXISTING ZONING AND LAND USE DESIGNATIONS

Plan Bay Area 2040

The Plan Area is a PDA and was identified as an Employment Focus Area in Plan Bay Area 2040 that was adopted by ABAG and MTC in 2017. ABAG defines a PDA as an area with robust public transit connectivity that has been identified for more intense development and redevelopment under the Plan Bay Area 2040. ABAG notes that planning for more intense development in a PDA “promotes greater social equity for all by increasing access to housing, and economic and cultural opportunities, regardless of race or income.”

General Plan

The City’s existing 2030 General Plan envisions the transformation of the southern portion of the Rumrill Boulevard corridor (from its intersection with Market Avenue) into an employment node with a mix of light manufacturing, distribution, sales, and service uses. The City’s current General Plan Land Use Map designates a large share of the Rumrill Boulevard PDA for use by industrial and service industries through the Industrial Mixed-Use (“IMU”) general plan and zoning designation. Despite this designation, the Plan Area has a fairly limited number of true industrial businesses and has experienced essentially no new industrial development since the adoption of the zoning map in 2018.

Existing Zoning

As shown in Table 1, the IMU zone accounts for a relatively large share of the parcels and land acreage in the Plan Area. Roughly one-third of the parcels within the PDA have an IMU zoning designation. Based on the acreage, the IMU zone accounts for 27.8 percent of the total acreage within the Plan Area, or roughly 13.1 acres of the 47.1 total Plan Area acreage. Aside from the IMU zone, the Neighborhood Commercial (“NC”) zone and Multifamily Residential District (“R-3”) zone account for the majority of the remaining parcels within the Plan Area. The NC zone includes 41 parcels and 11.3 acres, while the R-3 zone accounts for 13 parcels and 11.6 acres.

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Table 1: Parcels and Acreage by Zoning Code, Rumrill PDA

Zoning District	Parcels		Acres	
	Count	Percent	Count	Percent
CMU - Commercial Mixed-Use District	7	6.9%	1.9	4.0%
CR - Regional Commercial District	1	1.0%	2.3	4.8%
I - Institutional District	3	2.9%	2.1	4.4%
IMU - Industrial Mixed-Use District	34	33.3%	13.1	27.8%
NC - Neighborhood Commercial District	41	40.2%	11.3	24.0%
OS - Open Space District	3	2.9%	4.9	10.5%
R-3 Multifamily Residential District	13	12.7%	11.6	24.6%
Total Parcels (a)	102	100.0%	47.1	100%

Note:

(a) Total excludes 17 parcels in the mobile home community in the IMU District in the southern portion of the PDA. These parcels do not have a listed site size and are instead aggregated together in a separate larger parcel within the PDA

Sources: City of San Pablo; Contra Costa County; BAE, 2022.

IMU Parcel Characteristics

As seen below in Tables 2 through 4, the IMU parcels tend to be smaller sites with some level of existing improvements. The vast majority, or 85 percent, of sites are less than one-half of an acre. There are just four parcels that are larger than one-half of an acre, with one single parcel listed at more than two acres. The largest parcel consists of a 3.6-acre site that encompasses all of the Hacienda mobile home park in the southern portion of the PDA.

Table 2: IMU Parcels by Acreage, Rumrill PDA

IMU Parcel Size	Parcels	Percent
Less than 0.5 Acres	29	85.3%
0.5-1.0 Acres	2	5.9%
1.0-2.0 Acres	2	5.9%
2.0 Acres or More	1	2.9%
Total IMU Sites	34	100.0%

Sources: City of San Pablo; Contra Costa County; BAE, 2022.

The PDA contains a very limited number of vacant sites within the IMU zone. As seen in the table below, only three non-government owned sites, accounting for 0.4 acres, are currently vacant, with one other government-owned site that is also vacant. Of the sites with some existing development, the largest share of IMU parcels have residential uses on the sites, including manufactured homes, fourplexes, and apartments. A modest number of IMU sites, just six parcels, have a small-scale commercial store, while three sites have an auto-repair shop. Only two parcels are identified with true industrial uses, indicating that the area will require turnover of existing non-industrial uses and a significant amount of new development to support the businesses envisioned in the IMU zoning district.

Table 3: IMU Parcels by Existing Use, Rumrill PDA

IMU by Current Use	Parcels		Acres	
	Count	Percent	Count	Percent
Apartments, 5-12 units	2	5.9%	0.3	2.4%
Auto Repair	3	8.8%	0.6	4.6%
Churches	1	2.9%	0.2	1.4%
Commercial Stores (not supermarkets)	6	17.6%	3.7	28.0%
Fourplex	12	35.3%	1.5	11.8%
Government-owned, with or without improvements	1	2.9%	0.1	0.9%
Light Industrial	2	5.9%	2.0	15.6%
Motels, Hotels, Mobile Home Parks	1	2.9%	3.6	27.2%
Parks and Playgrounds	2	5.9%	0.3	2.1%
Single Family on other than single family land	1	2.9%	0.4	3.0%
Vacant Land	3	8.8%	0.4	2.8%
Total IMU Sites	34	100%	13.1	100%

Sources: City of San Pablo; Contra Costa County; BAE, 2022.

To estimate the potential for turnover and redevelopment of sites within the PDA, Table 4 below summarizes the existing Improvement-to-Land value ratio (I-L ratio), which compares the existing value of the improvements on each site to the land value of the site. Typically, sites with I-L ratio of less than 1.0 indicates underutilized or partially-developed sites. These sites offer the most likely opportunities for additional development or full redevelopment given the limited value of the existing improvements on the site. As seen below, five sites have I-L ratios of 0.0, which include vacant sites, publicly-owned sites, and churches. Although this accounts for roughly fifteen percent of all sites, the combined size of these parcels is quite limited, at just 0.6 acres. There are six sites (6.5 acres) that have I-L ratios less than 1.0, which may represent potential redevelopment opportunities. An additional 11 sites (2.4 acres) have I-L ratios between 1.0 and 2.0, while 12 sites (3.5 acres) have existing I-L ratios above 2.0, which are unlikely for near-term redevelopment.

Table 4: IMU Parcels by Land-to-Improvement Value Ratio, Rumrill PDA

Improvement-to-Land Value Ratio	Parcels	Acres
I-L Ratio is 0	5	0.6
I-L Ratio Less than 1.0	6	6.5
I-L Ratio 1.0-2.0	11	2.4
I-L Ratio Above 2.0	12	3.5
Total IMU Sites	34	13.1

Sources: City of San Pablo; Contra Costa County; BAE, 2022.

Implication of Parcel Characteristics on Industrial and PDR Uses

- Among the parcels designated for IMU, only one parcel is larger than an acre, but it is occupied by a mobile home park; only two of 34 parcels zoned IMU in the Plan Area have industrial improvements. Many other parcels have residential or service commercial uses.

- Smaller sites (less than an acre) are generally not attractive for medium- and large-scale industrial uses since small sites typically cannot provide sufficiently sized facilities and an area for truck loading and docking.
- Adjacency and proximity of residential uses discourages industrial and warehouse tenants from leasing space due to concerns about traffic and noise impacts on nearby residents.
- Since only about 28 percent of the Plan Area acreage is designated as IMU and few parcels are available for industrial and PDR uses, the City could consider consolidating regional, neighborhood, and IMU general plan and zoning designations into one new mixed use designation.
- Large scale industrial tenants reliant on time-sensitive deliveries or distribution operations would likely not view the Plan Area as an attractive location due to its small parcel sizes and poor freeway connectivity. The City’s economic development programs could focus on assisting and supporting small industrial and PDR businesses that serve the local market or are willing to accept the tradeoff between affordable space and less convenient access to freeways and highways.



Hacienda Mobile Home Park in the IMU zoning district.

INDUSTRIAL TRENDS

Demand for industrial space will be influenced by the following general trends that shape tenant and end user preferences and demand for industrial space in the Plan Area.

Revival of Manufacturing

While traditional manufacturing has declined over the past many decades with jobs having shifted to overseas locations, new global forces are stimulating a modest revival in manufacturing in the United States. Rising wages in developing economies, supply chain disruption (arising from COVID-19, wars, and natural disasters), theft of intellectual property abroad, same day deliveries, and lower energy costs in the U.S. are the primary drivers of the “re-shoring” of manufacturing jobs. While this trend is

at the early stages, research by the consultancy A.T. Kearney indicates that re-shoring has been concentrated in the electrical equipment, appliance and component manufacturing, chemical manufacturing, transportation equipment manufacturing, and apparel manufacturing. This trend impacts the broader East Bay industrial market and will likely have modest impact in the Plan Area where there is a lack of suitable parcels for medium- to large-scale industrial facilities. Reshoring will likely indirectly impact the Plan Area when smaller firms are priced out of other areas in the East Bay market and seek less expensive locations; this would be especially true for the PDR sector of the industrial market.

Location Criteria

Industrial developers, end users, and tenants typically seek large parcels with desirable topography (e.g., flat and with minimum potential for flood or other hazards), access to major interstate freeways and connecting arterials that avoid residential uses, access to other transportation modes such as freight rail, airports, or water (depending on nature of industrial activity), and access to workforce.

Flex Space

Flex space is typically developed at a low density (0.24 floor area ratio) to permit parking and truck movement. Office space comprises between 15 and 25 percent of total floor area with the remainder in high-bay configuration for warehouse, assembly, or R&D use. Flex space can accommodate a wide range of industrial sectors for businesses not requiring customized facilities.

Warehouse/Logistics Centers

Logistics centers are a growing and evolving segment of the industrial sector that will continue to drive warehouse demand. With online retailers shifting to same-day deliveries and the proliferation of chain convenience stores, distributors are seeking smaller facilities (50,000 to 100,000 square feet compared to larger centers of up to one million square feet) at sites closer to major urban markets. The market for large facilities is also changing. Ceiling clear height requirements are moving from 20 to 25 feet to up to 80 to 100 feet. For all new or rehabilitated warehouse space, developers and tenants require highly energy efficient buildings in locations with excellent transportation connectivity.

Production, Distribution, and Repair (“PDR”)

As the name suggests, PDR generally refers to any business that produces, distributes, or repairs goods. This broad definition includes the production of items such as apparel, jewelry furniture, medical devices, robotics and other advanced manufacturing; contract manufacturers of prototypes or electronic devices; food and beverage production; distribution of produce, flowers, or retail goods; and repair shops for furniture, private automobiles, or commercial fleets. The market for PDR space is comprised of demand from a variety of segments, including, but not limited to:

- Small scale, small-run/prototyping, and/or start-up manufacturers
- Hybrid manufacturers/retailers
- Food and beverage producers

- Wholesalers, utilities, and transportation
- Logistics and distribution, including last mile delivery
- Cannabis production and distribution
- Printing and publishing
- Arts and crafts manufacturers
- Audio, film, video, and other media
- Contractors, auto, and other repair services
- Businesses engaged in local repair, reuse, and/or recycling (i.e., the “circular economy”)³

These categories are not mutually exclusive.

INDUSTRIAL REAL ESTATE MARKET CONDITIONS

The following section summarizes the existing conditions and historic trends within the industrial market in the Rumrill Boulevard PDA. Given the limited amount of industrial space within the Plan Area itself, the following section also summarizes conditions in the City of San Pablo and East Bay Region, which includes Alameda and Contra Costa County.

Existing Inventory, New Deliveries, and Vacancy Trends

Industrial real estate can be broadly defined as all land and buildings which accommodate industrial activities including production, manufacturing, assembly, warehousing, research, storage, and distribution. The preferences of industrial tenants and users related to location, space configuration, and property features varies by subsectors. A market’s industrial space inventory consists of three categories of space (Class A, B, and C) which reflect different pricing based upon the condition of the building, quality of management, location, amenities, and functionality⁴.

³ “Circular economy” is a broad term that is used to refer to an alternative economic model of production and consumption that “reduces material use, redesigns materials to be less resource intensive, and recaptures ‘waste’ as a resource to manufacture new materials and products” (Environmental Protection Agency, 2021). See: <https://www.epa.gov/recyclingstrategy/what-circular-economy>

⁴ The National Association of Office and Industrial Parks defines three classes of space that are almost universally utilized by commercial real estate brokerage firms and real estate information data providers:

- **Class A Building.** A classification used to describe a commercial building with rents in the top 30 to 40 percent of the marketplace. Class A buildings are well-located in major employment centers and typically have good transit, vehicular and pedestrian access. Additionally, they are located adjacent to or in proximity to a high number of retail establishments and business-oriented or fast casual restaurants. Building services are characterized by above-average upkeep and management.
- **Class B Building.** A classification used to describe a commercial building with rents that are based between those of Class A and Class C buildings. Class B buildings are in good to fair locations in major employment centers and have good to fair transit, vehicular and pedestrian access. They are located adjacent to or in proximity to a moderate number of retail establishments and business-oriented or fast casual restaurants. Building services are characterized by average upkeep and management.
- **Class C Building.** A classification used to describe a commercial building with rents in the bottom 10 to 20 percent of the marketplace. Class C buildings are in less-desirable locations relative to the needs of major tenant sectors in the marketplace. They can be older, neglected buildings in good locations or moderate-level buildings in poor locations, so

As seen below in Table 5, the Plan Area contains approximately 71,700 square feet of all classes of industrial space, which accounts for 13.7 percent of industrial space in the City of San Pablo. San Pablo itself has approximately 522,300 square feet of industrial space which accounts for 0.2 percent of the entire East Bay Area market, which is comprised of nearly 270.6 million square feet. For comparison purposes, San Pablo accounts for 1.1 percent of the East Bay Area population, suggesting San Pablo has a lower share of industrial space per capita relative to other East Bay cities. The Plan Area and City have seen their inventory grow slightly since 2000, but the 1,000 square feet increase in industrial space shown since 2020 in the Plan Area is due to the addition of a fenced lot which was categorized as industrial/flex by CoStar. The City has experienced a slight drop (12,300 square feet) in its inventory between 2000 and 2022. The East Bay inventory grew by nearly 15.9 million square feet in the same period.

Net absorption is one metric of market health, and it measures the net change in occupied space in a period of time, with positive net absorption indicating that there is demand for industrial space which brings down vacancies and fills new construction. According to CoStar, the Plan Area and San Pablo have absorbed approximately 8,000 and 50,600 square feet, respectively, of industrial space since 2010; since there was either no change (Plan Area) or a drop (San Pablo) in the industrial space inventory, this means that vacant space was leased. In fact, CoStar is showing that the Plan Area and City currently have no vacant industrial space available⁵.

Table 5: Industrial Market Summary, Q1 2022

Industrial Summary	Rumrill PDA	City of San Pablo	East Bay Area Market
Total Inventory (sq. ft.), Q1 2022	71,686	522,276	270,584,521
Vacancy Rate	0.0%	0.0%	4.8%
Avg. Asking Rents			
Avg. Asking Rent per sq. ft., Q1 2020	n.a.	\$0.72	\$1.21
Avg. Asking Rent per sq. ft., Q1 2022	n.a.	\$0.68	\$1.52
% Change, Q1 2020 - Q1 2022	n.a.	-5.6%	25.6%
Net Absorption			
Net Absorption (sq. ft.), Q1 2010 - Q1 2022	8,000	50,628	20,297,585
Net Absorption (sq. ft.), Q1 2020 - Q1 2022	1,000	12,403	7,114,930
New Deliveries (sq. ft.), Q1 2020 - Q1 2022	1,000	1,000	7,683,362
Under Construction (sq. ft.), Q1 2022	0	0	4,996,748

Sources: CoStar 2022; BAE, 2022.

transit, vehicular and pedestrian access may vary. Typically, fewer amenities and restaurants are found in or near these buildings, and they are usually of moderate to low quality. Building services are characterized by below-average upkeep and management.

⁵ It should be noted that CoStar's accuracy is frequently lower for small geographic areas or small markets.

By comparison, the East Bay Area Market has absorbed roughly 20.3 million square feet since 2010, and roughly 7.1 million square feet between 2020 and 2022. Due to the significant positive absorption of industrial space in the region, the industrial vacancy rate has declined from roughly ten percent in 2010 to just 4.8 percent in 2022.

Rental Rate Trends

Industrial rental rates in the City of San Pablo have remained relatively stable over the past 12 years, contrary to regional trends of increasing rental rates⁶. As seen below in Figure 3, industrial rents in San Pablo have fluctuated since 2010, though have generally landed between \$0.45 and \$0.70 monthly per square foot on a triple net basis⁷. Industrial rents reached a peak in the first quarter of 2020, at \$0.72 per square foot. Over the past two years, rents in San Pablo have declined, though still remain above the historic average rate.

By contrast, rents in the East Bay Area market have steadily increased since 2011, when rents were roughly in-line with rents in San Pablo. Since 2011, rents have nearly tripled in the East Bay, reaching \$1.52 per square foot at the end of the first quarter of 2022. This trend is primarily driven by increasing demand for large-scale distribution and logistics spaces, given the increasing consumer demand for delivery services.

Figure 3: Industrial Rental Rate Trends, City of San Pablo and East Bay Area Region



Sources: CoStar 2022; BAE, 2022.

⁶ CoStar did not report rental rates for industrial properties in the Plan Area.

⁷ Triple net rent means that the tenant pays for taxes, insurance, and utilities for their leased space in addition to a base rent.

Implication for Industrial and PDR Uses

- Overall, San Pablo is not considered a major industrial market in the East Bay but it offers lower rents that are more affordable for small industrial and PDR businesses.
- New industrial development has not occurred due to relatively low rents and the lack of suitable parcels.
- Rising industrial rents in the East Bay market may result in industrial tenants seeking more affordable space in smaller markets such as San Pablo and the Plan Area.

INDUSTRIAL BUSINESS OPPORTUNITIES

Industrial real estate is in high demand throughout the Bay Area, primarily driven by the logistics and distribution industries. Given that the Plan Area is not well positioned to capture demand from logistics due to its small parcel sizes, less convenient location, and proximity of residential uses, the following section summarizes the potential opportunities for the Plan Area to capture certain smaller-scale industrial users that align with the goals of the IMU zoning category and would provide economic opportunity to local residents.

Potential Industrial Business Types

Based on the existing users and sites in the area, the Plan Area may be desirable for a range of small-scale manufacturers and repair entities that can use standalone industrial spaces or ground-floor spaces within mixed-use developments. These include food and beverage manufacturers, apparel and accessories manufacturers, ‘maker’ businesses, art studios and workshops, and some limited advanced manufacturing, as well as automotive and electronic repair shops.

These users are often searching for affordable spaces that do not require proximity to major transportation corridors. Similarly, these users, such as breweries, wineries, and coffee roasters, can help activate the area by providing ancillary retail uses while not impacting the neighborhood with negative elements such as pollution and transportation concerns.

Certain businesses in these categories can even function in the ground-floor of mixed-used buildings or in close proximity to other non-industrial users. These businesses typically include clothing and sewn product stores, craft jewelry and accessory stores, and body and health care stores. As discussed in more detail below, these types of businesses often are led by local entrepreneurial individuals or groups that do not currently have the capital or space to start a fully functioning business. As such, the Plan Area may be able to transform into a hub for fledgling apparel and craft jewelry manufacturing, food and beverage manufacturing, and recycling, reuse, and repair companies.

Industrial and PDR Requirements

The majority of sites within the Plan Area are less than one-half acre, suggesting that any new industrial development will be relatively small in size, barring major site assemblage. Assuming a new one-story standalone industrial space delivers at 0.4 Floor Area Ratio (“FAR”), a one-half acre site could accommodate roughly 9,000 square feet of new industrial space. Given these size constraints, BAE recommends focusing on industrial businesses that can function out of smaller industrial spaces. This excludes warehousing, distribution, and logistics companies, but still includes several manufactures and repair companies discussed above.

Figure 4 on the following page presents specific space requirements associated with various business types that could be accommodated within the Plan Area and that align with the goals of the IMU zoning district. As can be seen below, users ranging from clothing and apparel manufacturers to wineries and breweries typically require between 1,000 and 5,000 square feet, with some larger operations requiring as much as 20,000 square feet.

These site size requirements align with the parcel sizes and potential development capacity of the Plan Area. Figure 4 below also summarizes additional needs of these specific business types, including building heights, utilities, and shipping/receiving needs. As seen below, the apparel manufacturing companies require limited utility capacity and specific space requirements like unique drainage or HVAC systems. By contrast, some of the food and beverage manufacturers require more power and water capacities, as well as unique drainage and HVAC systems. The City can use these space requirements to understand the potential to attract new industrial companies to the Plan Area and review its development standards to make sure that new industrial and PDR uses can be incorporated into mixed-use developments.

Industrial/PDR in Mixed-Use Projects with Residential

Mixing industrial and PDR uses with residential uses raises project design, marketing, and operational issues that need to be addressed and overcome, including:

Hours of Operation

A key issue for mixed residential and industrial/PDR uses is hours of operation. PDR tenants seek 24-hour access and use of their space to ensure flexibility in meeting customer requirements. Developers of residential units, on the other hand, seek to limit potential disturbances to tenants and prepare and record covenants, codes, and restrictions (CC&Rs) to set limits on PDR activities.

Noise, Smells, and Vibrations

Noise, smells, and vibrations are the most common concerns of adjacent residents. Developer stakeholders indicated that satisfying the concerns of residents would come first since the residential use generates the largest stream of revenue. This is accomplished by restricting permitted hours of operation, noise, vibrations, and other operating features. If a proposed project is replacing existing PDR facilities without owner-imposed restrictions with a mixed-use new development with significant owner-imposed restrictions, the pool of eligible PDR tenants would likely be significantly reduced and not advance the City’s goals of maintaining a robust PDR sector.

Parking and Loading

PDR uses generate the need for employee parking and truck loading and unloading zones that do not conflict with residential parking and ride share pick-up and drop-off zones. The physical separation of the PDR parking and loading/unloading zones from the residential parking is preferred by PDR users as it increases the flexibility of delivery times and minimizes conflicts between residential tenants and PDR users. While a loading dock for larger trucks, such as a semi-trailer trucks expands the market for leasing PDR space generally, it makes less sense as part of a residential mixed-use project since users that typically rely upon semi-trailer truck deliveries will likely not find PDR space that is subject to limitations on business operations to be attractive.

Entries, Elevators, and Vertical Penetrations

In a mixed PDR/residential project, there is a need for separate entries and elevators (if more than one story of PDR), and vertical penetrations for PDR utility and venting systems to create marketable PDR space. However, these features reduce the overall yield of leasable square footage (both PDR and residential) and can increase development costs.

Figure 4: Industrial/PDR Space Requirements by Business Type

USE	APPAREL / SEWN / BODY PRODUCT/SMALL ACCESSORIES			FOOD AND BEVERAGE			
	Clothing/Apparel & Sewing Products	Craft Jewelry & Accessories / Print Shops	Body Products	Artisan Food Producers / Commercial Kitchens	Coffee Roasters / Chocolate Makers	Breweries	Urban Wineries
SIZE REQUIREMENTS	1000 - 5,000 sq. ft.	1000 - 2,500 sq. ft.	1000 - 5,000 sq. ft.	1000 - 3,000 sq. ft.	2,000 - 20,000 sq. ft.	5,000 - 20,000 sq. ft.	5,000 - 20,000 sq. ft.
CLEAR HEIGHT	12' to 20'	12' to 20'	12' to 20'	10' to 17'	15' to 25'	15' to 25'	17' to 30'
POWER	100A - 200A @ 120/240V 3P	100A - 200A @ 120/240V 3P	100A - 200A @ 120/240V 3P	200A - 800A @ 120/240V 3P	400A @ 120/240V 3P 400A @ 480V Preferred	400A @ 120/240V 3P 400A @ 480V Preferred	200A - 400A @ 120/240V 3P
GAS	1" (Heating)	1" (Heating)	1" (Heating)	2" (Cooking, HVAC)	2"	2"	Not Needed
VENTING	Venting is equipment based	Venting is equipment based	Vertical Venting, May require Charcoal Filters / Scrubbers	Grease Hood Exhaust Vent 250 CFM/Lineal Foot of Hood, General Exhaust for Storage/Janitorial	12" Vertical Vent, Afterburner (Has to be Upblast)	Vertical Venting	No Special Need
WATER	1.5" Main Line Min. (Excluding Slop Sink)	1.5" Main Line Min. (Excluding Slop Sink)	1.5" Main Line Min. (Excluding Slop Sink)	1.5" - 2" Main Line	2" Main Line Min.	2" Main Line Min.	2" Main Line Min. with Water Filtration, Need Both Hot & Cold Water
GREASE INTERCEPTOR	N/A	N/A	N/A	Yes. Assume 1,500 Gal. Jensen Precast	?	Yes	?
DRAIN/SEWER	Typical Sink Drain	Typical Sink Drain	Typical Sink Drain Floor Drains on Occasion	6" Main - Floor Drains Throughout	Floor Drains Throughout	Floor Drains Throughout	Area Drains and Trench Drains
NOISE	Medium	Low/Medium	Low	Medium	Medium	Medium	Low
HVAC	Preferred, Not Required	Preferred, Not Required	Preferred, Not Required	Make Up Air 90% Hood Exhaust CFM	Climate Controlled	Climate Controlled	Climate Controlled
SHIPPING/RECEIVING	Roll Up Doors Preferred	Roll Up Doors Preferred	Roll Up Doors Preferred	Ground Deliveries with Gate Lift (No Dock Req'd.)	Grade Level Roll Up Doors	Grade Level Roll Up Doors	Grade Level Roll Up Doors
ACCESSORY RETAIL	Highly Preferred	Highly Preferred	Highly Preferred	Highly Preferred	Highly Preferred	Highly Preferred - with Restaurant	Highly Preferred
EXAMPLE COMPANY	Marine Layer	Julia Turner Jewelry	Earth Body Skin Care	Sinto Gourmet, Nana Joes Granola	Ritual Coffee, Dandelion Chocolate	Speakeasy, VooDoo	Bluxome Winery, Dogpatch Winery



Sources: SF Made; PlaceMade; BAE, 2022.

OTHER COMMERCIAL USES

The existing general plan and zoning designations in the plan area permit other commercial uses such as retail and office. This section of the market conditions report presents high-level key data for the retail and office sectors.

Retail

As shown in Table 6, the Plan Area has a retail space inventory of approximately 143,300 square feet which comprises just over 10.0 percent of the City's total retail inventory. The City's retail inventory of 1.4 million square feet accounts for 1.1 percent of the East Bay total in proportion to the City's share of East Bay population. Retail vacancies are low city-wide, averaging 2.9 percent at the end of the first quarter 2022; no retail vacancies were reported in the Plan Area by CoStar, although this data point could be subject to error due to the small size of the Plan Area inventory.

Table 6: Retail Market Summary, Q1 2022

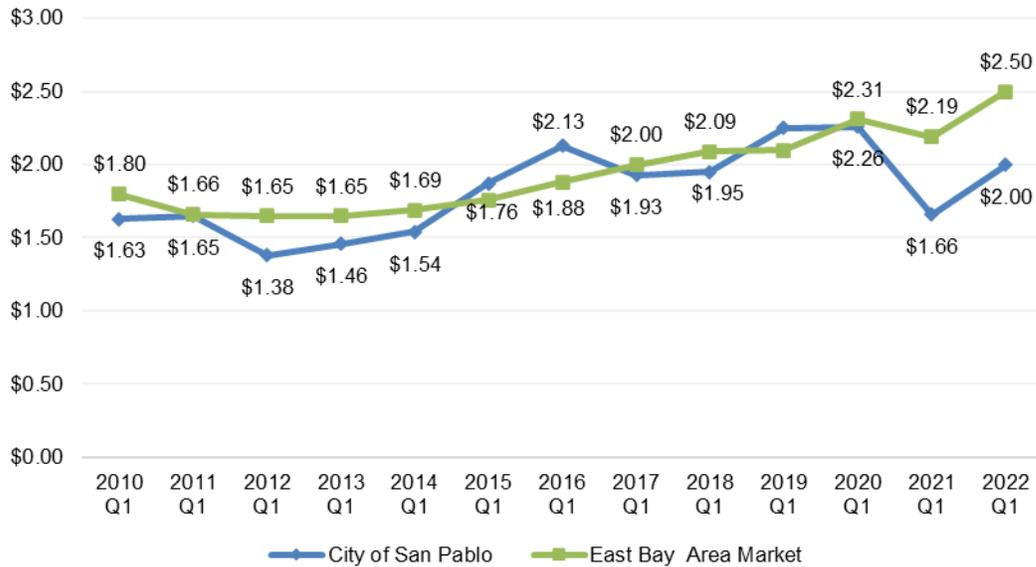
Retail Summary	Rumrill PDA	City of San Pablo	East Bay Area Market
Total Inventory (sq. ft.), Q1 2022	143,340	1,377,969	124,267,978
Vacancy Rate	0.0%	2.9%	5.0%
Avg. Asking NNN Rents			
Avg. Asking NNN Rent per sq. ft., Q1 2020	n.a.	\$2.29	\$2.38
Avg. Asking NNN Rent per sq. ft., Q1 2022	n.a.	\$1.98	\$2.63
% Change, Q1 2020 - Q1 2022	n.a.	-13.5%	10.5%
Net Absorption			
Net Absorption (sq. ft.), Q1 2010 - Q1 2022	3,000	120,656	4,266,815
Net Absorption (sq. ft.), Q1 2020 - Q1 2022	0	13,661	(1,489,962)
New Deliveries (sq. ft.), Q1 2020 - Q1 2022	0	0	461,832
Under Construction (sq. ft.), Q1 2022	0	0	209,957

Sources: CoStar 2022; BAE, 2022.

Retail rental rate data were not available for the Plan Area and Figure 5 shows the trends in rental rates for the City of San Pablo against the broader East Bay retail market area. Rental rates in San Pablo generally tracked rates for the East Bay, but during the COVID-19 pandemic, rates fell more significantly in San Pablo (-13.5 percent) and have recovered more slowly. Current rental rates are \$2.00 monthly per square foot on a triple net basis as of the end of the first quarter 2022, compared to \$2.50 monthly per square foot in the East Bay market area. Given the low rental rates in the City, developers may find it economically infeasible to

provide new retail space, unless it is part of a mixed-use project where new retail space can benefit from construction efficiencies and, if necessary, economic cross-subsidies.

Figure 5: Retail Rental Rate Trends, Q1 2010 to Q1 2022



Sources: CoStar 2022; BAE, 2022.

Office/R&D

As shown in Table 7, the Plan Area has an office space inventory of only approximately 3,900 square feet which comprises just one percent of the City’s total office inventory. The City’s office inventory accounts for a negligible percent of the East Bay office inventory. Office vacancies are low city-wide at just 1.0 percent at the end of the first quarter 2022. The City’s vacancy rate is low in comparison to the East Bay which shows a vacancy rate of 10.7 percent, which likely reflects the City’s smaller inventory and lower rents. No office vacancies in the Plan Area were reported by CoStar, but this data point could be subject to error due to the small size of the Plan Area inventory.

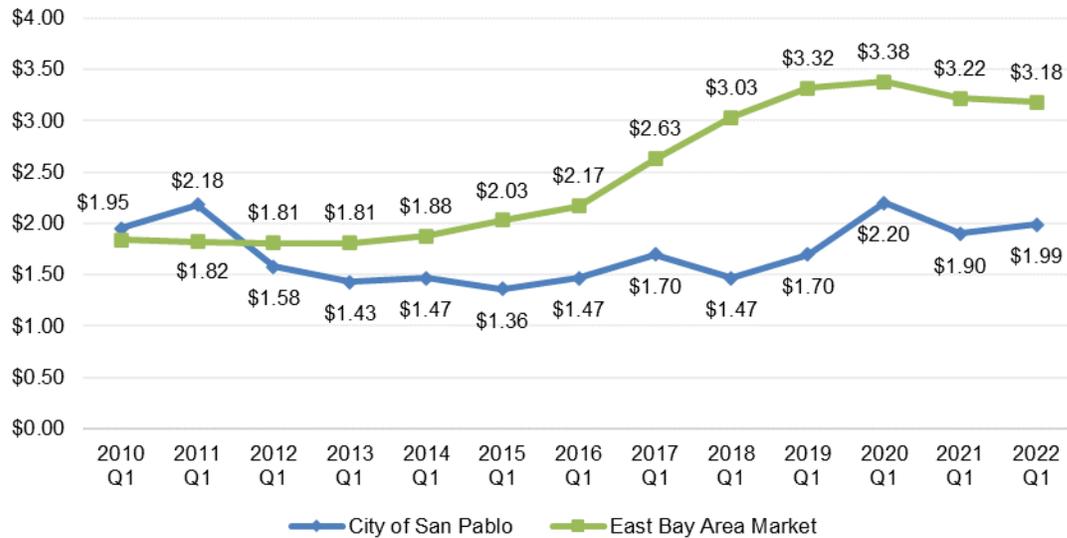
Table 7: Office Market Summary, Q1 2022

Office Summary	Rumrill PDA	City of San Pablo	East Bay Area Market
Total Inventory (sq. ft.), Q1 2022	3,884	389,458	115,436,134
Vacancy Rate	0.0%	1.0%	10.7%
Avg. Asking Gross Rents			
Avg. Asking Gross Rent per sq. ft., Q1 2020	n.a.	\$2.20	\$3.38
Avg. Asking Gross Rent per sq. ft., Q1 2022	n.a.	\$1.99	\$3.18
% Change, Q1 2020 - Q1 2022	n.a.	-9.5%	-5.9%
Net Absorption			
Net Absorption (sq. ft.), Q1 2010 - Q1 2022	0	67,741	1,811,188
Net Absorption (sq. ft.), Q1 2020 - Q1 2022	0	11,413	(3,924,162)
New Deliveries (sq. ft.), Q1 2020 - Q1 2022			
	0	13,591	637,127
Under Construction (sq. ft.), Q1 2022			
	0	0	347,855

Sources: CoStar 2022; BAE, 2022.

Except during the early recovery period from the Great Recession in 2010 and 2011, office rental rates in San Pablo have been consistently lower than the East Bay market from 2012 to the end of the first quarter 2022. The City’s average office rental rate of \$1.99 monthly per square foot is too low to support new speculative development.

Figure 6: Office Rental Rate Trends, Q1 2010 to Q1 2022



Sources: CoStar 2022; BAE, 2022.

EMPLOYMENT AND INDUSTRY PROFILE

The following section summarizes the existing businesses and employment by industry in the Rumrill Boulevard PDA and specifies existing major industry concentrations. In addition, this section provides a brief profile of the local labor force by industry, occupation, and educational attainment, as the profile of resident workers can provide guidance on potential businesses that might be attracted to the Plan Area. The analysis then includes a review of future employment trends to assess which industries are anticipated to contract and expand and identify any industries that could be prioritized in a local economic development strategy. Finally, this profile uses available income data to estimate rent or home purchase prices affordable to employees across the range of businesses in the area.

Business Establishments and Workers by Industry

BAE developed a detailed inventory of existing active business establishments in the Plan Area using business license data provided by the City of San Pablo and supplemented with other private and public sources and a tour of the corridor. Appendix A provides the list of establishments identified along with detailed industry/activity and employment estimates for each business. Based on the analysis, the vast majority of the businesses in the Plan Area are small businesses with fewer than five workers. The largest employer, Five Star Cleaners, has an estimated 22 workers. East Bay Brass Foundry is the next largest employer with a total of 13 workers. There are just four business establishments in the Plan Area that are estimated to have more than 10 workers.

Table 8 summarizes existing businesses and employment into seven major categories, as grouped by BAE. BAE identified 69 active establishments in the Plan Area with an estimated 217 workers. Excluding religious institutions, for which employment was not estimated, the six remaining sectors show between 20 and 47 workers. Table 8 shows the distributions of establishments and workers for each of the categories. Following these figures is a discussion regarding household income estimates for the workers employed in the Plan Area. Further discussion of each of the categories follows that general discussion of incomes.

Table 8: Existing Businesses in the Plan Area by Major Category

Type of Establishment	Establishments		Workers	
	Number	Percent	Number	Percent
Auto Repair and Maintenance	10	14.5%	35	16.1%
Manufacturing/Wholesale	4	5.8%	32	14.7%
Personal/Business/Social Services	19	27.5%	47	21.7%
Religious	5	7.2%		
Restaurant/Food Services	9	13.0%	46	21.2%
Retail Food	12	17.4%	37	17.1%
Retail Other	10	14.5%	20	9.2%
	69	100%	217	100%

Note:

BAE estimates, based on the sources as cited. BAE estimated the total workers at each establishment using information from Esri Business Analyst and other public online sources. For a full listing of establishments located, see Appendix A. Excludes residential properties including apartments and the mobile home park. No workers assumed for religious establishments.

Sources: City of San Pablo; Esri Business Analyst; Dun & Bradstreet; Google Searches; Yelp; BAE, 2022.

Figure 7: Establishments and Employment by Major Category



Note:

(a) BAE estimates. Detailed industry and employment data are not reported by published sources for the Plan Area. BAE estimated the total workers at each establishment using information from Esri Business Analyst and other public online sources. For more information, see Appendix A.

Sources: City of San Pablo; Esri Business Analyst; Dun & Bradstreet; BAE, 2022.

Workforce by Household Income

Household income is a key measure of the workforce; for the Rumrill Plan Area, it can provide insight into the types and location of housing affordable to those workers, in a region with high housing costs.

In order to estimate the household income of Plan Area workers, detailed data from the U.S. Census American Community Survey (ACS) Public Use Microdata Sample (PUMS) has been applied to the Plan Area's workers. Due in part to the need to maintain confidentiality and in part to ensure statistical reliability, PUMS data is only available for larger specially defined regions (Public Use Microdata Areas, or PUMAS) with a population of 100,000 or more persons. The dataset consists of actual individual and household responses to the American Community Survey, with responses edited to preserve the privacy of the respondents. While information on the specific demographics of those employed in the Plan Area is not available from the ACS, a proxy profile of those workers can be developed using PUMS data. The underlying assumption is that for the specific industries represented by the businesses in the Plan Area, the labor force profile for those same industries across the PUMA that covers the Rumrill Plan Area,⁸ along with much of west Contra Costa County can provide a reasonable proxy to estimate the household income characteristics of the workers in the Plan Area, since labor markets function at a regional level (e.g., wages are going to be similar across the region as businesses compete for workers). Census PUMS data provides a more detailed look at workers by industry than the published data which provides only 14 major industry categories; the PUMS microdata classifies workers into more than 250 industry categories, roughly approximating four-digit NAICS codes. This has allowed BAE to group establishments and workers into clusters suitable for analysis of the Plan Area businesses and workers.

Regional worker household income characteristics for these major categories are then applied to this distribution to estimate household incomes and occupational mix for the Plan Area workforce. Table 9 provides the percent income distribution by industry in the region for those industries with workers in the Plan Area. Table 10 applies that distribution to the estimated number of workers by industry in the Plan Area.

⁸ See Appendix B for a map of this Public Use Microdata Area.

Table 9: Percent Household Income Distribution for Working Persons in the Plan Area by Major Category

Industry	Estimated 2020 Household Income						Median HH
	Less than \$25,000	\$25,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$149,999	\$150,000 or more	
Auto Repair and Maintenance	6.2%	5.1%	28.4%	12.0%	36.9%	11.4%	\$97,200
Manufacturing/Wholesale	1.7%	10.4%	20.6%	18.6%	26.6%	22.0%	\$92,600
Personal/Business/Social Services	6.3%	15.4%	17.1%	17.4%	21.7%	22.1%	\$79,000
Restaurant/Food Services	3.7%	16.8%	24.8%	16.8%	23.0%	15.0%	\$83,900
Retail Food	6.1%	13.8%	17.2%	16.9%	21.8%	24.1%	\$98,500
Retail Other	4.3%	23.0%	23.4%	14.6%	20.7%	14.0%	\$72,800

Notes:

Based on a cross tabulation of Public Use Microdata Samples (PUMS) from the 2016-2020 American Community Survey. Household income distribution for workers by specified industries is based on the Contra Costa County (Far Southwest)--Richmond (Southwest) & San Pablo Cities Public Use Microdata Area (PUMA), as defined by the U.S. Census. Includes City of San Pablo, City of Richmond south of San Pablo, North Richmond, and some surrounding unincorporated areas. See Appendix B.

Sources: Census, American Community Survey Public-Use Microdata Sample (PUMS) 2016-2020; BAE, 2022.

Table 10: Estimated 2020 Household Income Distribution for Working Persons in the Plan Area by Major Industry Category

Industry	Number of Jobs	Estimated Household Income					
		Less than \$25,000	\$25,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$149,999	\$150,000 or more
Auto Repair and Maintenance	35	2.18	1.79	9.94	4.19	12.92	3.99
Manufacturing/Wholesale	32	0.56	3.34	6.59	5.95	8.52	7.04
Personal/Business/Social Services	47	2.95	7.22	8.03	8.18	10.22	10.41
Restaurant/Food Services	46	1.69	7.71	11.40	7.73	10.60	6.88
Retail Food	37	2.27	5.09	6.38	6.26	8.07	8.93
Retail Other	20	0.87	4.61	4.67	2.93	4.13	2.79
Total Workers	217	10.52	29.75	47.00	35.23	54.45	40.05
as percent of total workers		4.9%	13.7%	21.7%	16.2%	25.1%	18.5%

Notes:

Based on a cross tabulation of Public Use Microdata Samples (PUMS) from the 2016-2020 American Community Survey. Household income distribution for workers by specified industries is based on the Contra Costa County (Far Southwest)--Richmond (Southwest) & San Pablo Cities Public Use Microdata Area (PUMA), as defined by the U.S. Census. Includes City of San Pablo, City of Richmond south of San Pablo, North Richmond, and some surrounding unincorporated areas. See Appendix B.

Sources: Census, American Community Survey Public-Use Microdata Sample (PUMS) 2016-2020; BAE, 2022.

As shown in Table 10, for the industries in the Rumrill Plan Area and the income ranges shown, the largest proportion (approximately one-fourth) of the 200+ workers is in the \$100,000 to \$149,999 annual household income category.⁹ The smallest group of workers by income category is the 4.9 percent for those with annual household incomes below

⁹ It is important to note that this is the total household income for those workers, not just the earnings of the specific workers. Most workers live in households with more than a single worker, and some households have income that is not from direct worker earnings.

\$25,000; these may be households with a single-part time worker or a worker who did not work for the entire 12 months prior to their response to the American Community Survey. The remaining workers are spread across the range of annual household incomes from \$25,000 to \$150,000+. It should be noted that while the income distribution varies by category, each category shows workers in categories with lower incomes that could make obtaining affordable housing in San Pablo and nearby areas challenging.

Industry Detail for Plan Area Workforce

The Plan Area supports an active commercial sector comprised primarily of small and independently owned businesses. Following is further discussion of the Plan Area businesses in each of the major categories.

Auto Repair and Maintenance

There are ten existing auto repair and maintenance establishments scattered along the corridor with an estimated 35 employees in the Plan Area. These are largely small independent businesses; eight of the ten have fewer than four workers. Caliber Collision, the largest, was formerly San Pablo Auto Body, but is now part of a large national chain of shops, with 1,400 reported locations.¹⁰ Other businesses include tire shops, an auto detailer, collision repair garages, a specialty exhaust shop, and general repair facilities. The workers have estimated annual household incomes across the full range of incomes, but with a lower proportion of workers above \$150,000 and a notably higher proportion with incomes in the \$100,000 to \$149,999 range than the Plan Area overall. The median 2020 household income for this category is estimated at \$97,200.

Manufacturing/Wholesale

This category consists of locations dedicated primarily to manufacturing or the wholesale distribution of goods. Of the major categories as classified, this category consisted of the fewest establishments (four), but the highest average number of workers. Rudy's Commercial Refrigeration, while perhaps not the largest employer in the Plan Area, utilizes several structures, including one of the largest non-retail buildings in the PDA; this building may also be the most recently constructed building in the Plan Area, indicating a continuing commitment to the area. East Bay Brass Foundry is engaged in the manufacture of trophies, and Navarro Iron Works fabricates metal security products such as bars for windows and doors. Rubenstein Plumbing Supply is a regional supplier of plumbing and heating supplies, with four locations in the Bay Area. Workers in this category have somewhat higher household incomes than for the Plan Area overall, with a median of \$92,600, with a lower proportion of workers in the three lowest categories, and a higher proportion in the three highest categories. Sixty percent of the workers are estimated to have household incomes of \$75,000 or more.

¹⁰ <https://www.caliber.com/>, accessed June 6, 2022.

Personal/Business/Social Services

This category is a very broad grouping of 19 service-related establishments with an estimated 47 employees, including services ranging from hair salons and tax preparation, laundry and dry-cleaning services, landscaping, moving and storage, a mobile welding service, to a branch office of an Oakland-based social service agency serving Southeast Asian refugees and their families. With the exception of a commercial dry-cleaning service which may be the largest employer in the Plan Area, all the businesses are estimated to have fewer than five employees. The range of household incomes for the workers in this category are similar to the overall mix of area workers (as shown above in Table 9) with a slightly greater proportion with household incomes estimated to be \$150,000 or higher. The median annual 2020 household income is relatively low at \$79,000.

Religious Facilities

Although they are not considered business establishments, five religious institutions occupy several commercial properties in the corridor. With the exception of the Renewed Hope church, which has a dedicated facility here and another location in Richmond, these are all small storefront churches. For the purposes of the analysis here, no employment onsite has been assumed.

Restaurant/Food Services

Establishments in this category prepare food and beverages for customers for immediate on-premises and off-premises consumption. BAE located nine operating restaurant and food service businesses in the Plan Area, consisting of restaurants and food trucks, with an estimated 46 workers associated with these businesses. The number of workers ranged from one to 11 per business. Based on data derived from the PUMS analysis, the household incomes of workers in this category tend to be lower overall than for the overall set of businesses in the Plan Area (see Table 9 and Table 10 above) with a median household income of \$83,900.

Retail Food

Retail Food establishments are businesses whose principal purpose is to provide grocery items (i.e., food and beverages) for sale to the general public. In the Plan Area, these range in size from several small markets up to the Food Barn supermarket. Some of the markets share their space with independently operated meat counters (carnicerias) and other independent businesses. BAE inventoried 12 businesses in this category, with from one to eight workers, for a total of 37 workers in the category. Based on the PUMS analysis, the workers in this category are estimated to have relatively high household incomes, with a median 2020 household income of \$98,500.

Retail Other

This category covers the remainder of the retail businesses in the Plan Area, that are engaged primarily in the sale of items other than food or beverages to the general public. There are ten

small businesses, with from one to five estimated employees. These establishments specialize in a variety of goods, including gas, party supplies, used building materials and other secondhand items, and craft items. Workers in this category tend to have lower household incomes, with the lowest estimated median household income (\$72,800) among the categories of businesses and with over half of the workers in households with incomes between \$25,000 and \$75,000.

Local Labor Force

Labor availability is an important factor in assessing the potential for future economic activity in the Plan Area. The following section describes some of the key characteristics of working residents for San Pablo city, a Census-defined area of southwest Contra Costa County, and the East Bay Region, defined as Alameda and Contra Costa County combined.

Employed Residents by Industry

Overall, the labor force in San Pablo shows a “blue collar” and service-related orientation. As shown in Table 11, San Pablo has high concentrations of workers in construction, wholesale, transportation/warehousing/utilities, accommodation & food services, and other services (except public administration) in comparison with the East Bay Region. These sectors are associated with industrial and commercial land uses. The City has relatively low concentrations of workers in manufacturing, information, finance and real estate, and professional and related service-related jobs. The mix of industry employment for the Public Use Microdata Area (PUMA) that contains San Pablo and much of Richmond is similar to San Pablo, but somewhat more like the region with respect to industry percent share of total employed residents.

Employed Residents by Occupation

As shown in Table 12, the occupational mix of San Pablo’s employed residents also reflects the labor force’s orientation toward service and blue-collar jobs rather than “white collar” professional and other office occupations that are predominant elsewhere in the region. Relative to the region, the city’s labor force has high proportions of service occupations, natural resources, construction, & maintenance occupations, and production, transportation, & material moving occupations, and low proportions of management, business, & financial occupations, computer, engineering, & science occupations, education, legal, community service, arts, & media occupations, and healthcare-related occupations. As with the workers by industry, the PUMA shows an occupational makeup similar to San Pablo but somewhat more like the East Bay Region overall.

Table 11: Employed Residents by Industry, 2016-2020

Industry	San Pablo		PUMA (a)		East Bay Region (b)	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing & hunting, & mining	129	0.9%	472	0.8%	6,368	0.4%
Construction	1,886	13.2%	6,665	10.9%	86,472	6.0%
Manufacturing	541	3.8%	3,159	5.1%	123,220	8.6%
Wholesale trade	490	3.4%	1,400	2.3%	33,425	2.3%
Retail trade	1,863	13.0%	6,451	10.5%	133,520	9.3%
Transportation & warehousing, & utilities	1,144	8.0%	4,493	7.3%	75,418	5.3%
Information	152	1.1%	1,094	1.8%	45,637	3.2%
Finance & insurance, & real estate, & rental & leasing	392	2.7%	2,135	3.5%	97,401	6.8%
Professional, scientific, & management, & administrative, & waste management services	1,397	9.8%	8,096	13.2%	270,341	18.9%
Educational services	1,099	7.7%	5,546	9.0%	130,946	9.1%
Health care & social assistance	1,699	11.9%	7,367	12.0%	184,825	12.9%
Arts, entertainment, & recreation	205	1.4%	1,418	2.3%	31,238	2.2%
Accommodation & food services	1,715	12.0%	6,514	10.6%	90,695	6.3%
Other services, except public administration	1,053	7.4%	4,302	7.0%	68,633	4.8%
Public administration	548	3.8%	2,315	3.8%	53,597	3.7%
Total	14,313	100.0%	61,427	100.0%	1,431,736	100.0%

(a) This is the Contra Costa County (Far Southwest)--Richmond (Southwest) & San Pablo Cities Public Use Microdata Area (PUMA, as defined by the U.S. Census. Includes City of San Pablo, City of Richmond south of San Pablo, North Richmond, and some surrounding unincorporated areas. See Appendix B for a map of the PUMA.

(b) The East Bay Region consists of Alameda and Contra Costa Counties.

Source: U.S. Census American Community Survey, 2016-2020 Five-Year Sample Data, Table C24030; BAE, 2022.

Table 12: Employed Residents by Occupation

Occupation	San Pablo		PUMA (a)		East Bay Region (b)	
	Number	Percent	Number	Percent	Number	Percent
Management, business, & financial occupations	1,170	8.2%	7,010	11.4%	284,881	19.9%
Computer, engineering, & science occupations	343	2.4%	2,496	4.1%	172,794	12.1%
Education, legal, community service, arts, & media occupations	912	6.4%	6,022	9.8%	174,081	12.2%
Healthcare practitioners & technical occupations	396	2.8%	1,505	2.5%	71,425	5.0%
Service occupations	4,169	29.1%	16,569	27.0%	227,168	15.9%
Sales & office occupations	2,611	18.2%	11,177	18.2%	272,809	19.1%
Natural resources, construction, & maintenance occupations	2,227	15.6%	8,004	13.0%	94,450	6.6%
Production, transportation, & material moving occupations	2,485	17.4%	8,644	14.1%	134,128	9.4%
Total	14,313	100.0%	61,427	100.0%	1,431,736	100.0%

(a) This is the Contra Costa County (Far Southwest)--Richmond (Southwest) & San Pablo Cities Public Use Microdata Area (PUMA, as defined by the U.S. Census. Includes City of San Pablo, City of Richmond south of San Pablo, North Richmond, and some surrounding unincorporated areas. See Appendix B for a map of the PUMA.

(b) The East Bay Region consists of Alameda and Contra Costa Counties.

Source: U.S. Census American Community Survey, 2016-2020 Five-Year Sample Data, Table S2401; BAE, 2022.

Resident Educational Attainment

The local labor force also has lower educational attainment levels than the East Bay Region. Of particular note is the limited number of persons with bachelor’s degrees or higher; only 14.7 percent of San Pablo and 23.7 percent of PUMA residents have this level of education, in contrast to 46.5 percent of region residents (see Table 13). However, over one-fifth of city residents have attended college but not obtained any kind of degree, indicating that local residents, for whatever reason, attend college but fail to complete at a rate similar to the PUMA and the region overall. The lower level of educational attainment in the City indicates a pool of residents who can benefit from workforce development programs that improve and upgrade skills, offer re-skilling (e.g., new skills to transition from employment in a contracting sector to employment in an expanding sector), and provide building trades apprenticeships and other on-the-job training.

Table 13: Resident Educational Attainment, Population Age 25+

	City of San Pablo		PUMA (a)		East Bay Region (b)	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th Grade	3,667	18.8%	13,738	16.9%	110,264	5.6%
9th to 12th Grade, No Diploma	1,979	10.1%	8,298	10.2%	102,300	5.2%
High School Graduate (incl. Equivalency)	5,252	26.9%	18,450	22.7%	337,986	17.1%
Some College, No Degree	4,254	21.8%	15,810	19.4%	363,795	18.4%
Associate Degree	1,514	7.7%	5,807	7.1%	143,240	7.2%
Bachelor's Degree	2,244	11.5%	12,646	15.5%	545,257	27.6%
Graduate/Professional Degree	632	3.2%	6,681	8.2%	374,714	18.9%
Total Population Age 25+	19,542	100.0%	81,430	100.0%	1,977,556	100.0%
Population Age 25+ High School Graduate (incl. Equivalency) or Higher (%)		71.1%		72.9%		89.3%
Population 25+ with Bachelor's Degree or Higher (%)		14.7%		23.7%		46.5%

(a) This is the Contra Costa County (Far Southwest)--Richmond (Southwest) & San Pablo Cities Public Use Microdata Area (PUMA), as defined by the U.S. Census. Includes City of San Pablo, City of Richmond south of San Pablo, North Richmond, and some surrounding unincorporated areas. See Appendix B for a map of the PUMA.

(b) The East Bay Region consists of Alameda and Contra Costa Counties.

Source: U.S. Census American Community Survey, 2016-2020 Five-Year Sample Data, Table S1501; BAE, 2022.

Industry and Occupational Employment Projections

The California Employment Development Department (EDD) produces local industry and occupational employment projections for the East Bay Region. These employment projections provide an estimate of projected changes in industry and occupational employment over time resulting from industry growth, technological change, and other structural changes and factors.¹¹ The sectors shaded in blue signify the top four industry subsectors that are

¹¹ CA EDD provides the following disclaimer regarding the effects of the COVID-19 pandemic on the agency’s employment projections for the 2018-2028 period: “The 2018-2028 employment projections do not include impacts of the COVID-19 pandemic and response efforts. Employment projections are developed using models

prevalent in the Plan Area. Of the four subsectors, two are projected to grow significantly (Food and Beverage Stores at +9.8 percent and Food Services and Drinking Places at +13.5 percent) and two are projected to contract slightly (Repair and Maintenance at -3.5 percent and Personal and Laundry Services at -2.3 percent). This suggests that the City’s economic development programs should continue to focus on supporting existing and new food and beverage businesses since it is a strength of the Plan Area and can also attract new businesses in other growing sectors including but not limited to health care, manufacturing, and construction.

Table 14: East Bay Region Industry Employment Projections, 2018-2028 (a)

Industry Sector	2018	2028	2018-2028 Change	
			Number	Percent
Mining and Logging	200	200	0	0.0%
Total Farm	1,300	1,400	100	7.7%
Construction	74,900	80,300	5,400	7.2%
Manufacturing	100,400	108,100	7,700	7.7%
Wholesale Trade	47,500	49,100	1,600	3.4%
Retail Trade	114,400	114,100	-300	-0.3%
Food and Beverage Stores	25,500	28,000	2,500	9.8%
Transportation, Warehousing, and Utilities	41,900	46,100	4,200	10.0%
Information	27,800	30,200	2,400	8.6%
Financial Activities	55,000	57,700	2,700	4.9%
Professional and Business Services	189,300	206,900	17,600	9.3%
Educational Services (Private)	23,400	27,200	3,800	16.2%
Health Care and Social Assistance	170,800	203,200	32,400	19.0%
Arts, Entertainment, and Recreation	18,000	19,000	1,000	5.6%
Accommodation and Food Services	99,700	111,900	12,200	12.2%
Food Services and Drinking Places	91,200	103,500	12,300	13.5%
Other Services	41,000	41,800	800	2.0%
Repair and Maintenance	11,500	11,100	-400	-3.5%
Personal and Laundry Services	12,900	12,600	-300	-2.3%
Religious, Grantmaking, Civic, and Similar Orgs	16,600	18,100	1,500	9.0%
Government	174,700	179,600	4,900	2.8%
Total (b)	1,180,400	1,276,800	96,400	8.2%

Notes:

(a) The East Bay Region consists of Alameda and Contra Costa Counties.

(b) Excludes 814-Private Household Workers. Industry detail may not add up to totals due to independent rounding and suppression.

Sources: Employment Development Department, Labor Market Information Division, 2018-2028 Long-term Occupational Employment Projections; BAE, 2022.

based on historical data, which in this set of projections cover the period through 2018; all input data therefore precede the pandemic. Employment projections are long-term projections intended to capture structural change in the economy, not cyclical fluctuations. As such, they are not intended to capture the impacts of the recession that began in February 2020. However, besides the immediate recessionary impacts, the pandemic may cause new structural changes to the economy. Subsequent employment projections will incorporate new information on economic structural changes as it becomes available.”

Table 15 shows the projected job openings, median hourly wage, and median annual wage by major occupational title as well as the educational attainment level required for an entry level position. These projected openings generally require a high school diploma or equivalent or no formal educational credential.

Table 15: Top 10 Occupations by Projected Total Openings, 2018-2028, East Bay Region (a)

Occupational Title	Total Projected Openings	Median Hourly Wage (b)	Median Annual Wage (b)	Entry Level Education Needed
Personal Care Aides	76,660	(c)	(c)	High school diploma or equivalent
Cashiers	52,180	\$14.90	\$31,000	No formal educational credential
Food Preparation and Serving Workers	51,730	(c)	(c)	No formal educational credential
Retail Salespersons	40,180	\$15.28	\$31,781	No formal educational credential
Laborers & Freight, Stock & Material Movers	38,020	\$18.43	\$38,324	No formal educational credential
Waiters and Waitresses	37,950	\$14.52	\$30,213	No formal educational credential
Office Clerks, General	28,700	\$20.93	\$43,533	High school diploma or equivalent
Assemblers and Fabricators	27,160	(c)	(c)	High school diploma or equivalent
Stock Clerks and Order Fillers	22,960	(c)	(c)	High school diploma or equivalent
Janitors and Cleaners	20,490	\$19.29	\$40,137	No formal educational credential

Notes:

(a) The East Bay Region consists of Alameda and Contra Costa Counties.

(b) Wage data is from the first quarter of 2020 and does not include self-employed or unpaid family workers.

Sources: Employment Development Department, Labor Market Information Division, 2018-2028 Long-term Occupational Employment Projections; BAE, 2022.

Housing Affordability

BAE quantified the typical rents and home purchase prices that would be affordable to Rumrill PDA workers based on household income levels for PUMA workers in the same specified industries, as discussed above. The household income distribution is shown above in Table 10, as estimated based on Public Use Microdata Sample (PUMS) data from the 2016-2020 American Community Survey, showing that Plan Area workers have estimated annual household incomes across a broad range; over 80 percent have incomes greater than or equal to \$50,000. Given this distribution, BAE estimated the affordable home sale prices and affordable rents for four representative household income levels (\$50,000, \$75,000, \$100,000, and \$150,000). This range of household incomes would capture most of the workers in the Rumrill PDA.

Affordable Home Sale Prices

Table 16 and Table 17 identify the maximum affordable sale prices for single-family and condominium units purchased with mortgages backed by the Federal Housing Administration (FHA), by income level. The data generally indicate that most for-sale housing in the area is likely out of reach of most worker households. For a household with an annual household income of \$100,000, the maximum single family home price is \$352,622 while the maximum

condominium sale price is \$307,193. The maximum affordable home price for a household with an annual income of \$150,000 is \$537,971 for a single-family home and \$492,542 for a condominium unit. BAE reviewed Redfin data for 276 single family homes and 41 condominiums recently sold in San Pablo within the past year and determined that most single-family homes in San Pablo would be considered unaffordable to households with annual incomes below \$150,000. Of the 276 single family homes that were sold, roughly 24 percent sold at a price that would be considered affordable to a household with an annual income of \$150,000 (see Table 18). Less than three percent sold at a price below the maximum affordable sale price for a household with an annual income of \$100,000, indicating that most single-family homes would be unaffordable to these households without resulting in an excessive housing cost burden. Similarly, most recently sold condominium units had sale prices that were higher than the maximum affordable condominium sale price for a household with an annual income of \$100,000 (\$307,193). Approximately 80 percent of the condominium units that were sold in San Pablo within the past year had sale prices below \$492,542, or the maximum affordable condominium sale price for a household with an annual income of \$150,000, indicating that most households with annual incomes of \$150,000 can likely afford to purchase a condominium unit in San Pablo.

Table 16: Affordable Single-Family Home Sale Prices with FHA Mortgage

	Rumrill Blvd PDA Worker Household Income			
	\$50,000	\$75,000	\$100,000	\$150,000
Max. Monthly Housing Budget (a)	\$1,292	\$1,938	\$2,583	\$3,875
Monthly Payments	\$1,292	\$1,938	\$2,583	\$3,875
Principal and Interest	\$892	\$1,386	\$1,879	\$2,867
Homeowners Insurance	\$125	\$125	\$125	\$125
Property Taxes	\$160	\$249	\$338	\$516
Mortgage Insurance	\$114	\$178	\$241	\$368
One-Time Payments	\$8,687	\$13,495	\$18,297	\$27,914
Down Payment	\$5,860	\$9,103	\$12,342	\$18,829
Upfront Mortgage Insurance	\$2,827	\$4,392	\$5,955	\$9,085
Maximum Affordable SF Home Price	\$167,416	\$260,091	\$352,622	\$537,971
<i>% of Rumrill PDA Workers with Higher Household Incomes</i>	81%	60%	44%	18%

Assumptions

% of income for housing costs	31% of gross annual household income (a)
Down payment (b)	3.50% of home value
Annual interest rate (c)	5.25% fixed
Loan term	30 years
Upfront mortgage insurance (d)	1.75% of loan amount
Annual mortgage insurance (e)	0.85% of loan amount
Annual homeowners insurance (f)	\$1,500 of coverage amount
Annual property tax rate (g)	1.15% of home value

Notes:

- (a) These figures are 31% of gross monthly household income, the maximum amount that a household can spend on housing expenses based on FHA requirements.
- (b) Minimum down payment required for an FHA loan.
- (c) The average weekly rate for a 30-year fixed rate mortgage for the week ending 5/19/2022 per Freddie Mac.
- (d) The standard upfront mortgage insurance premium required for FHA loans.
- (e) The standard mortgage insurance premium requirement for FHA loans for homes selling for less than \$625,500 with a loan-to-value ratio greater than 95 percent.
- (f) Homeowners insurance estimates are based on an average quoted insurance premium provided by the California Department of Insurance for a single family home in Contra Costa County (Richmond).
- (g) The typical annual composite property tax rate per the Contra Costa County Auditor-Controller.

Sources: Federal Housing Administration, 2022; Freddie Mac, 2022; California Department of Insurance; Contra Costa County Auditor-Controller's Office; BAE, 2022.

Table 17: Affordable Condominium Sale Prices with FHA Mortgage

	Rumrill Blvd PDA Worker Household Income			
	\$50,000	\$75,000	\$100,000	\$150,000
Max. Monthly Housing Budget (a)	\$1,292	\$1,938	\$2,583	\$3,875
Monthly Payments	\$1,292	\$1,938	\$2,583	\$3,875
Principal and Interest	\$650	\$1,144	\$1,637	\$2,625
Homeowners Insurance	\$42	\$42	\$42	\$42
Property Taxes	\$117	\$206	\$294	\$472
Mortgage Insurance	\$83	\$147	\$210	\$337
Homeowners' Association Fees	\$400	\$400	\$400	\$400
One-Time Payments	\$6,330	\$11,138	\$15,939	\$25,557
Down Payment	\$4,270	\$7,513	\$10,752	\$17,239
Upfront Mortgage Insurance	\$2,060	\$3,625	\$5,188	\$8,318
Max. Affordable Condominium Price	\$121,988	\$214,662	\$307,193	\$492,542
<i>% of Rumrill PDA Workers with Higher Household Incomes</i>	81%	60%	44%	18%
Assumptions				
% of income for housing costs	31% of gross annual household income			
Down payment (b)	3.50% of home value			
Annual interest rate (c)	5.25% fixed			
Loan term	30 years			
Upfront mortgage insurance (d)	1.75% of loan amount			
Annual mortgage insurance (e)	0.85% of mortgage			
Annual homeowners insurance (f)	\$500			
Annual property tax rate (g)	1.15% of home value			
Homeowners' Association Fees (h)	\$400 monthly			

Notes:

- (a) These figures are 31% of gross monthly household income, the maximum amount that a household can spend on housing expenses based on FHA requirements.
- (b) Minimum down payment required for an FHA loan.
- (c) The average weekly rate for a 30-year fixed rate mortgage for the week ending 5/19/2022 per Freddie Mac.
- (d) The standard upfront mortgage insurance premium required for FHA loans.
- (e) The standard mortgage insurance premium requirement for FHA loans for homes selling for less than \$625,500 with a loan-to-value ratio greater than 95 percent.
- (f) Homeowners insurance estimates are based on an average quoted insurance premium provided by the California Department of Insurance for a condominium in Contra Costa County (Richmond).
- (g) The typical annual composite property tax rate per the Contra Costa County Auditor-Controller.
- (h) Based on an average of quoted HOA fees for condominiums/townhomes sold in San Pablo and Richmond since December 2021 per Redfin.

Sources: Federal Housing Administration, 2022; Freddie Mac, 2022; California Department of Insurance; Contra Costa County Auditor-Controller's Office; Redfin; BAE, 2022.

Table 18: Home Sale Price Distribution, San Pablo, June 2021-May 2022

Single Family Homes

<u>Sale Price Range</u>	<u>Total</u>	<u>% of Total</u>
Less than \$350,000	6	2.2%
\$350,000-\$499,999	33	12.0%
\$500,000-\$649,999	99	35.9%
\$650,000-\$799,999	108	39.1%
\$800,000 or More	30	10.9%
Total	276	100.0%
<i>Less than \$260,091 (max for \$75,000 HH income)</i>	2	0.7%
<i>Less than \$352,622 (max for \$100,000 HH income)</i>	8	2.9%
<i>Less than \$537,971 (max for \$150,000 HH income)</i>	67	24.3%

Condominiums

<u>Sale Price Range</u>	<u>Total</u>	<u>% of Total</u>
Less than \$200,000	3	7.3%
\$200,000-\$299,999	8	19.5%
\$300,000-\$399,999	11	26.8%
\$400,000-\$499,999	13	31.7%
\$500,000-\$599,999	6	14.6%
\$650,000 or More	0	0.0%
Total	41	100.0%
<i>Less than \$214,662 (max for \$75,000 HH income)</i>	3	7%
<i>Less than \$307,193 (max for \$100,000 HH income)</i>	11	27%
<i>Less than \$492,542 (max for \$150,000 HH income)</i>	33	80%

Sources: Redfin; BAE, 2022.

Affordable Rents

Table 19 reports the maximum rental rates that would be considered affordable to households at each income level. According to this data, a household with an annual income equal to \$50,000 can afford to pay a maximum of \$1,158 to \$1,206 per month in rent and utilities, depending on the overall size of the unit. A household earning \$75,000 can afford to pay a maximum of \$1,783 to \$1,831 per month in rent and utilities. Based on listings for available rental units in May 2022, the average asking rent for a one-bedroom unit in San Pablo is \$1,995 per month, which would be considered unaffordable to a household with an annual income of \$75,000. Asking rents for available two-bedroom units in May 2022 ranged from \$2,275 to \$2,800 per month, indicating that a household with an annual income of \$100,000 may have difficulty finding an affordable two-bedroom unit. The asking rents for three-bedroom units as of May 2022 were \$4,050 to \$5,000 per month, which is well out of reach for even a household earning \$150,000 annually.

Table 19: Maximum Affordable Monthly Rents

	Rumrill Blvd PDA Worker Household Income			
	\$50,000	\$75,000	\$100,000	\$150,000
Max. Monthly Housing Budget (a)	\$1,250	\$1,875	\$2,500	\$3,750
Max. Affordable Monthly Rent				
Studio	\$1,206	\$1,831	\$2,456	\$3,706
1 bedroom	\$1,197	\$1,822	\$2,447	\$3,697
2 bedroom	\$1,177	\$1,802	\$2,427	\$3,677
3 bedroom	\$1,158	\$1,783	\$2,408	\$3,658
Assumptions				
Monthly Utility Costs (b)				
Studio	\$44			
1 bedroom	\$53			
2 bedroom	\$73			
3 bedroom	\$92			

Notes:

(a) These figures are 30% of gross monthly household income, the maximum amount that a household can spend on housing expenses without being considered cost-burdened.

(b) Housing Authority of the County of Contra Costa 2022 allowances for tenant-furnished utilities and other services for a multifamily unit that uses gas cooking, heating, and water heating, as well as electricity for lights and appliances. The allowance is based on the number of bedrooms in the unit.

Sources: Housing Authority of the County of Contra Costa; BAE, 2022.

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SUPPORTING INDUSTRIAL AND COMMERCIAL USES THE PLAN AREA

Due to the small site sizes in the Plan Area, combined with the fact that the majority of parcels have some existing use, the future potential for industrial-related business is somewhat limited in the near future. However, the City may be able to take specific steps to support future industrial and commercial growth in the Plan Area focused on selected nodes. These steps could include:

- **Site Aggregation** – The biggest limiting factor in the Plan Area is the small site sizes. To address this, the City may be able to acquire sites for future aggregation. In fact, the City already owns several parcels within the Plan Area, some of which do not currently have an IMU zoning. The City should assess opportunities to acquire parcels near existing publicly-owned sites to support a larger industrial development within the Plan Area. The City could also consider granting a density bonus, fee reductions, or other incentives in return for a developer aggregating parcels.
- **Use of Publicly-Owned Sites as Catalyst Projects** – The City may also be able to help catalyze development of housing and/or employment generating uses along the corridor by leveraging their existing publicly-owned sites. While the City only owns one site zoned for IMU, there are also a series of other publicly-owned parcels intended for institutional uses that may represent opportunities for industrial development. The City could provide reduced-cost land to a developer willing to take on a new industrial development, and therefore subsidize the delivery of new industrial space within the Plan Area.
- **Leverage of Public Funds** – The City and/or its partners such as the San Pablo Economic Development Corporation may contribute public funds to support industrial development or businesses in the Plan Area. These include federal and state economic development funds, as well as local funds such as business loans, construction loans, and fee waivers. All of these subsidies can support business expansion or the development of industrial space and help catalyze new industrial growth within the Plan Area.
- **Zoning Code Revision** – Based on BAE’s reading of the permitted uses in zoning code, the IMU zoning code allows a variety of industrial, office, and retail uses. This suggests that development within the IMU zoning district is likely to align with the highest and best use, which is unlikely to be industrial development, due to the economic challenges of building industrial development. However, there may be market potential for a mix of PDR, locally-serving office, and neighborhood retail uses in the Plan Area. The City could consider consolidating its IMU, regional commercial, and neighborhood commercial into one comprehensive zoning district that is flexible to accommodate a variety of commercial

uses along with residential uses. Development standards should address the compatibility issues discussed above.

- **Workforce Training Partnerships** – A skilled workforce is required to support both existing and new industrial and PDR uses in the Plan Area. The City has existing partnerships with the Workforce Development Board Contra Costa County and the San Pablo Economic Development Corporation that support workforce development programming and the City is host to Contra Costa College, the west campus of the Contra Costa Community College District. Economic mobility for the Plan Area’s and City’s residents can be enhanced with skill development programming in the building trades, food and beverage production, auto, appliance, and electronics repair, and manufacturing. Programs focused on opportunity youth (e.g. young residents with low educational attainment and/or limited work experience) can raise the earnings of younger workers and help ameliorate the current regional labor shortage. Expanded state funding of a variety of labor and workforce development programming has been adopted in the 2022-2023 state budget and these new funds present an opportunity to strengthen and expand workforce development programs in San Pablo.
- **Affordable Housing.** To retain and attract labor to support existing and new businesses in the Plan Area, maintaining an inventory of housing that is affordable to workers is critical. The housing affordability analysis indicates a gap between the current pricing of homes, condos, and apartments and employee households. To expand its inventory of affordable housing, the City can consider utilizing publicly owned sites for new affordable housing using traditional Federal and state funding sources as well as density bonuses to developers of market-rate housing on privately owned parcels in exchange for higher levels of affordability.

APPENDIX A: BUSINESS ESTABLISHMENTS AND ESTIMATED WORKERS IN RUMRILL PDA

Name	Address	NAICS	Category	Workers
Cerna's Tires and Repair	1291 Rumrill Blvd	441320	Auto Repair and Maintenance	3
Berto Auto Spa	1200 Rumrill Blvd	811192	Auto Repair and Maintenance	8
Najar's Custom Exhaust	1454 Rumrill Blvd	811121	Auto Repair and Maintenance	3
Arciniega's Auto Repair	1503 Rumrill Blvd	811111	Auto Repair and Maintenance	2
Pancho's Auto Repair	1620 Rumrill Blvd	811111	Auto Repair and Maintenance	2
Colima Auto Repair	1752 Rumrill Blvd	811111	Auto Repair and Maintenance	3
Luis Autosound	1852 Rumrill Blvd	811118	Auto Repair and Maintenance	1
CCS Auto Body	1868 Rumrill Blvd	811121	Auto Repair and Maintenance	2
Caliber Collision	2031 Rumrill Blvd	811121	Auto Repair and Maintenance	9
J&M Auto Repair	2145 Rumrill Blvd	811111	Auto Repair and Maintenance	2
Total Auto Repair and Maintenance				35
Rubenstein Plumbing Supply	1157 Rumrill Blvd	423720	Manufacturing/Wholesale	5
East Bay Brass Foundry Inc	1200 Chesley Ave	331110	Manufacturing/Wholesale	13
Navarro Iron Works	1317 Rumrill Blvd	332323	Manufacturing/Wholesale	4
Rudy's Commercial Refrigeration	1660 Rumrill Blvd	333415	Manufacturing/Wholesale	10
Total Manufacturing/Wholesale				32
Bay Area Moving and Storage	2025 Rumrill Blvd #1	48411	Personal/Business/Social Services	3
Golden State Taxes and Notary	1835 Rumrill Blvd	541213	Personal/Business/Social Services	1
Lao Family	1865 Rumrill Blvd	624190	Personal/Business/Social Services	4
Lao Family	1968 Rumrill Blvd	624190	Personal/Business/Social Services	na
C.M.B Mobile Welding Repair	1852 Rumrill Blvd	811310	Personal/Business/Social Services	1
Yvonne's	1524 Rumrill Blvd	811490	Personal/Business/Social Services	1
Miky's Wash House	1441 Rumrill Blvd	812310	Personal/Business/Social Services	na
P.S. Friendly Cleaners	1817 Rumrill Blvd	812310	Personal/Business/Social Services	2
Five Star Cleaners	2145 Rumrill Blvd	812320	Personal/Business/Social Services	22
Tony's Maintenance and Landscaping	1153 Rumrill Blvd #73	561730	Personal/Business/Social Services	1
Rossy's Barber and Beauty	1732 Rumrill Blvd	812112	Personal/Business/Social Services	3
Las Camelinas Beauty Salon	1758 Rumrill Blvd	812112	Personal/Business/Social Services	1
Pham/ Lupitas Station Men	1829 Rumrill Blvd	812112	Personal/Business/Social Services	1
Lupitas's Beauty Salon	1829 Rumrill Blvd	812112	Personal/Business/Social Services	3
Kathy Beauty Salon and Barber	2145 Rumrill Blvd	812112	Personal/Business/Social Services	1
Aloba Sf Inc	1732 Rumrill Blvd	517312	Personal/Business/Social Services	1
Dolex Dolalr Express, Inc	1754 Rumrill BLvd	522390	Personal/Business/Social Services	1
AG Auto Registration Services	1526 Rumrill	561990	Personal/Business/Social Services	1
D.F. Boxing Club	1839 Rumrill Blvd	713940	Personal/Business/Social Services	na
Total Personal/Business/Social Services				47
Iglesia Profetica Espiritu de dios	1732 Rumrill Blvd	813110	Religious	na
Renewed Hope Church	1327 Rumrill	813110	Religious	na
Family Church of God in Christ	1452 Rumrill	813110	Religious	na
Iglesia Evangelica Eben-Ezer	1472 Rumrill	813110	Religious	na
Iglesia Cristiana Dios Con Nostotros	1830-1840 Rumrill	813110	Religious	na
Total Religious				na
continued on next page				

Appendix A, continued

Name	Address	NAICS	Category	Workers
R & R's Café	1260 Rumrill Blvd	722511	Restaurant/Food Services	11
Plaza Garibaldi 1	1537 Rumrill Blvd	722330	Restaurant/Food Services	1
Los Compadres Taqueria	1742 Rumrill Blvd	722511	Restaurant/Food Services	5
Restaurante Rosita	1762 Rumrill Blvd	722513	Restaurant/Food Services	11
Los Grullenses food truck	1777 Rumrill Blvd	722511	Restaurant/Food Services	2
Los Grullenses #2	1789 Rumrill Blvd	722511	Restaurant/Food Services	2
Tortas Y Jugos Los Chilangos	1801 Rumrill Blvd	722511	Restaurant/Food Services	8
Tacos El Amigo	1942 Rumrill Blvd	722513	Restaurant/Food Services	1
Pollos Asados Don Rafa	1835 Rumrill Blvd	722511	Restaurant/Food Services	5
Total Restaurant/Food Services				46
Carniceria La Esmeralda	1300 Market Ave	445210	Retail Food	6
La Fina Meat Market	1160 Rumrill Blvd	445210	Retail Food	2
Super Carniceria La Mejor	1634 Rumrill Blvd	445210	Retail Food	2
Green Valley Foods	2025 Rumrill Blvd #3	44529	Retail Food	1
Rumrill food and Liquor	1441 Rumrill Blvd	445310	Retail Food	3
Farmers Market	1160 Rumrill Blvd	445110	Retail Food	1
El Porvenir Produce	1537 Rumrill Blvd	445110	Retail Food	3
Mi Ranchito Market #1	1634 Rumrill Blvd	445110	Retail Food	3
Evergreen Market	1300 Market Ave	445110	Retail Food	5
Luangnamtha Market	1865 Rumrill Blvd	445110	Retail Food	2
Food Barn	1835 Rumrill Blvd	445120	Retail Food	8
La Esperanza Express	1852 Rumrill Blvd	445120	Retail Food	1
Total Retail Food				37
Top Gas	1522 Rumrill Blvd	447190	Retail Other	3
Leon Western Wear	1835 Rumrill Blvd	448140	Retail Other	1
Joyeria El Alacran	1537 Rumrill Blvd	448310	Retail Other	1
Variedades Guadalajara	1777 Rumrill Blvd	452319	Retail Other	na
This and That Building Supply	1701 Rumrill Blvd	453310	Retail Other	3
Paulo's Thrift store	1752 Rumrill Blvd	453310	Retail Other	1
Lucky Energy House	1542 Rumrill Blvd	453220	Retail Other	1
La Raza Party Supplies	1600 Rumrill BLvd	453220	Retail Other	5
Spacetell LLC	1835 Rumrill Blvd	517312	Retail Other	4
Angel Lopez	1835 Rumrill Blvd	45399	Retail Other	1
Total Retail Other				20
Grand Total				217

Note:

BAE estimates. Detailed industry and employment data were not available for the Plan Area. BAE estimated the total employees at each business establishment using information from Esri Business Analyst and other public online sources.

Sources: City of San Pablo; Esri Business Analyst; Dun & Bradstreet; BAE, 2022.

APPENDIX B: MAP OF CONTRA COSTA COUNTY (FAR SOUTHWEST)–RICHMOND (SOUTHWEST) & SAN PABLO CITIES PUBLIC USE MICRODATA AREA (PUMA)

