

2 Economic Development

The City of San Pablo General Plan includes an optional Economic Development Element that demonstrates the City's commitment to economic development through ensuring labor market readiness, promoting the most beneficial industries and sectors, cultivating a skilled workforce, improving the business climate, partnering regionally, supporting local businesses, maintaining fiscal health, and improving and marketing the City's image. This chapter discusses the economy of San Pablo, socio-demographic factors in the city relevant to economic development, the industry makeup of San Pablo's economy, unemployment trends, and future economic needs.

Demographic Characteristics

POPULATION AND HOUSEHOLD TRENDS

The total population of San Pablo in 2020 was 31,413.¹ The city's population saw an 8.7-percent decline during the Great Recession from a peak of 31,834 in 2009 to 29,064 in 2011. The population has been growing since then to its current level. With a population density of approximately 12,000 people per square mile, San Pablo has the third highest population density of any city in the Bay Area, behind only San Francisco and Daly City.² While approximately only 43 percent of the local housing stock is in multifamily buildings, the combination of small lots and high average household size in single-family neighborhoods contributes to citywide population density.. San Pablo is a majority-minority community with a racial and ethnic composition that is 60 percent Hispanic or Latinx, 18 percent Asian, 11 percent Black or African American, eight percent White, and four percent some other race or multiple races.³ Since 2010, the Hispanic or Latinx share of the population in San Pablo has grown from 56 percent and the Asian population has grown from 15 percent, while the Black or African American share of the population has shrunk from 15 percent and the White share of the population has shrunk from 10 percent.⁴

Table 2-1 shows the change in economic indicators reported in the existing General Plan from 2007 to 2020. These population and household metrics help characterize San Pablo's labor force, including the size and capacity or economic wellbeing of the city's residents.

Table 2-2 displays data on population and household trends in San Pablo and Contra Costa County in 2010 and 2019. Compared to Contra Costa County, the population of San Pablo has grown at a slightly slower rate, with an 8.0-percent increase from its 2010 population compared to 8.7 percent in the county. Change in the number of households in San Pablo was 2.1 percent lower than that experienced in Contra Costa County overall. In both geographies, population growth outpaced household growth, which is reflected in

¹ California Department of Finance, E-5 Series.

² Association of Bay Area Governments, 2021.

³ US Census Bureau, American Community Survey five-year data (2015-2019), Table B03002.

⁴ US Census Bureau, Census 2010, Table P004

the increase in average household size for both the city and county. San Pablo’s household size remained consistently and substantially larger than that of Contra Costa County.

Table 2-1: Economic Indicators

	2007	2020
Population between 21 and 54	49%	50%
Population with a bachelor’s degree or higher	15%	13%
Average household size	3.2 persons	3.4 persons
Percent of ownership housing	47%	38%
Median Household Income (MHI) as a percentage of MHI in Contra Costa County as a whole	56%	53%

Source: City of San Pablo, 2011; US Census Bureau American Community Survey, 2007 and 2019; California Department of Finance E-5 Series, 2019; California Economic Development Department, 2008; ABAG, 2009 and 2021; Dyett & Bhatia, 2021.

Change in tenure, especially homeownership, greatly differs between San Pablo and the county. The number of owner-occupied households has decreased in San Pablo by 17.7 percent, while the number in Contra Costa County has increased by 1.7 percent. The number of renter-occupied housing has increased in both San Pablo and the county, but the growth in San Pablo is substantially greater than countywide. Moreover, renter-occupied housing makes up an increasing majority in San Pablo, rising from 51.4 percent to 61.9 percent between 2010 and 2019. The opposite is true for the county, where the proportion of renter-occupied housing continues to make up only about one-third of households.

Table 2-2: Population and Households, 2010 and 2019

	2010	2019	Percent Change	
Population				
San Pablo	29,139	31,481	8.0%	
Contra Costa County	1,049,025	1,150,621	8.7%	
Households				
San Pablo	8,776	9,221	5.1%	
Contra Costa County	368,087	394,769	7.2%	
Household Size				
San Pablo	3.28	3.40	3.7%	
Contra Costa County	2.77	2.88	4.0%	
Tenure (Occupied Units)				
San Pablo	Renter	4,513	5,712	26.6%
	Owner	4,263	3,509	-17.7%
Contra Costa County	Renter	112,280	134,525	19.8%
	Owner	255,807	260,244	1.7%

Source: California Department of Finance, E-5 Series, 2010 and 2019; US Census Bureau American Community Surveys 5-Year Estimates, 2010 and 2019; Dyett & Bhatia, 2021.

HOUSEHOLD COMPOSITION

Table 2-3 displays data on household composition in San Pablo and Contra Costa County in 2010 and 2019. The majority of households in both San Pablo and Contra Costa County are family households (generally consisting of people related to each other by birth, marriage or adoption) as opposed to non-family households (consisting of individuals or unrelated people such as lodgers, foster children, wards, or employees who share the housing unit). San Pablo has a slightly higher proportion of family households compare to the county overall, though Contra Costa County's family household population grew faster than San Pablo's from 2010 to 2019.

Table 2-3: Household Composition, 2010 and 2019

	2010		2019		Percent Change
	Number	Percent	Number	Percent	
City of San Pablo					
Family Households	6,387	72.8%	6,809	73.8%	6.6%
Non-Family Households	2,389	27.2%	2,412	26.2%	1.0%
Contra Costa County					
Family Households	259,502	70.5%	284,806	72.1%	9.8%
Non-Family Households	108,585	29.5%	109,963	27.9%	1.3%

Source: US Census Bureau American Community Survey, 2010 and 2019; Dyett & Bhatia, 2021.

RESIDENT AGE DISTRIBUTION

Table 2-4 displays data on resident age distribution in San Pablo and Contra Costa County in 2010 and 2019. San Pablo's population skews substantially younger than that of Contra Costa County as a whole, with a median age in 2019 of 33.5 compared to 39.7 in Contra Costa County. Despite an increase of over 30-percent in the population ages 18 years and under in both geographies, the population is still aging overall in both the city and county, with a 3.4-percent increase in the median age in the city and a 4.2-percent increase in the county. This is reflective of national trends towards an aging population. According to the U.S. Census Bureau, adults over the age of 65 are expected to outnumber children under age 18 in the U.S. by the year 2034 for the first time in history. However, in San Pablo, the aging population was driven primarily by growth among the age ranges 45 to 54 and 55 to 64. The growth among those ages 65 and older in San Pablo was minimal (1.7 percent) compared to that of Contra Costa County (41.8 percent), and in fact, their share of city's overall population decreased slightly. Several factors could be behind this, including possibly a lack of affordable housing options or economic security resources in San Pablo for older adults, causing residents to relocate elsewhere in the county or outside of it as they age.

Table 2-4: Resident Age Distribution, 2010 and 2019

	2010		2019		Percent Change
	Number	Percent	Number	Percent	
City of San Pablo					
Under 18	5,740	19.7%	7,622	24.6%	32.8%
18 to 24	3,351	11.5%	3,661	11.8%	9.3%
25-34	4,370	15.0%	4,838	15.6%	10.7%
35-44	4,341	14.9%	4,446	14.4%	2.4%
45-54	3,380	11.6%	4,078	13.2%	20.7%
55-64	2,564	8.8%	3,182	10.3%	24.1%
65 and older	3,088	10.6%	3,140	10.1%	1.7%
Median Age	32.4		33.5		3.4%
Contra Costa County					
Under 18	191,639	18.7%	261,203	22.9%	36.3%
18 to 24	85,059	8.3%	93,870	8.2%	10.4%
25-34	125,027	12.2%	145,275	12.7%	16.2%
35-44	152,697	14.9%	153,127	13.4%	0.3%
45-54	159,870	15.6%	162,899	14.3%	1.9%
55-64	119,903	11.7%	149,995	13.1%	25.1%
65 and older	124,002	12.1%	175,882	15.4%	41.8%
Median Age	38.1		39.7		4.2%

Source: US Census Bureau American Community Survey, 2010 and 2019; Dyett & Bhatia, 2021.

RACE AND ETHNICITY

Table 2-5 displays data on racial and ethnic makeup of San Pablo and Contra Costa County in 2010 and 2019. San Pablo's population is largely Hispanic or Latinx at 60.1 percent in 2019, and despite the city's Hispanic or Latinx population growing at a slower rate than that of Contra Costa County's, the City of San Pablo maintains a much higher proportion of Hispanic or Latinx residents (60.1 percent) compared to that of the county (25.6 percent). The county population is significantly Whiter than that of San Pablo with 43.8 percent of county residents identifying as White (not Hispanic or Latinx) and only 7.7 percent of San Pablo residents identifying as such. While the number of San Pablo residents who identify as Hispanic or Latinx, Asian or Asian Pacific Islander (API), or some other race or multiple races have all increased, the White, Black or African American, and Native American populations have all decreased (though percent change for Native American population is skewed by its small total population size in both 2010 and 2019). Notably, the Black or African American population in San Pablo fell by 25.2 percent between 2010 and 2019 in San Pablo, while this population rose by 5.7 percent in Contra Costa County.

Table 2-5: Race and Ethnicity, 2010 and 2019

	2010		2019		Percent Change
	Number	Percent	Number	Percent	
City of San Pablo					
Hispanic or Latinx	16,462	56.5%	18,622	60.1%	13.1%
Not Hispanic or Latinx					
White	2,944	10.1%	2,386	7.7%	-19.0%
Black or African American	4,446	15.3%	3,325	10.7%	-25.2%
Asian or API	4,437	15.2%	5,446	17.6%	22.7%
Native American	73	0.3%	50	0.2%	-31.5%
Other Race or Multiple Races	777	2.7%	1,138	3.7%	46.5%
Contra Costa County					
Hispanic or Latinx	239,836	23.4%	292,298	25.6%	21.9%
Not Hispanic or Latinx					
White	505,611	49.3%	500,592	43.8%	-1.0%
Black or African American	90,756	8.9%	95,892	8.4%	5.7%
Asian or API	147,768	14.4%	193,534	16.9%	31.0%
Native American	2,661	0.4%	2,278	0.2%	-14.4%
Other Race or Multiple Races	38,177	3.7%	57,657	5.0%	51.0%

Source: US Census Bureau American Community Survey, 2010 and 2019; Dyett & Bhatia, 2021.

EDUCATIONAL ATTAINMENT

Table 2-6 displays data for educational attainment among those ages 25 years and over in San Pablo and Contra Costa County in 2010 and 2019. Overall, San Pablo's workforce has lower levels of educational attainment than Contra Costa County as a whole. In 2019, the share of the population ages 25 and over who held a high school diploma or higher was 67.2 percent in San Pablo compared to 89.5 percent in Contra Costa County. And only 13.1 percent of the population in San Pablo holds a bachelor's degree or higher, compared to 42.5 percent in Contra Costa County. Additionally, the share of the population with a bachelor's degree or higher has grown much more slowly in San Pablo than in the county (17.1 percent growth compared to 28.1 percent growth). Over one fifth of the City of San Pablo's population in 2019 (21.3 percent) had less than a ninth-grade education level. However, San Pablo also saw significant growth in the portion of its population who had achieved some college education though lacked a degree (34.7 percent growth) and those who had earned an associate degree (32.3 percent), indicating progress towards increased educational attainment. In these categories of collegiate advancement, San Pablo grew faster than Contra Costa County.

Table 2-6: Educational Attainment Among Those Ages 25 Years and Over, 2010 and 2019

	2010		2019		Percent Change
	Number	Percent	Number	Percent	
City of San Pablo					
Less than 9th Grade	3,918	22.1%	4,201	21.3%	7.2%
9th to 12th Grade, No Diploma	2,358	13.3%	2,255	11.5%	-4.4%
High School Graduate	5,390	30.4%	5,468	27.8%	1.4%
Some College, No Degree	2,943	16.6%	3,965	20.1%	34.7%
Associate Degree	922	5.2%	1,220	6.2%	32.3%
Bachelor's Degree	1,613	9.1%	1,945	9.9%	20.6%
Graduate or Professional Degree	585	3.3%	630	3.2%	7.7%
Total Population, Age 25+	17,730	100%	19,684	100%	11.0%
High School Diploma or Higher	11,454	64.6%	13,228	67.2%	15.5%
Bachelor's Degree or Higher	2,199	12.4%	2,575	13.1%	17.1%
Contra Costa County					
Less than 9th Grade	38,145	5.6%	44,393	5.6%	16.4%
9th to 12th Grade, No Diploma	40,189	5.9%	38,528	4.9%	-4.1%
High School Graduate	134,189	19.7%	135,825	17.3%	1.2%
Some College, No Degree	151,899	22.3%	168,811	21.4%	11.1%
Associate Degree	55,855	8.2%	66,223	8.4%	18.6%
Bachelor's Degree	166,885	24.5%	206,622	26.2%	23.8%
Graduate or Professional Degree	93,319	13.7%	126,776	16.1%	35.9%
Total Population, Age 25+	681,162	100%	787,178	100%	15.6%
High School Diploma or Higher	602,147	88.4%	704,257	89.5%	17.0%
Bachelor's Degree or Higher	260,204	38.2%	333,398	42.4%	28.1%

Source: US Census Bureau American Community Survey, 2010 and 2019; Dyett & Bhatia, 2021.

HOUSEHOLD INCOME DISTRIBUTION AND POVERTY RATE

Table 2-7 displays data for household income distribution in San Pablo and Contra Costa County according to income groups established by the U.S. Department of Housing and Urban Development (HUD) based on U.S. Census Bureau 2019 American Community Surveys (ACS) estimates. HUD calculates the area median income (AMI) for different metropolitan areas; San Pablo falls in the Oakland-Fremont Metro Area, which is constituted of Alameda and Contra Costa counties. HUD estimated that the fiscal year 2022 median family⁵ income for the Oakland-Fremont Metro Area was \$142,800, and the low income (less than

⁵ HUD uses median family income data (as opposed to median household income data), where “family” refers to the Census definition of a family, which is a householder with one or more other persons living in the same household who are related to

80 percent of the AMI) limit was \$74,200 for a one-person household and \$106,000 for a four-person household.⁶

Incomes in San Pablo tend to be lower than those in Contra Costa County overall. While nearly half (49.6 percent) of Contra Costa County’s households had an income greater than 100 percent of AMI, only 16.6 percent of households in San Pablo had an income greater than 100 percent of AMI. Meanwhile, a majority (55.7 percent) of households had an income that was less than 50 percent of AMI, which is considered the very-low-income limit by HUD. In fact, San Pablo had the second lowest median earnings (for all full-time workers in 2019) of 95 cities in the Bay Area, at \$38,905⁷ – well below the low-income limit and indicating lack of a living wage.

Table 2-7: Household Income Distribution, 2019

	City of San Pablo		Contra Costa County	
	Number	Percent	Number	Percent
0% to 30% of AMI	2,690	29.2%	58,855	14.9%
31% to 50% of AMI	2,440	26.5%	47,830	12.1%
51% to 80% of AMI	1,625	17.6%	51,335	13.0%
81% to 100% of AMI	935	10.1%	40,950	10.4%
Greater than 100% of AMI	1,535	16.6%	195,800	49.6%
Total Households	9,220	100%	394,770	100%

Source: US Department of Housing and Urban Development, *Comprehensive Housing Affordability Strategy 2015-2019 ACS tabulation*, 2022 release; Dyett & Bhatia, 2023.

In 2019, the federal poverty level (FPL) for a one-person household was \$12,490, and for a four-person household the level was \$25,750. According to ACS five-year estimates, 16.3 percent of San Pablo residents had incomes below the FPL in 2019, compared to only 8.7 percent of residents in Contra Costa County as a whole. Poverty in both jurisdictions has decreased since 2012 (the earliest year for which ACS data on poverty rate is available for San Pablo) from 19.3 percent in the city and 10.2 percent in Contra Costa County.

Employment Profile

San Pablo has concentrations of jobs in the health care and social services, education, and retail industries. Due to the presence of the San Pablo Lytton Casino, the city also has a higher proportion of jobs in the “arts, entertainment, and recreation” industry compared to its surrounding cities and county. Principal

the householder by birth, marriage, or adoption. The definition of family excludes one-person households and multi-person households of unrelated individuals.

⁶ U.S. Department of Housing and Urban Development, “FY 2022 Income Limits Documentation System: FY 2022 Income Limits Summary,” HUD User, April 18, 2022, https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn?states=%24states%24&data=2022&inputname=METRO41860MM5775*Oakland-Fremont%2C+CA+HUD+Metro+FMR+Area&stname=%24stname%24&statefp=99&year=2022&selection_type=hmfa, accessed March 1, 2023.

⁷ PolicyLink and the USC Equity Research Institute, “Median Earnings” [Median earnings, ranked: San Pablo City, CA; Race/ethnicity: All; Year: 2019], Bay Area Equity Atlas, 2019, <https://bayareaequityatlas.org/indicators/median-earnings#/?breakdown=4&geo=07000000000668294>, accessed on March 7, 2023.

employers in San Pablo are Contra Costa College, West Contra Costa Unified School District, and San Pablo Lytton Casino, in addition to many health care centers in the city (see Table 2-10)⁸. Within the city, the transportation, warehousing, and utilities; healthcare and social services; and retail trade industries have seen significant growth over the period 2010 to 2019. Over that same timeframe, both the manufacturing and wholesale trade industries have seen significant declines in the number of jobs in the city. Additionally, most San Pablo residents travel outside of the city for work, primarily to San Francisco and Richmond.⁹ The following section discusses these and other facets of the city’s employment profile in more detail.

INDUSTRY MAKEUP

Table 2-8 summarizes the number of San Pablo residents employed in each Census-designated industry. This data shows the industries in which San Pablo residents work regardless of the location where those residents are employed (i.e., the job may be located in San Pablo, or outside of San Pablo). Thus, the number of employed residents is not the same as the number of local jobs.

The largest sectors in terms of San Pablo residents employed are “educational services and healthcare and social services” (20 percent of employed residents in 2019) and “arts, entertainment, and recreation, and accommodation and food services” (13 percent of employed residents in 2019). The former sector includes residents employed by Contra Costa College and the West Contra Costa United School District in San Pablo, while the latter includes residents employed by San Pablo Lytton Casino. Since 2010, the industries that have grown the most in terms of the number of San Pablo residents employed are “public administration” (62 percent growth) and “transportation, warehousing, and utilities” (60 percent growth). Jobs in “educational services, and healthcare and social services” grew by 31 percent between 2010 and 2019 despite the closure of San Pablo’s Doctor’s Medical Center facility in 2015. Only three industry groups saw their number of San Pablo residents employed shrink from 2010 to 2019. These were “manufacturing” (35 percent decrease), “wholesale trade” (27 percent decrease), and “finance and insurance, and real estate and rental leasing” (24 percent decrease).

According to data from the U.S. Census Bureau’s Longitudinal Employer-Household Dynamics program, in 2019 (the most recent year for which data is available), approximately 5,984 individuals were employed in the City of San Pablo. However, only 806 of these individuals both lived and worked in the city, while 12,707 workers lived in San Pablo but travelled outside the city for work. The most common city for San Pablo residents to work in was San Francisco (18 percent), followed by Richmond (10 percent), Oakland (9 percent), then San Pablo itself (6 percent). Table 2-9 shows data for the number of jobs located in San Pablo broken down by industry group for the years 2010 and 2019. Within San Pablo, the three most prevalent job industries in 2019 were “healthcare and social services” (24 percent), “educational services” (19 percent), and “retail trade” (14 percent). The share of the labor market held by “health care and social services” as an industry has grown by 84 percent since 2010, despite the closure of the Doctor’s Medical Center. This may be due in part to the opening of the County-run West County Health Center in 2012. Jobs in “educational services” have mostly held steady since 2010.

⁸ City of San Pablo, Annual Comprehensive Financial Report for the Year Ended June 30, 2022, December 16, 2022, <https://sanpablocity.gov/DocumentCenter/View/15889/San-Pablo-ACFR-FY22-FINAL-12-16-2022>, accessed March 2, 2023.

⁹ U.S. Census Bureau, Work-Destination Analysis [generated for San Pablo city, CA from Places (Cities, CDPs, etc.) for All Jobs in 2019 by Home on March 2, 2023], OnTheMap 6.8.1, October 18, 2021, <https://onthemap.ces.census.gov/>.

Table 2-8: Number of Employed Residents by Industry Group, 2010 to 2019

<i>Industry</i>	<i>2010</i>	<i>2019</i>	<i>Jobs Added</i>	<i>Percent Change</i>
Agriculture, forestry, fishing and hunting, and mining	173	183	10	6%
Construction	1,396	1,972	576	41%
Manufacturing	928	605	-323	-35%
Wholesale trade	402	293	-109	-27%
Retail trade	1,747	1,938	191	11%
Transportation, warehousing, and utilities	711	1,141	430	60%
Information	160	203	43	27%
Finance and insurance, and real estate and rental and leasing	583	443	-140	-24%
Professional, scientific, and management, and administrative and waste management services	1,341	1,445	104	8%
Educational services, and health care and social services	2,214	2,893	679	31%
Arts, entertainment, and recreation, and accommodation and food services	1,454	2,092	638	44%
Public administration	267	432	165	62%
Other	874	1,088	214	24%

Source: US Census Bureau American Community Survey, 2010 and 2019; Dyett & Bhatia, 2021.

Table 2-9: Number of Jobs in San Pablo by Industry Group, 2010 to 2019

<i>Industry</i>	<i>2010</i>	<i>2019</i>	<i>Jobs Added</i>	<i>Percent Change</i>
Agriculture, forestry, fishing and hunting, and mining	0	0	0	0%
Construction	76	148	72	95%
Manufacturing	181	39	-142	-79%
Wholesale trade	187	52	-135	-72%
Retail trade	633	851	218	34%
Transportation, warehousing, and utilities	26	37	11	42%
Information	9	7	-2	-22%
Finance and insurance, and real estate and rental and leasing	166	109	-57	-34%
Professional, scientific, and management, and administrative and waste management services	153	203	50	33%
Educational services	1,077	1,156	79	7%
Health care and social services	783	1,444	661	84%
Arts, entertainment, and recreation	596	608	12	2%
Accommodation and food services	416	811	395	95%
Public administration	217	249	32	15%
Other	446	270	-176	-40%
Industry	2010	2019	Jobs Added	Percent Change
Total	4,966	5,984	1,018	21%

Source: US Census Bureau Longitudinal Employer-Household Dynamics program, 2021; Dyett & Bhatia, 2023.

PRINCIPAL EMPLOYERS

Table 2-10 shows the principal employers in the City of San Pablo for both the 2013 and 2022 fiscal years, according to the City’s Fiscal Year 2022 Comprehensive Annual Financial Report. The ten largest employers in the city are listed for both fiscal years. The city’s principal employers align with the distribution of jobs in the city by industry as discussed in the previous section. All of the city’s top ten employers fall under the categories of “educational services,” “healthcare and social services,” and “art, entertainment and recreation.” San Pablo Lytton Casino is the only employer that falls within the “art, entertainment, and recreation industry,” but it is the city’s third largest employer.

Contra Costa College has remained a top employer in San Pablo, maintaining about five percent of the city’s total employment from fiscal years 2013 to 2022. San Pablo Lytton Casino and the City of San Pablo itself are also still principal employers, though like many other employers in the city, have decreased both in terms of their number of employees and their share of the city’s total employment. On the other hand, San Pablo remains strong in the healthcare and social services industry, despite the closure of Doctor’s Medical Center—which was previously the city’s top employer and held seven percent of the city’s total employment—in 2015. Four of San Pablo’s top 10 employers in fiscal year 2022 are healthcare and social services providers, and three of these have grown in employment over the last nine years.

SAN PABLO’S COMPETITIVE ADVANTAGE

San Pablo’s major economic assets are also two of its largest employers: Contra Costa College and the San Pablo Lytton Casino. Economic development policies that seek to build on the advantage that these two institutions provide to San Pablo should focus on related industries and uses that can have a complementary or supportive relationship with the college or casino. For example, following the closure of the Doctors Medical Center in 2015, the City updated the land use designation of this site—which is adjacent to San Pablo Lytton Casino—from Public Institutional to Commercial Mixed Use. This change was intended to encourage the development of uses that would contribute to creating an entertainment destination anchored by the casino. However, this area has subsequently been developed with an expanded surface parking lot for the Casino. Future economic development efforts should consider what may be needed to incentivize uses that are oriented towards job growth and development. Examples could include additional visitor-serving uses, such as hotels, restaurants, theaters, and event centers.

Uses that may build on the competitive advantage created by Contra Costa College include those that support the needs of students and college staff. Currently, the college does not provide any housing for students. Thus, emphasizing building housing oriented towards students near the campus can drive economic development by encouraging students to remain in San Pablo and patronize its businesses outside of school hours. Additionally, commercial and retail uses that serve the interests of students and staff, such as restaurants, bars, and entertainment uses, would be ancillary uses to the college itself. Such uses could also provide additional opportunities and resources for surrounding residents by capitalizing on programs and activities offered by or related to community colleges such as training centers, creative spaces, and other community-based uses.

Table 2-10: Principal Employers in the City of San Pablo

Employer	2012-2013			2021-2022		
	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
Contra Costa College ¹	768	2	5.4%	690	1	5.1%
West Contra Costa Unified School District ²	N/A	N/A	N/A	434	2	3.2%
San Pablo Lytton Casino	439	3	3.5%	396	3	3.0%
Vale Health Care Center	169	5	1.2%	275	4	2.1%
City of San Pablo	216	4	1.5%	190	5	1.4%
West County Health Center	120	8	0.9%	165	6	1.2%
Creekside Health Care Center	127	7	0.9%	138	7	1.0%
San Pablo Health Care and Wellness Center	153	6	1.1%	119	8	0.9%
Las Montanas Supermarket	91	10	0.6%	90	9	0.7%
Food Maxx	99	9	0.7%	85	10	0.6%
Doctor's Medical Center ^{1,3}	994	1	7.0%	N/A	N/A	N/A
Subtotal	3,226		22.9%	582		19.3%
Total City Day Population	14,100			13,400		

Notes:

1. Includes part-time employees.
2. Data for 2012-2013 not available because employment was previously tabulated by individual schools rather than for the district.
3. Doctor's Medical Center closed on April 21, 2015.

Source: *City of San Pablo Comprehensive Annual Financial Report, Fiscal Year 2021-2022*; Dyett & Bhatia, 2023.

Health care and social services is also an important industry in San Pablo, representing the greatest proportion of jobs (23 percent) as well as multiple principal employers in the city, as seen in tables 2-10 and 2-11. Capitalizing on this sector, including supporting and attracting more medically oriented businesses and related retail, represents a prominent economic opportunity for San Pablo.

Table 2-11 shows the prevalence of each industry in San Pablo compared to its prevalence in Contra Costa County overall. To compare these two, the location quotient (LQ) is an analytical statistic that measures a region's industrial specialization relative to a larger geographic unit. Here, it is computed as each industry's share of the labor market in San Pablo divided by that same industry's share of the market in Contra Costa County. An LQ of 1.0 would indicate that San Pablo and Contra Costa County are equally specialized in a given industry, while an LQ greater than 1.0 would indicate that San Pablo has a higher concentration of a given industry, and vice versa for a location quotient less than 1.0.

While San Pablo has high LQs for the "arts, entertainment, and recreation" and "educational services" industries, this does not necessarily mean that adding more jobs within these industries will increase the city's overall competitive advantage. Rather, as discussed above, promoting ancillary uses that build on the anchor institutions within these industries—San Pablo Lytton Casino and Contra Costa College—will encourage job growth in complementary industries.

Table 2-11: Number of Jobs in San Pablo and Contra Costa County, 2019

Industry	City of San Pablo		Contra Costa County		Location Quotient
	Number of Jobs	Percent of Total	Number of Jobs	Percent of Total	
Agriculture, forestry, fishing and hunting, and mining	0	0%	1,840	1%	0.0
Construction	148	3%	28,041	7%	0.4
Manufacturing	39	1%	17,108	4%	0.3
Wholesale trade	52	1%	9,514	3%	0.3
Retail trade	851	14%	42,762	11%	1.3
Transportation, warehousing, and utilities	37	1%	9,269	3%	0.3
Information	7	0%	8,372	2%	0.0
Finance and insurance, and real estate and rental and leasing	109	2%	29,015	8%	0.3
Professional, scientific, and management, and administrative and waste management services	203	3%	64,417	17%	0.2
Educational services	1,156	19%	35,301	9%	2.1
Health care and social services	1,444	24%	71,585	19%	1.3
Arts, entertainment, and recreation	608	10%	7,254	2%	5.0
Accommodation and food services	811	14%	34,969	9%	1.6
Public administration	270	5%	14,472	4%	1.3
Other	249	4%	13,742	4%	1.0
Total	5,841	100%	387,796	100%	

Source: US Census Bureau Longitudinal Employer-Household Dynamics program, 2021; Dyett & Bhatia, 2023.

UNEMPLOYMENT

According to the California Employment Development Department’s (EDD’s) Local Area Unemployment Statistics program, the unemployment rate in the City of San Pablo by the end of 2022 was 3.1 percent. This level has significantly recovered from the previous year, when the unemployment rate in January 2021 was 9.7 percent – higher than the rates in Contra Costa County (8.0 percent) and in the nine-county Bay Area (7.4 percent). Prior to the COVID-19 pandemic, unemployment in San Pablo stood at 3.7 percent in January 2020. In April 2020, amidst the fallout from the pandemic-induced recession, unemployment in San Pablo stood at 18.9 percent. This rate has since returned to its prior level thanks to federal, State, and local measures to boost the economy and provide economic relief.

Many job losses following the onset of the pandemic were temporary, as seen by the gradual decline of the unemployment rate following April 2020, while others were permanent. According to Worker Adjustment and Retraining Notifications (WARNs)—which are the notices required by State law to be filed in advance of a plant closing or other mass layoff—received by EDD, only two businesses within San Pablo issued WARNs following March 2020. These were Cinemark Century Hilltop 16 (85 permanent layoffs) and WayForth LLC (seven permanent layoffs).

The city’s major employers were generally spared from significant job losses. However, according to data from the EDD and analyzed by *The Los Angeles Times*, the sectors in California hit hardest by job losses due to the COVID-19 pandemic were accommodation and food service, government, and retail trade. San Pablo has many residents employed in the retail trade and accommodation and food service sectors. At 13.2 percent and 12.6 percent, these were the second and third most common sectors in which San Pablo residents worked in 2019—behind only construction (13.4 percent).¹⁰ Continued high unemployment—in San Pablo as in many other cities in California and the U.S.—is likely driven by the slow recovery in these sectors. And, while San Pablo’s major employers generally avoided long-term layoffs, small businesses were hit harder by the pandemic and are expected to take longer to recover.¹¹

Economic Activities

SAN PABLO ECONOMIC DEVELOPMENT CORPORATION

The San Pablo Economic Development Corporation (SPEDC) works to develop, diversify, and stabilize the local San Pablo economy. SPEDC offers workshops, trainings, and classes for businesses, entrepreneurs, and individuals. For new businesses, SPEDC acts as a resource center to help business owners located in San Pablo open or build their businesses. For existing businesses, SPEDC provides support through workshops, helping businesses make connections, and through marketing programs. SPEDC’s marketing programs include a Small Business of the Year campaign, a “Local FIRST” retail incentive program, and special events such as Small Business Week and San Pablo Restaurant Week. Additionally, SPEDC offers the Nano Revolving Loan Fund, which is designed to stimulate economic growth in West Contra Cost County through lending small businesses the capital they need.

In addition to support for small businesses, SPEDC also provides workforce development services within San Pablo. They provide grant funding for qualified city residents to enroll in career training for construction and carpentry, information technology, barbering, and commercial driver’s licensing. In partnership with Contra Costa College, SPEDC awards financial aid covering 50 percent of enrollment fees, books, and supplies, along with childcare funding, for San Pablo residents enrolled in “Career Technical Education” programs at the College. SPEDC also administers the Removing Barriers Job Readiness program, which is a comprehensive support service aiming to prepare the workforce for careers that pay a progressive wage and benefits. Services under the Removing Barriers program include subsidized childcare, job readiness and financial literacy workshops, free professional clothing, and low-cost tattoo removal.

CITY OF SAN PABLO ECONOMIC DEVELOPMENT DEPARTMENT

The City of San Pablo Economic Development Department, located within the City Manager’s Department, works with other City departments, Local Successor Agency staff, economic development consultants, the SPEDC, and other agencies and non-profits in order to develop partnerships and leverage resources to the benefit of San Pablo residents. The Department serves as the first point of contact for businesses unfamiliar with the City of San Pablo and responds to inquiries regarding economic data, trends, resources, and industrial and commercial development opportunities.

¹⁰ US Census Bureau, American Community Survey 2019 five-year estimates.

¹¹ McKinsey & Company. (2020, July 29). “COVID-19 recovery in hardest-hit sector could take more than 5 years.” <https://www.mckinsey.com/featured-insights/coronavirus-leading-through-the-crisis/charting-the-path-to-the-next-normal/covid-19-recovery-in-hardest-hit-sectors-could-take-more-than-5-years>

PLAN BAY AREA 2050

The Association for Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) have recently adopted Plan Bay Area 2050 long-range plan. The purpose of Plan Bay Area 2050 is to identify a path for making the Bay Area more equitable for all residents and more resilient in the face of unexpected challenges. It identifies policies and investments necessary to advance the goals of a more affordable, connected, diverse, and healthy Bay Area focused on four key issue areas: economy, environment, housing, and transportation.

The Final Plan Bay Area 2050 plan was adopted in October 2021. The Economy chapter focuses on strategies to improve economic resilience by improving economic mobility and shifting the location of jobs. As part of improving economic mobility, Plan Bay Area 2050 promotes investments by cities and counties in high-speed internet in underserved, low-income communities to provide the necessary infrastructure for remote work, education, and e-commerce – needs that will continue to grow especially in light of the shift towards tele-commuting following the COVID-19 pandemic. Expanding internet access has been identified as a priority under the Economic Development and Diversification goal of the City Council Priority Workplan for fiscal years 2021 to 2023 (adopted in 2021 and most recently amended February 6, 2023). Efforts include a citywide fiber optic or wide-area network project and supporting strategic policy objectives outlined in the San Pablo Environment for Everything Digital (SPEED) policy framework through 2030, including facilitating future Smart City 5G SPEED network projects, policies, and services. Capitalizing on these resources plus improving digital literacy will be beneficial for promoting education and job readiness in San Pablo, where 10.3 percent of the overall population lacks access to the internet and some neighborhoods have up to 24.3 percent of residents without access.

To help address the jobs-housing balance, Plan Bay Area 2050 encourages cities across the Bay Area to plan for housing in areas with high concentrations of jobs as well as shifting jobs to areas of high concentrations of housing. According to the U.S. Census Bureau’s Longitudinal Employer-Household Dynamics program (2018), in San Pablo, only 5.8 percent of employed residents both live and work in the city. And, in 2018, the city had approximately 13,400 residents in the workforce compared to approximately 5,800 jobs. One strategy Plan Bay Area 2050 recommends for cities such as San Pablo to improve their jobs-housing balance is to allow greater commercial densities in Priority Development Areas. Priority Development Areas in San Pablo include the San Pablo Avenue and 23rd Street corridors, as well as Rumrill Boulevard; the 2040 General Plan will include updated strategies for 23rd Street and a new focus on Rumrill Boulevard.

Key Findings

1. **Addressing poverty, income, and educational attainment levels remain a key focus for economic development policies in San Pablo.** The poverty rate in San Pablo in 2019 of 16.3 percent was much greater than that of Contra Costa County (8.7 percent) and has increased since the COVID-19 pandemic. Additionally, more than half of San Pablo residents (55.7 percent) fall under the HUD definition of “Low-Income” (making less than 80 percent of the area median family income). Likely, a contributing factor to this is the lower level of educational attainment of San Pablo residents as compared to County residents as a whole. Almost one-third (32.8 percent) of San Pablo residents ages 25 and older in 2019 had less than a high school degree. Though significant growth over the period 2010-2019 in the number of residents with some college education or with an Associate degree suggests progress in this realm, addressing educational attainment remains key to addressing poverty in San Pablo. Continuing and expanding initiatives such as the San Pablo Beacon Community Schools Initiative and San Pablo Team for Youth will further progress in

educational attainment for young residents. Workforce development strategies for adults are also an important focus of programs and services provided by SPEDC.

2. **The City's economic development strategy must consider the needs of youth and have a strong focus on education, training, and workforce preparedness in order to equip young residents to thrive in the 21st century economy.** San Pablo has a relatively young population with a high percentage of youth (in 2019, 36.4 percent were under 25 years old compared to 31.1 percent in Contra Costa County). This means that economic development policies and programs should include efforts targeted towards engaging young people in developing the flexible skills needed to thrive in the future workforce. In particular, policies should consider how digital resources, automation, and outsourcing are changing the landscape for previously middle-income jobs in San Pablo and the Bay Area. Initiatives such as San Pablo Library's free mobile Wi-Fi Hotspot program aim to address this issue.
3. **Two of San Pablo's largest employers, Contra Costa College and the San Pablo Lytton Casino, are major resources for the city. Future economic development strategies should build off of these anchor institutions.** Focusing on policies, programs, and land uses that will act synergistically with the college and casino will help drive economic growth both within these institutions and through the expansion of auxiliary businesses.
4. **The city has a number of economic assets that can help to spur future development and promote resilience into the future.** San Pablo is a culturally and ethnically diverse city, with a range of backgrounds and perspectives that can lead to creative solutions and innovative approaches to problem solving, strengthening the community's ability to recover from disruptions and contribute to innovation. San Pablo is also served by the San Pablo Economic Development Corporation, a proactive agency that provides many critical resources for enhancing the economic status of businesses, employees, and residents as a whole. Lastly, existing Priority Development Areas in the city provide a springboard for future economic development and grant access to additional resources for the city.