



CITY OF SAN PABLO AFFORDABLE HOUSING STRATEGY

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I. INTRODUCTION

The City of San Pablo commissioned Strategic Economics to develop a comprehensive, citywide Affordable Housing Strategy (AHS). The purpose of the AHS is to develop policies and strategies that will increase new housing options, improve the quality of existing housing, and preserve long term housing affordability, particularly for lower income households in San Pablo.

Housing is defined as “affordable” if a household spends 30 percent or less of its gross income on housing costs. By this definition, affordable housing includes *subsidized* units that receive public funding and have limits on the maximum rents or sales prices (also called deed-restricted units), as well as *unsubsidized* units that do not receive public funding, have no restrictions on rents or sales prices, but offer lower rents due to their condition, size, or age. In the case of subsidized affordable housing, units are most often targeted to lower-income categories, measured relative to the area median income (AMI).

The Affordable Housing Strategy is organized into five sections. Following this introduction, Section II describes existing conditions in San Pablo, including the community’s current affordable housing needs, available resources for affordable housing as defined above. Section III contains an analysis of residential market conditions and summarizes opportunities and constraints for new market-rate and affordable housing development in San Pablo. Section IV provides the goals and strategies for implementation, and Section V contains recommended actions for the City and partners to undertake over the next 10 years to advance housing affordability in San Pablo.

Effects of COVID-19 on Housing Affordability

Since the process of developing the AHS began, the COVID-19 pandemic has taken an unprecedented human toll, with devastating impacts on the global, national, and local economies. Contra Costa County’s Shelter-in-Place Order, first issued on March 16, 2020, required the closure of all “non-essential” businesses. Although the order has been relaxed over time, and many stores, restaurants, and other “non-essential” businesses are now able to operate with modifications, many employers have made the decision to lay off workers or have significantly cut their hours.

The data in this report was based on research from February and March 2020, prior to the onset of the pandemic. Therefore, it does not fully reflect the change in housing needs, prices, or rents that as a result of the crisis. However, it is well known at this point in time that COVID-19 has had a tremendous impact on households’ ability to pay rents and mortgages. It is reasonable to assume that any housing insecurity or affordability need present prior to COVID-19 will most likely be exacerbated by this economic crisis, especially for lower and moderate-income households and other at-risk populations. San Pablo residents are employed at a higher rate than the Contra Costa County average in industries that are most likely to be affected, such as construction, retail trade, accommodation, entertainment, and food services.¹ Also, many households in San Pablo are low-income renters who are already housing cost-burdened and/or living in overcrowded units, making them especially vulnerable to evictions or increased risk of exposure to COVID-19. Furthermore, San Pablo is home to a large share of Hispanic/Latino and African American residents, who have been disproportionately impacted by the

¹ Construction (12% of San Pablo working residents, compared to 9% of Contra Costa County working residents), Retail Trade (14% of San Pablo working residents, compared to 10% of County working residents), and Arts, Entertainment, Accommodation, and Food Services (15% of San Pablo working residents, compared to 11% of County working residents). U.S. Census ACS 2018 (5-Year Estimates, 2013-2018).

COVID-19 health crisis. Finally, small “mom-and-pop” landlords may also be at financial risk, given the possibly precarious financial situation of their tenants and their limited resources in comparison to larger corporate landlords.

Response to COVID-19

County, state, and federal governments have implemented relief measures to provide some protections to tenants and homeowners that are affected by COVID-19, which are described in more detail in Section II of this report. The County’s “Eviction Protection and Rent Freeze Ordinance” places a ban on evictions due to unpaid rent, a ban on no-fault evictions, and a moratorium on rent increases for most housing units through September 30, 2020. The ordinance requires tenants to repay missed rental payments by the end of January 2021. The State of California’s Tenant, Homeowner, and Small Landlord Relief and Stabilization Act prohibits tenant evictions from September 1, 2020 through January 31, 2021, should tenants pay at least 25 percent of rent payments during that period. Back rent must be repaid by January 2021. In addition to these ordinances, the City of San Pablo offers a Housing Assistance Grant Program to help low-income households with rent, mortgage, or utility payments. Grants range from \$400 to \$1,000 per household.

In the short-term, it is expected that the City of San Pablo will need to continue prioritizing emergency housing measures to prevent evictions and displacement. In addition, it is recommended that the City implement strategies that help to protect tenants and homeowners in the longer term from eviction and foreclosure, and to preserve the affordability of existing subsidized and unsubsidized affordable housing. The AHS is intended to guide the City’s longer-term policy direction to improve housing affordability and increase resources. These longer-term strategies will be all the more important given that needs are likely to be magnified in the short-term.

Process for Developing the AHS

In January 2020, the City of San Pablo retained Strategic Economics to assist with the development of the AHS. The City and Strategic Economics began working together in February 2020 to document existing needs and conditions in the City of San Pablo based on a series of data analyses. Various forms of community outreach also informed the AHS process. However, due to the onset of the COVID-19 crisis in March 2020 and the Shelter-In-Place orders that ensued, all of the community outreach conducted for the AHS had to be conducted virtually, as summarized below.

- **Targeted stakeholder interviews.** This included one-on-one phone interviews with representatives of key public agencies, nonprofit housing organizations, and developers (market rate and/or affordable) active in Contra Costa County. The Appendix includes a list of interviewees and summary notes.
- **Community online survey.** An online survey was distributed to the San Pablo community and available online from June to mid-July 2020. The survey was available in English or Spanish. The purpose of the survey was to solicit feedback on the community’s key issues currently with housing, and their desired priorities for future housing-related work. The Appendix includes detailed survey results.
- **Affordable Housing Forums.** Two affordable housing forums were conducted (one in English, one in Spanish) in late August 2020. The purpose of these forums was to inform the community of existing resources available – especially given the onset of the COVID crisis – and solicit

feedback on the community's needs and priorities to help inform the AHS implementation plan. The presentation materials and a recording of the session were made available following the forum on the City's website. The Appendix includes more information about the questions and comments received from the public during the forums.

- **Standing Committee, City Council, and Economic Development Corporation meetings.** Strategic Economics will also present the draft AHS to decision-makers, including the Housing and Economic Development Standing Committee and the City Council. The input, comments, and guidance received at these meetings will be incorporated into the final AHS.

II. EXISTING CONDITIONS

This chapter documents the City's existing housing supply, the demographics of existing households and their need for affordable housing, and current programs, policies, and funding resources for affordable housing.

Where possible, housing and demographic data is reported for San Pablo as well as Contra Costa County, to assess how San Pablo fares in comparison to its regional context. In addition, because Contra Costa County is a large and diverse County with significant differences between the West, Central, and East County sub-areas, San Pablo is also compared to the neighboring City of Richmond. Not only do San Pablo and Richmond share geographic boundaries, schools, and major arterials, Richmond is also the largest city in West Contra Costa County and can reasonably represent this sub-area.

Housing Supply

This section summarizes the existing conditions of San Pablo's housing stock. The section begins with a general description of the age, type, and tenure of the City's housing. This section then documents in more detail specific affordable housing types, including deed-restricted affordable housing, public housing, and other potentially lower cost unsubsidized housing types such as mobile homes, Accessory Dwelling Units (ADUs), and other multi-family rental properties.

OVERVIEW: HOUSING AGE, TYPE, AND TENURE

This section provides an overview of San Pablo's housing stock, based on data from the U.S. Census American Community Survey summarized in Figure 1 and Figure 2.

San Pablo has a relatively large percentage of multifamily housing. As Figure 1 shows, there are about 9,100 occupied housing units in San Pablo. Nearly half are multifamily units, compared to one-third of units in Richmond and one-quarter of units in Contra Costa County.

Most multifamily properties in San Pablo are small, with two to nine units. As Figure 1 shows, there are only about 570 units in large multifamily properties of 50 units or more.

Two-thirds of San Pablo households, or about 5,700 households, are renters. This represents a large share of households compared to Richmond (49 percent renter households) and Contra Costa County (34 percent renter households).

About one-third of renters in San Pablo rent a single-family home. About 1,800 renter households in San Pablo (32 percent of those who rent) live in a single-family home (Figure 2). Renters living in single-family homes are important to track because of limitations on the types of state protections available to them.

Many single-family homes in San Pablo are owned by large publicly traded companies and have been removed from the homebuyer market. According to the Anti-Eviction Mapping Project, Wall Street investors owned and rented 103 single-family homes in San Pablo in 2019.² Generally speaking, large investment firm-owned companies that rent single-family homes typically charge more than the area

² Anti-Eviction Mapping Project, "Wall Street Landlords, California", 2019. Available at: <https://www.antievictionmap.com/wallstreet/>

median rent, and many of their tenants have reported paying for maintenance and repairs as well as a variety of punitive fees, such as late payment fees.³

A notable share of San Pablo households live in mobile homes. A greater share of households in San Pablo (four percent, or about 370 households) lived in mobile homes compared to Richmond and Contra Costa County. More information on San Pablo’s mobile home parks is provided in a later section of this chapter.

Most housing in San Pablo was built before 1980, with virtually no new housing built in the last decade. More than two-thirds of housing units were built before 1980 – this includes a large portion of units built in the World War II era as temporary worker housing for the Richmond shipyards.⁴ About a quarter of units in San Pablo were built between 1980 and 1999, and about 10 percent between 2000 and 2009. Virtually no new units have been built since the economy’s recovery from the Great Recession. The City of Richmond has had similar development trends, while Contra Costa County has seen more housing development in the last two decades.

³ Tenants Together, “The New Single-Family Home Renters of California: A Statewide Survey of Tenants Renting from Wall Street Landlords”, May 2015. Available at:

<http://www.tenants-together.org/sites/tenants-together.org/files/The%20New%20Single-Family%20Home%20Renters%20of%20California.pdf>; Francesca Mari for the New York Times Magazine, “A \$60 billion housing grab by Wall Street”, March 4, 2020. Available at: <https://www.nytimes.com/2020/03/04/magazine/wall-street-landlords.html>

⁴ City of San Pablo, “History: Suburban City Era (1940-Present)”, available at: <https://www.sanpabloca.gov/963/Suburban-City-Era-1940-Present>

FIGURE 1. HOUSING OVERVIEW, SAN PABLO, RICHMOND, CONTRA COSTA COUNTY, 2018

	San Pablo		Richmond		Contra Costa County	
	Number	Percent	Number	Percent	Number	Percent
Total Occupied Housing Units	9,136	100%	37,209	100%	392,277	100%
Units by Type						
Single-Family	4,822	53%	25,323	68%	294,689	75%
Multifamily						
2 to 9	2,300	25%	6,679	18%	43,068	11%
10 to 50	1,076	12%	3,397	9%	26,520	7%
50 or more	568	6%	1,509	4%	21,047	5%
Mobile Homes	370	4%	189	1%	6,481	2%
<i>Subtotal</i>	4,314	47%	11,774	32%	97,116	25%
Other*	0	0%	112	0%	472	0%
Units by Tenure						
Owner-occupied	3,449	38%	18,822	51%	257,528	66%
Renter-occupied	5,687	62%	18,387	49%	134,749	34%
Units by Year Built						
Built After 2010	12	0%	414	1%	10,553	3%
Built 2000-2009	839	9%	3,524	9%	50,176	12%
Built 1980-1999	2,539	26%	8,727	22%	118,189	29%
Built 1950-1979	4,591	48%	15,744	39%	187,996	46%
Built Before 1950	1,663	17%	11,495	29%	44,424	11%
Total Built Units	9,644	100%	39,904	100%	411,338	100%

*Other includes: Boat, RV, Van, Etc.

Source: American Community Survey 5-Year Estimates, 2014-2018; Strategic Economics, 2020.

FIGURE 2. TENURE BY UNIT TYPE, SAN PABLO, RICHMOND, CONTRA COSTA COUNTY, 2018

	San Pablo		Richmond		Contra Costa County	
	Number	Percent	Number	Percent	Number	Percent
Owner-occupied						
Single-Family	2,998	87%	17,316	93%	237,896	92%
Multifamily	451	13%	1,394	7%	19,306	8%
<i>Subtotal</i>	3,449	100%	18,710	100%	257,202	100%
Renter-occupied						
Single-Family	1,824	32%	8,007	44%	56,793	42%
Multifamily	3,863	68%	10,380	56%	77,810	58%
<i>Subtotal</i>	5,687	100%	18,387	100%	134,603	100%
Other*	0	0.0%	112	0.3%	472	0.1%
Total Occupied Housing Units	9,136	100%	37,209	100%	392,277	100%

*Other includes: Boat, RV, Van, Etc.

Source: American Community Survey 5-Year Estimates, 2014-2018; Strategic Economics, 2020.

SUBSIDIZED INCOME-RESTRICTED RENTAL HOUSING

This section provides an overview of San Pablo's supply of subsidized, income-restricted rental housing (i.e. regulated units that have limits on maximum rents and are restricted to lower income households). This includes subsidized housing built and operated by nonprofits, as well as public housing units that are controlled by the Housing Authority of Contra Costa County. Findings are based on data from the City of San Pablo, the CoStar Group, and the Housing Authority.

There are about 750 subsidized, income-restricted units housing in San Pablo, or 8 percent of units citywide. As seen in Figure 3, this total includes 612 units in existing deed-restricted rental housing and 141 units in two public housing projects (Kidd Manor and Vista El Camino Apartments), which are owned and managed by the Housing Authority of Contra Costa County (HACCC).⁵

Most subsidized rental projects in San Pablo have deed restrictions to maintain affordability for at least another 30 years. Most projects have deed-restrictions until 2050, but four projects have unknown expiration dates (Figure 3). These affordable units may be at risk of conversion if the term of the deed restriction expires and is not renewed. Maintaining the affordability of expiring units will require some form of subsidy.

Most subsidized rental units are located along the City's major arterials and corridors. Figure 4 shows the location of income-restricted housing units across the City. About 520 income-restricted units (70 percent of total income-restricted units) are in developments located near Rumrill Boulevard, San Pablo Avenue, and 23rd Street. All of these are in designated areas for future housing growth known as priority development areas (PDAs).

There are a small number of planned new subsidized affordable units planned in San Pablo. As of September 2020, the City of San Pablo reported two projects in the early stages of planning (Figure 3). Together, the Block E and 1820 Rumrill Boulevard projects add up to 16 new subsidized, income-restricted units.

⁵ HACCC owns and manages a portfolio of about 1,100 public housing units in Contra Costa County.

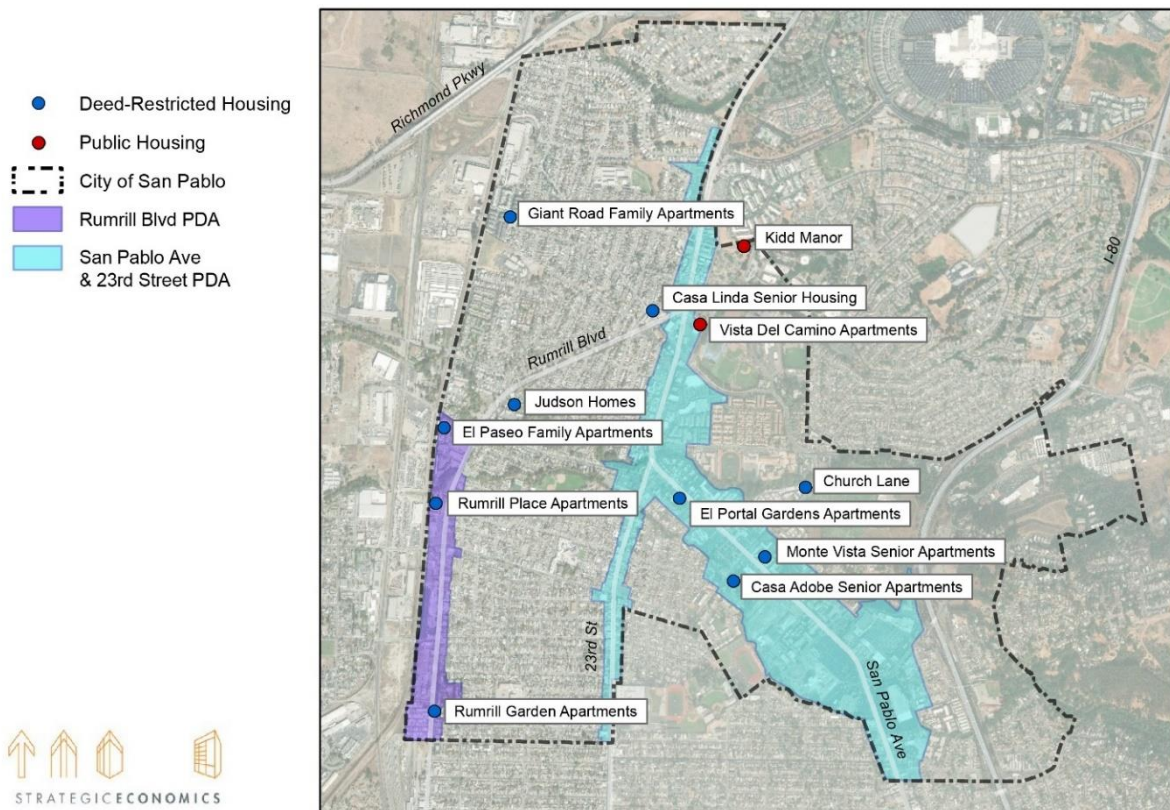
FIGURE 3. EXISTING AND PROPOSED INCOME-RESTRICTED SUBSIDIZED HOUSING, SAN PABLO, APRIL 2020

Project	Address	Year Built	Type	Affordable Units	Expiration Date
Existing					
Casa Linda Senior Housing	2001 Broadway	1993	Affordable	24	2049
Casa Adobe Senior Apartments	1924 Church Lane	1991	Affordable	53	2056
Monte Vista Senior Apartments*	13728 San Pablo Ave	2003	Market/Affordable	67*	2058
El Portal Gardens Apartments	14041 San Pablo Ave	1978	Affordable	80	2058
El Paseo Family Apartments	1150 Brookside Dr	2008	Affordable	132	2060
Giant Road Family Apartments	907 Lake St	2007	Affordable	86	2062
Rumrill Garden Apartments	1300 Rumrill Blvd	1984	Affordable	60	Unknown
Rumrill Place Apartments	1883 Rumrill Blvd	1996	Affordable	32	Unknown
Church Lane	2555 Church Ln	1996	Affordable	22	Unknown
Judson Homes	1320 Road 20	1961	Affordable	56	Unknown
Kidd Manor	100 Austin Ct	N/A	Public Housing	41	N/A
Vista Del Camino Apartments	2324 College Lane	1998	Public Housing	100	N/A
Total				753	
Proposed					
Block E Project	Chattleton Lane & Pinewood Terrace		Market/Affordable	1*	
1820 Rumrill Blvd	1820 Rumrill Blvd		Affordable	15	

*Monte Vista Senior Apartments also includes 15 market-rate units, and the proposed Block E project includes 19 market-rate units, in addition to affordable units reported in Figure 3.

Source: City of San Pablo, April 2020; Strategic Economics, 2020.

FIGURE 4. LOCATIONS OF EXISTING INCOME-RESTRICTED SUBSIDIZED HOUSING IN SAN PABLO, 2020



Note: Proposed projects are not shown.

Source: City of San Pablo, April 2020; MTC, 2020; Strategic Economics, 2020.

LOW-COST UNSUBSIDIZED HOUSING

This section describes the supply of San Pablo's lower-cost unsubsidized housing, defined as units that are not income-restricted but are rented at relatively lower prices due to their size, age, or other qualities. In San Pablo, older multifamily rental properties, mobile home parks, and accessory dwelling units are generally affordable to lower income households, even if they are owned and managed privately. These different housing types are summarized below.

Nearly all of San Pablo's multifamily rental properties are at least 40 years old. As seen in Figure 5, which is based on data from the CoStar Group, there are 213 multifamily rental properties in San Pablo, totaling 1,961 rental units.⁶ About 93 percent of these units were built before 1980. Units in older buildings typically have lower rents than those in newer projects.

Most multifamily buildings in San Pablo are small properties. Figure 5 shows that about 80 percent of multifamily rental properties in San Pablo have between two and nine units. These properties hold about 40 percent of rental units in the City. It is important to note that while there are only a few large multifamily apartment buildings in San Pablo (defined as 50 or more units), these buildings contain 30 percent of the City's apartment units.

All of San Pablo's multifamily rental housing offers some protection from rent increases and evictions based on state laws. All multifamily rental units that are at least 15 years old are subject to statewide rent cap and just-cause eviction protections under the Tenant Protection Act of 2019 (AB 1482). The law, which went into effect in January 2020 and expires in 2030 (unless extended), caps annual rent increases to 5 percent plus inflation and implements just-cause eviction protections. AB 1482 covers all multifamily rental units in California that are at least 15 years old, on a rolling basis (for example, in 2020, AB 1482 applies to units built prior to 2005). Units exempt from AB 1482 include duplexes in which the owner occupies one of the units, mobile homes, ADUs, and subsidized income-restricted housing. Single-family homes are also exempted from AB 1482 unless they are owned by a corporation, real estate investment trust (REIT), or limited liability corporation.⁷

As seen in Figure 5, San Pablo has not seen any new multifamily rental housing built since 2005, which means that all its existing multifamily rental housing is subject to the State rent cap and just-cause protections. Units subject to the State's rent cap may not necessarily be affordable today but are important to track as they may provide housing stability for existing lower-income residents.

There are nearly 500 mobile home units in San Pablo. Figure 6 shows that there is a total of 440 mobile home units in the City. This is slightly higher than the estimate provided by the U.S. American Census Survey (Figure 1). San Pablo has several small mobile home parks with 50 units or less. Most mobile home parks function as a combination of rental and for-sale housing: often, households own their homes but rent the space where the home is located from the mobile home park owner. Mobile

⁶ Note that CoStar does not track single-family homes, condominiums, and some smaller multifamily housing, which explains the difference in estimates shown in Figure 2.

⁷ According to Assembly member Chiu's AB 1482 Frequently Asked Questions (October 2019), units exempt from both just cause and the rent cap include, among others, "units that can be individually sold, if the owner is not a corporation, a real estate investment trust (REIT), or a limited liability corporation (LLC) in which one member is a corporation, AND if the tenant has received written notice that the unit is exempt in the form and manner required by the bill. This includes single family homes on their own lot as well as condominiums. However, it does not include multiple single-family homes on the same lot." Available at: <https://a17.asmdc.org/issue/ab-1482-frequently-asked-questions>

homes tend to be a generally low-cost housing option, especially in comparison to the cost of purchasing a condominium or single-family home.⁸

Sixteen ADUs have been built or legalized in the last five years in San Pablo. A total of twelve ADUs were built from 2015 to 2019, and four previously existing ADUs were brought into legal compliance with the City's regulations (see Figure 7). While the sample is small, this data may indicate a trend of San Pablo residents building more ADUs, as restrictions on ADUs have been increasingly relaxed through state laws. Although ADU rents are not regulated, they are often more affordable due to their smaller size.

FIGURE 5. UNSUBSIDIZED MULTIFAMILY RENTAL PROPERTIES BY YEAR BUILT AND SIZE, SAN PABLO, APRIL 2020

	Building Count	Percent	Unit Count	Percent
Year Built				
Built 2005 or Later	-	0%	-	0%
Built 1980-2004	8	4%	55	3%
Built 1950-1979	186	87%	1,825	93%
Built Before 1950	17	8%	72	4%
Unknown	2	1%	9	0%
Total	213	100%	1,961	100%
Building Size				
Buildings 2 to 9 Units	173	81%	798	41%
Buildings 10 to 49 Units	33	15%	573	29%
Buildings 50 Units or More	7	3%	590	30%
Total	213	100%	1,961	100%

Note that CoStar does not track single-family homes, condominiums, and some smaller multifamily housing.
Source: Costar, April 2020; Strategic Economics, 2020.

FIGURE 6. MOBILE HOME PARKS, SAN PABLO, APRIL 2020

Property Name	Property Address	Number of Units
Kimball's Mobile Home Park	2451 Church Ln	123
Idle Wheels	13900 San Pablo Ave	98
Hacienda Mobile Home Park	1153 Rumrill Blvd	78
Richmond Trailer Park	1411 Rumrill Blvd	44
Willow Mobile Home Park	2885 Willow Rd	39
Alpine Mobile Home Park	1824 21st St	38
Castle's Mobile Home Park	2425 Church Ln	20
Total Units		440

Source: Costar, April 2020; Strategic Economics, 2020.

⁸ Association of Bay Area Government (ABAG), "Housing Policy & Data Explorer: Mobile homes conversion ordinance", 2017. Available at: <http://housing.abag.ca.gov/>

FIGURE 7. ACCESSORY DWELLING UNITS BUILT AND LEGALIZED, SAN PABLO, 2015 TO 2019

	ADUs Built	ADUs Legalized	Total Built/Legalized
2015	1	0	1
2016	1	1	2
2017	2	1	3
2018	3	0	3
2019	5	2	7
Total	12	4	16

Source: City of San Pablo, 2020; Strategic Economics, 2020.

Existing Housing Affordability Needs

This section provides an overview of population and household demographics in San Pablo, Richmond, and Contra Costa County. Demographic characteristics help describe a city's residents and provide insights into local housing needs. Data is reported for these three jurisdictions to assess how San Pablo fares comparatively to the West County and Contra Costa County overall. This section also identifies additional housing needs as specified in San Pablo's current Regional Housing Needs Allocation (RHNA) cycle allocation and progress report and the City's 2015-2023 Housing Element.

DEMOGRAPHIC CHARACTERISTICS

San Pablo is racially and ethnically distinct from Richmond and Contra Costa County. Figure 8 shows that the Hispanic or Latino population in San Pablo accounts for 62 percent of the City's residents compared to 41 percent in Richmond and 25 percent in the County. Non-Hispanic Whites account for 8 percent of San Pablo residents, compared to 18 percent in Richmond and 44 percent in the County.

Compared to Richmond and Contra Costa County, San Pablo has a smaller share of residents with high levels of educational attainment. 13 percent San Pablo residents have a bachelor's degree or an advanced degree such as a masters, PhD, or other professional degree. By comparison, 28 percent of Richmond residents have a bachelor's degree or higher and 42 percent of County residents have a bachelor's degree or higher.

San Pablo households are more likely to be families with children, with a larger average household size compared to Richmond and the County. 45 percent of households in San Pablo are families with children compared to 34 percent in Richmond and 36 percent in the County. The average household size in San Pablo is 3.3 people. In Richmond and the County, households average 2.9 members.

At least 15 percent of households in San Pablo are living in overcrowded units. A household is considered "overcrowded" when it contains more than one person per room (includes all rooms and not just bedrooms).⁹ According to this definition, 15 percent of households in San Pablo are overcrowded. The share of overcrowded households is three times greater in San Pablo than in Contra Costa County.

⁹ U.S. Department of Housing and Urban Development, "Measuring Overcrowding in Housing", September 2007. Available at: https://www.census.gov/content/dam/Census/programs-surveys/ahs/publications/Measuring_Overcrowding_in_Hsg.pdf

San Pablo households generally earn less than those in Richmond and the County. In 2018, about 70 percent of San Pablo households earned less than \$75,000 per year, compared to 56 percent in Richmond and 41 percent countywide (Figure 9). Additionally, San Pablo's median household income of \$49,226 was significantly less than Richmond's (\$64,575) and the County's (\$93,712).

Half of households in San Pablo are housing-cost burdened or severely cost-burdened, with renters particularly affected. As shown in Figure 9, 26 percent of San Pablo households were cost-burdened, spending between 30 percent and 49 percent of their income on housing. Another 24 percent of households were severely cost-burdened, spending 50 percent or more of their income on housing. A greater share and number of renters were cost-burdened or severely cost-burdened than homeowners.

San Pablo's demographics generally reflect the characteristics of areas that are vulnerable to gentrification and displacement. Strong job growth and rising home prices and rents in the Bay Area have been linked to changes in many neighborhoods across the region, including trends of gentrification and/or displacement of residents.¹⁰ Common indicators used to assess whether a community may be at-risk of gentrification or displacement include a high percentage of low-income households, a high percentage of renters, a high percentage of rent-burdened households, and the presence of older or low-cost unsubsidized housing.¹¹ As summarized in Figure 10, San Pablo possesses many of these characteristics.

While at-risk of gentrification and displacement, San Pablo does not appear to be currently undergoing gentrification. According to the Urban Displacement Project, a research initiative at the University of California Berkeley that analyzed demographic and real estate market changes by census tract from 1990 to 2015, San Pablo is not experiencing gentrification. However, areas in Richmond and North Richmond immediately west and south of San Pablo were found to be undergoing gentrification, which may represent an additional risk factor for San Pablo.¹²

¹⁰ Urban Displacement Project at University of California Berkeley, "Case Studies on Gentrification and Displacement in the San Francisco Bay Area", July 2015. Available at: https://www.urbandisplacement.org/sites/default/files/images/case_studies_on_gentrification_and_displacement_full_report.pdf

¹¹ Harvard Kennedy School, Chris Bousquet, "Where is Gentrification Happening in Your City?" June 2017, available at: <https://datasmart.ash.harvard.edu/news/article/where-is-gentrification-happening-in-your-city-1055>

¹² Urban Displacement Project at University of California Berkeley, "Mapping Displacement and Gentrification in the San Francisco Bay Area", available at: <https://www.urbandisplacement.org/map/sf>

FIGURE 8. DEMOGRAPHIC CHARACTERISTICS, SAN PABLO, RICHMOND, CONTRA COSTA COUNTY, 2018

	San Pablo		Richmond		Contra Costa County	
	Number	Percent	Number	Percent	Number	Percent
Race and Ethnicity						
Non-Hispanic White	2,602	8%	19,538	18%	502,951	44%
Hispanic/Latino	19,019	62%	44,892	41%	288,101	25%
Non-Hispanic Black, African American	3,255	11%	21,401	20%	93,683	8%
Non-Hispanic Asian	4,874	16%	17,672	16%	182,135	16%
Other	1,089	4%	5,837	5%	66,377	6%
<i>Total Population</i>	<i>30,839</i>	<i>100%</i>	<i>109,340</i>	<i>100%</i>	<i>1,133,247</i>	<i>100%</i>
Educational Attainment (a)						
High School Degree or Less	11,917	61%	32,345	43%	219,184	28%
Some College	5,246	27%	21,368	29%	233,998	30%
Bachelor's Degree	1,831	9%	13,642	18%	203,101	26%
Advanced Degree	636	3%	7,310	10%	121,236	16%
<i>Total Population 25 Years and Over</i>	<i>19,630</i>	<i>100%</i>	<i>74,665</i>	<i>100%</i>	<i>777,519</i>	<i>100%</i>
Household by Type						
Families w/ children	4,151	45%	12,528	34%	140,425	36%
Families w/o children	2,501	27%	11,946	32%	141,660	36%
Householder living alone	1,975	22%	9,927	27%	86,275	22%
Other non-family household	509	6%	2,808	8%	23,917	6%
<i>Total Households</i>	<i>9,136</i>	<i>100%</i>	<i>37,209</i>	<i>100%</i>	<i>392,277</i>	<i>100%</i>
Average Household Size						
	3.3		2.9		2.9	
Overcrowding (b)						
Owner-occupied	392	4%	990	3%	5,925	2%
Renter-occupied	1,012	11%	2,440	7%	13,013	3%
<i>Total Overcrowded Households</i>	<i>1,404</i>	<i>15%</i>	<i>3,430</i>	<i>9%</i>	<i>18,938</i>	<i>5%</i>

(a) The U.S. Census reports educational attainment based on the total population of 25 years old or older in a given geography.

(b) More than one person per room is considered overcrowded, according to the U.S. Department of Housing and Urban Development (see: "Measuring Overcrowding in Housing", September 2007, available at https://www.census.gov/content/dam/Census/programs-surveys/ahs/publications/Measuring_Overcrowding_in_Hsg.pdf)

Source: American Community Survey 5-Year Estimates, 2014-2018; Strategic Economics, 2020.

FIGURE 9. HOUSEHOLD INCOME LEVELS AND HOUSING COST BURDEN, 2018

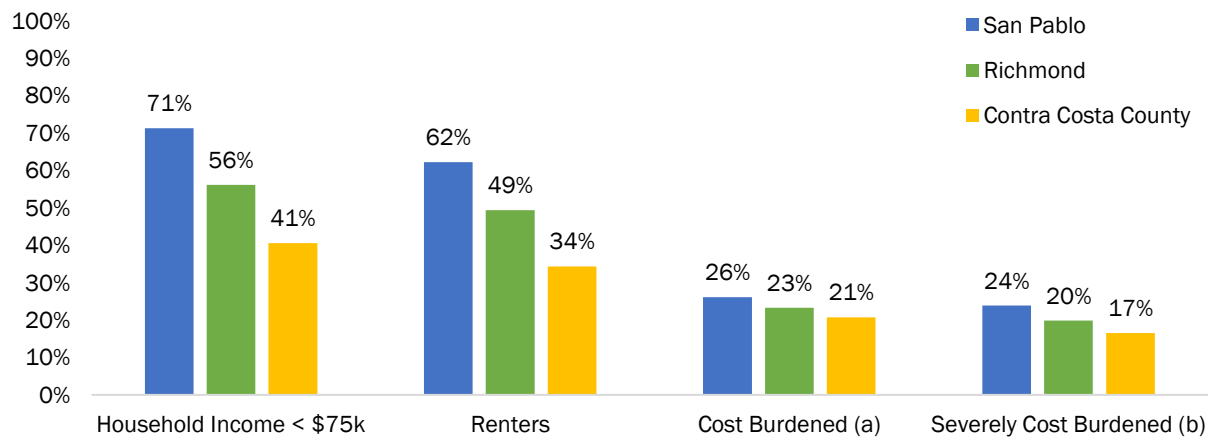
	San Pablo		Richmond		Contra Costa County	
	Number	Percent	Number	Percent	Number	Percent
Total Occupied Households	9,136		37,209		392,277	
Households by Income Range						
Less than \$30,000	2,568	28%	8,223	22%	58,520	15%
\$30,000 to \$49,999	2,087	23%	6,503	17%	45,871	12%
\$50,000 to \$74,999	1,861	20%	6,175	17%	54,684	14%
\$75,000 to 124,999	1,738	19%	9,296	25%	90,072	23%
\$125,000 or More	882	10%	7,012	19%	143,130	36%
Median Household Income	\$49,226		\$64,575		\$93,712	
Housing Cost Burdened Households (a)						
Owner	703	8%	3,678	10%	47,766	12%
Renter	1,681	18%	4,992	13%	33,682	9%
<i>Total</i>	2,384	26%	8,670	23%	81,448	21%
Severely Cost Burdened Households (b)						
Owner	439	5%	2,598	7%	30,859	8%
Renter	1,742	19%	4,783	13%	34,047	9%
<i>Total</i>	2,181	24%	7,381	20%	64,906	17%

(a) Households paying 30% to 49% Household Income

(b) Households paying 50% or More of Household Income

Source: American Community Survey 5-Year Estimates, 2014-2018; Strategic Economics, 2020.

FIGURE 10. DEMOGRAPHIC CHARACTERISTICS INDICATING VULNERABILITY TO DISPLACEMENT, 2018



(a) Households paying 30% to 49% Household Income

(b) Households paying 50% or More of Household Income

Source: American Community Survey 5-Year Estimates, 2014-2018; Strategic Economics, 2020.

REGIONAL HOUSING NEEDS ALLOCATION

The Association of Bay Area Governments (ABAG) is responsible for allocating the region's projected housing demand to individual jurisdictions. This allocation, known as the Regional Housing Needs Allocation (RHNA), represents the number of additional units needed over a defined planning horizon to accommodate anticipated household growth and replace expected demolitions or conversions of housing units to non-housing uses. The RHNA for each city is broken into four income categories: very low, low, moderate, and above moderate.¹³ The 2015-2023 RHNA assigned a total of 449 housing units to San Pablo across all income levels. Figure 11 and Figure 12 show San Pablo's current progress towards these RHNA targets.

More than halfway through the current RHNA cycle, the City of San Pablo has met only 12 percent of its overall RHNA goal. As of 2019, San Pablo has permitted no very-low-income units, four low-income units, 19 moderate-income units, and 32 above moderate-income units. An additional 18 units are proposed or entitled (moderate and above-moderate), although these units do not count towards the City's official RHNA progress. The City will need to build or permit a total of 394 more units in the next three years to reach its RHNA target.

According to state law, based on the City's progress towards meeting its RHNA, residential development projects that include at minimum 10 percent of affordable units must receive streamline approvals (Senate Bill 35, or SB 35).¹⁴

FIGURE 11. REGIONAL HOUSING NEEDS ALLOCATION (RHNA) PROGRESS REPORT, 2019

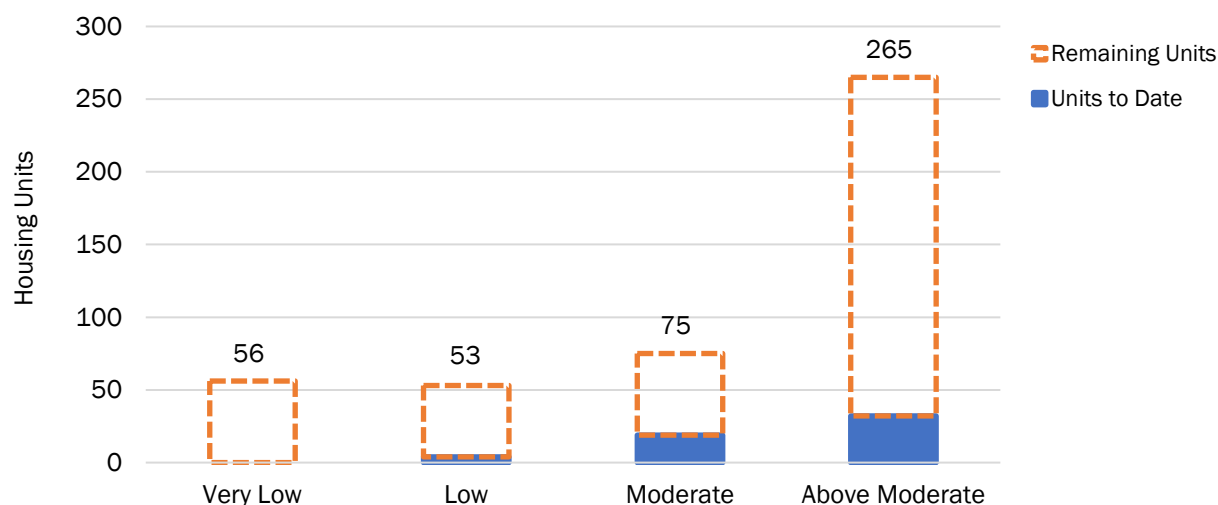
Income Level	RHNA Allocation (2015-2023)	Units Permitted to Date	Remaining Units	Percent Complete
Very Low	56	0	56	0%
Low	53	4	49	8%
Moderate	75	19	56	25%
Above Moderate	265	32	233	12%
Total	449	55	394	12%

Source: City of San Pablo, 2020; Strategic Economics, 2020.

¹³ Extremely-low-income is included in the very-low-income category.

¹⁴ Senate Bill 35 (SB 35) was signed in 2017 and went into effect in 2018. This bill applies to jurisdictions that are not meeting their RHNA targets. Different criteria apply depending on the jurisdiction's performance towards the low-income, moderate income, and/or above-moderate income targets. The bill requires that jurisdictions streamline the approval of new residential projects if these projects meet certain housing affordability requirements. If a jurisdiction has not met its goal for above-moderate income unit, the jurisdiction must streamline the approval process for projects that have at least 10 percent of units that are affordable. If a jurisdiction has not met its goal for low-income units, then the jurisdiction must streamline the approval process for projects that have at least 50 percent of units that are affordable.

FIGURE 12. CITY OF SAN PABLO PROGRESS ON 2015-2023 RHNA, AS OF 2019



Source: City of San Pablo, 2020; Strategic Economics, 2020.

POPULATIONS WITH SPECIAL HOUSING NEEDS

San Pablo's 2015-2023 Housing Element identifies additional populations with special housing needs, summarized below.¹⁵

- **Seniors.** In 2012, there were 1,442 senior households in San Pablo, and these generally households earned less than those in Contra Costa County. 58 percent of senior households in San Pablo earned less than \$30,000, compared to 28 percent in County. Seniors were also more likely to be renters in San Pablo than the County.
- **Persons with disabilities.** 11 percent of San Pablo residents have a disability. San Pablo had a relatively high percentage of seniors with a disability (46 percent) compared to the County (34 percent).
- **Extremely Low-Income Households (ELI).** In 2011, there were 2,115 ELI households in San Pablo. ELI households in San Pablo were largely renters (more than 75 percent).
- **People experiencing homelessness.** In 2013, there were approximately 86 unsheltered homeless in San Pablo, accounting for 6.4 percent of the total unsheltered homeless in Contra Costa County.¹⁶ Although there are currently no homeless or transitional shelters in San Pablo, Contra Costa County offers various health and social services in San Pablo at the West County Behavioral Health Center. Furthermore, the City is actively looking for opportunities to create new transitional and permanent supportive housing in partnership with the County.

¹⁵ The City of San Pablo, "2015-2023 Housing Element," 2015.

¹⁶ In 2013 there were 1,350 unsheltered homeless and 2,448 sheltered homeless in Contra Costa County.

Existing Resources, Policies, and Programs

This section summarizes key local, state, and federal policies and funding sources related to housing affordability, with an emphasis on those that could have an impact on market rate and affordable housing development in San Pablo. Findings are based on a review of existing documents, as well as interviews with relevant government staff and nonprofit organizations.

CITY OF SAN PABLO

As a small city, San Pablo has a relatively limited number of housing resources and programs. Furthermore, due to its population size, San Pablo does not receive direct federal funding allocations. The City's former Redevelopment Agency previously provided financial and staff resources to promote affordable housing development and services, but as with many cities across the state, San Pablo has lost many of its tools and funding with the dissolution of local redevelopment agencies in 2012.

In January 2020, the City hired a new in-house Chief Building Official, who will help streamline housing approval and production. In August 2020, the City also hired its first Housing Analyst, responsible for overseeing all of the City's housing-related efforts, such as facilitating the production of new housing and administering housing-related grants and programs.

Additional housing initiatives and resources in San Pablo are described below, including emergency temporary measures related to COVID-19.

COVID-19 Eviction and Rent Moratorium. On April 27, 2020, the City of San Pablo adopted an emergency ordinance temporarily prohibiting residential and commercial evictions for tenants impacted by COVID-19, as well as a temporary moratorium on rent increases. The ordinance expired May 31, 2020, but tenants have up to 12 months to pay back any missed rental payments.

COVID-19 Housing Assistance Grant Program. On May 4, 2020, the San Pablo City Council approved the Housing Assistance Grant Program, to offer one-time grants to households to support payment of rent, mortgage, or utilities. Grants are available to households earning 80 percent or less of AMI. Grant amounts range from \$400 to \$1,000 per household, depending on AMI level and household size. The program was funded by an appropriation from the City's Low-Income Housing Fund. Two rounds of grants have been disbursed so far (\$500,000 total). The program has been approved for a third round.

Incentives for housing production. In line with state policies, the City of San Pablo offers incentives for developers who chose to build affordable housing. However, these incentives have had relatively limited impact in San Pablo in the last decade, given that the City has had so few development projects.

- **State Residential Density Bonus.** In accordance with the State of California's Density Bonus Law, the City of San Pablo is required to offer a density bonus that allows up to a 35 percent increase in project density and/or a variety of other incentives, including minimum parking requirements and waiving of other development standards, depending on the type and amount of affordable units provided. Note that the City plans to update its local density bonus ordinance to comply with state law.
- **Accessory Dwelling Units (ADU).** The City of San Pablo is currently in the process of updating its ADU ordinance to comply with the most recent state laws, which have been progressively easing ADU development standards (described in more detail below).

Homeowner support. Previously, the City offered a Home Renovation Loan Fund for low- and moderate-income households, but this program has since expired. Looking forward, the City is considering partnering with the San Pablo Economic Development Corporation for the implementation of SPLASH (San Pablo Loan Assistance for Sustainable Housing Program) – a first-time homeowner program for low-income households.

Tenant protections and resources. As described above, all multifamily units in San Pablo are protected by the state’s Tenant Protections Act of 2019 (AB 1482), which includes an annual rent cap and just-cause protections. The City of San Pablo does not have any additional local rent stabilization or just-cause eviction policies in place. Counseling and legal tenant services are offered by nonprofit organizations such as Bay Area Legal Aid, which have an office in Richmond.

Sources of funding and financing for affordable housing production and preservation. The Low-Income Housing Fund (LIHF) is San Pablo’s only source of funding for affordable housing. The LIHF was previously funded through a 20 percent set aside of tax increment earned in the City’s Redevelopment areas. Since the dissolution of redevelopment agencies in 2012, the City no longer receives new tax increment revenues. This fund may be used for a variety of purposes, including: (1) preserving long-term affordability of units, (2) homeless prevention and rapid rehousing, and (3) development of new housing.¹⁷ As of March 2020, the LIHF had a balance of \$5.5 million. Since then, \$500,000 has been appropriated from the LIHF to fund the COVID-19 Housing Assistance Grant Program.

Publicly-owned land available for affordable housing. The City of San Pablo identified two city-owned parcels appropriate for the development of new housing. One of the parcels, 1820 Rumrill Blvd, has been proposed for an affordable housing project, and another, Block E/Lot 4 at Plaza San Pablo, has been proposed a mixed-use housing project (as listed in Figure 3). Two additional city-owned parcels in San Pablo are considered surplus land in compliance with California’s Surplus Land Act.¹⁸ One of these parcels (13831 San Pablo Ave, the former City Hall site which is now vacated) represents a potential development opportunity; however the other parcel (on San Pablo Dam Road) faces various physical development constraints.¹⁹

CONTRA COSTA COUNTY

Contra Costa County offers a number of housing services and funding programs and is also involved in countywide planning efforts, such as those addressing homelessness. Major programs are described below, including recent temporary measures related to COVID-19.

COVID-19 Emergency Eviction Protection and Rent Freeze Ordinance. On April 21, 2020, the Contra Costa County Board of Supervisors passed an emergency ordinance that implements various tenant protections, including a ban on evictions due to unpaid rent, a ban on no-fault evictions, a moratorium on rent increases (with some units exempted). The ordinance requires tenants to repay missed rental payments when the ban expires. The eviction and rent increase ban is effective through January 31, 2021.²⁰

¹⁷ City of San Pablo, “City of San Pablo Housing Successor Fund SB 341 Annual Report for Fiscal Year Ended June 30, 2017.”

¹⁸ The California Surplus Land Act, updated in 2019 (AB 1486), applies to all local agencies, including cities, counties, local successor agencies, and housing authorities. Public agencies seeking to sell or lease surplus land must provide the right of first refusal to affordable housing developers and provide documentation to California’s Department of Housing and Community Development.

¹⁹ The San Pablo Dam Road parcel (address number not available) faces various topographic issues. See City of San Pablo “City’s inventory of leased and owned properties pursuant to Government Code 50569”, February 3, 2020.

²⁰ Contra Costa County, “Eviction and Rent Freeze Ordinance FAQs”, September 22, 2020. Available at: <https://www.contracosta.ca.gov/7836/Eviction-and-Rent-Freeze-Ordinance-FAQs>

Tenant protections and resources. Beyond the emergency COVID-19 measures, the County provides some funding (through the CDBG program) to Contra Costa Senior Legal Services and the Housing Services Collaborative (ECHO Housing & Bay Area Legal Aid) for tenant and landlord resources, such as legal services, tenant-landlord counseling services, fair housing services, and broader education about housing rights and responsibilities. Furthermore, a database of deed-restricted affordable properties across Contra Costa County is updated regularly on the County's website.

Homeowner resources. The County offers various resources for existing and new homeowners:

- Neighborhood Preservation Program (NPP). This program offers low-interest loans and/or grants to low-income homeowners for various types of home improvements. The County partners with Habitat for Humanity to administer the program. The program is funded by Community Development Block Grant (CDBG) funding.
- Weatherization Program. This program offers technical and financial assistance for home energy efficiency improvements. Funded through state and federal resources, this program is primarily targeted to lower-income households.
- The County also provides referrals to other programs, such as the California Housing Finance Agency's first-time homebuyer program, the Mortgage Credit Certification program, Habitat for Humanity's resources for home repairs, and other counseling services.

Sources of funding and financing for affordable housing production and preservation. The County issues tax-exempt revenue bonds for affordable housing development financing through the County's Multifamily Mortgage Revenue Bond Program. The County does not offer any set-aside subsidies for the construction or preservation of deed-restricted affordable housing. Although other counties across the Bay Area have approved general obligation bonds for affordable housing (such as Measure A-1 in Alameda County or Measure A in Santa Clara County), Contra Costa has not placed an affordable housing bond measure on the ballot. Measure J, which was on the ballot in March 2020 for transportation and housing improvements, was defeated.

Note that the County administers federal and state funding programs that can be used for affordable housing development. These are described in a later section.

Homelessness resources. The Contra Costa Health, Housing, & Homelessness Services Department administers the Coordinated Entry System for residents experiencing homelessness. Services offered by this group are funded through federal and state subsidies.

BAY AREA REGION

While the region does not currently offer funding for affordable housing development, the creation of a new regional housing authority, the Bay Area Housing Finance Authority (BAHFA), was authorized with the passage of AB 1487 in September 2019. This bill allows for the creation of a regional organization that is authorized to directly raise funds, for example through a tax or bond measure. This could pave the way for new regional funding sources.

STATE OF CALIFORNIA

In recent years, the State of California has passed a broad range of bills seeking to facilitate the production of housing of all types, the preservation of affordable housing, and the protection of tenants. A high-level summary of these bills is provided below. Recent temporary measures related to COVID-19 are also listed below.

The Tenant, Homeowner and Small Landlord Relief and Stabilization Act of 2020 took effect on August 31, 2020 to provide relief to tenants. This act prohibits tenant evictions due to failure to pay rent, anytime between March 1, 2020, and August 31, 2020, as long as tenants can prove that they suffered financial hardship due to COVID-19. The act also prohibits tenant evictions based on failure to pay rent from September 1, 2020 to January 31, 2021, should tenants pay at least 25 percent of rent payments during this period. However, tenants are still required to pay back any rental payments that were missed during this period between March 1, 2020 and January 31, 2021. These protections apply to all residential tenants, including mobile home park residents. Residents also benefit from these protections regardless of immigration status.²¹ Certain protections also apply for homeowners and small landlords struggling with mortgage payments.

Strengthening Housing Element & RHNA compliance. Long-standing State law requires each city and county to adopt a Housing Element as part of their General Plan. The Housing Element is required to be periodically updated and must identify available sites for housing during the Housing Element planning period and describe policies and strategies needed to meet RHNA goals.²² Cities and counties are also required to submit annual reports that describe their progress toward meeting their housing allocation numbers. According to more recent legislation, jurisdictions that do not submit annual progress reports or fail to meet their RHNA goals may be subject to State streamlining legislation or face litigation.²³

Making it easier to build more housing of all types. The State has passed incentive policies for affordable housing such as expanding the existing Density Bonus Law for 100 percent affordable housing projects that are at least a half-mile from a major transit stop. The State has also added policies for removing local barriers to creating new housing, such as expanding which projects are eligible for streamlining and introducing a five-year ban on local policies that limit development (such as moratoriums on new housing construction, downzoning, etc.)

Making it easier to build accessory dwelling units (ADUs). Recent legislation has helped loosen regulatory requirements related to ADU minimum lot size, minimum unit size, parking, and setbacks. Bills added in 2019 additionally ease restrictions on the number of ADUs per parcel, where ADUs are permitted, and the ability to impose city fees.

Adopting new tenant protections. Recent legislation expands tenant protections by effectively banning landlords from discriminating against holders of federal Section 8 housing vouchers. Also, as described earlier, the Tenant Protection Act of 2019 (AB 1482) caps annual rent increases and implements certain just-cause eviction protections.

Expanding state funding sources. The State of California has several active funding programs for the planning and construction of new affordable housing development, including several new or recently expanded sources. These funding sources have different criteria and goals, and San Pablo's competitiveness is therefore likely to vary by program.

²² California Housing and Community Development, "Regional Housing Needs Allocation and Housing Elements", available at: <https://www.hcd.ca.gov/community-development/housing-element/index.shtml>

²³ California Housing and Community Development, "SB 35 Statewide Determination Summary", June 2019, available at: https://www.hcd.ca.gov/community-development/housing-element/docs/SB35_StatewideDeterminationSummary.pdf; Jeff Collins and Nikie Johnson, Mercury News, "California needs more housing, but 97% of cities and counties are failing to issue enough RHNA permits", December 11, 2019, available at: <https://www.mercurynews.com/2019/12/11/losing-the-rhna-battle-97-of-cities-counties-fail-to-meet-state-housing-goals-2/>

- **Affordable Housing and Sustainable Communities (AHSC)** is a competitive state grant program that promotes infill development and the reduction of greenhouse gas emissions. AHSC favors combined investments in affordable housing, transit, and active transportation infrastructure.
- **Multifamily Housing Program (MHP)** provides deferred long-term loans for the construction and acquisition-rehabilitation of permanent and transitional affordable rental housing.
- **No Place Like Home Program (NPLH)** provides funding for the development of permanent supportive housing to assist persons with mental illness and/or experiencing homelessness. This program includes both competitive and noncompetitive allocations to counties.
- **SB 2 (Building Homes and Jobs Act)** imposed a new real estate recording fee of \$75 on selected real estate transactions. In the first year, SB 2 Planning Grants were made available to local governments for planning and technical assistance to streamline housing development. Subsequent phases of the program will include funds for the development or preservation of affordable housing.
- **Infill Infrastructure Grant (IIG) Program and Transit Oriented Development (TOD) Housing Program.** These are recently expanded programs that primarily target the construction of new affordable housing and related infrastructure near transit.
- **Local Early Action Planning (LEAP)** is a one-time planning grant program to support cities and counties as they plan for the upcoming 6th RHNA cycle.

FEDERAL

Several funding sources are available at the federal level for affordable housing development and preservation.

Low Income Housing Tax Credits. The LIHTC program is a federal tax subsidy that gives investors a roughly dollar-for-dollar credit on their tax liability in exchange for equity contributions to subsidize affordable housing development projects. LIHTC equity is often the largest source of subsidy for affordable housing production and may also be used for affordable housing preservation. The California Tax Credit Allocation Committee administers and allocates tax credits throughout the State of California.

Housing Choice Vouchers (Section 8). Housing Choice Vouchers are a federal rental assistance program that provides rental payments directly to landlords. Approximately 7,000 federal Housing Choice Vouchers are administered by the Housing Authority of Contra Costa County today. About 20 percent of the HACCC's allocation may be used for Project-Based Vouchers (PBVs), which can be leveraged to support loans for affordable housing development.²⁴

Other federal sources. Other federal programs include Emergency Solutions Grants (ESG) and the Affordable Housing Program (AHP). Contra Costa County is responsible for administering federal programs including HOME, Community Development Block Grants (CDBG), and Housing Opportunities for People with AIDS (HOPWA).

COVID-19. The federal government has also adopted temporary emergency measures to provide relief to homeowners and tenants affected by COVID-19. On March 18, 2020, the federal government announced a moratorium on evictions and foreclosures for single-family homeowners with federally backed mortgages, valid through December 31, 2020. The federal government also announced a

²⁴ According to feedback received from the Housing Authority of Contra Costa County, April 2020.

moratorium on evictions for renters on September 1, 2020; however, the county and state ordinances provide greater protections for San Pablo residents.

III. RESIDENTIAL MARKET CONDITIONS IN SAN PABLO

This chapter evaluates housing market conditions in San Pablo, within the context of broader trends in neighboring cities and Contra Costa County. This includes a review of residential rent and home sale price trends, and an overview of recently built and planned market-rate and affordable housing development. This chapter concludes with a summary of opportunities and constraints for market-rate and affordable housing production in San Pablo, based on interviews with local developers.

Residential Market Supply and Trends

This section describes trends in San Pablo's rental and for-sale housing market over the last decade, starting with an overview of rents, sale prices, and vacancies. The section then summarizes recent development activity, including proposed, under construction, and recently built projects.

Trends in San Pablo are compared to Contra Costa County and the 9-County Bay Area region. Due to the great variability in market conditions between West, Central, and East Contra Costa County, San Pablo is also compared to neighboring cities in the West County, including Richmond, Pinole, and El Sobrante where possible. Findings in this section are based primarily on data obtained from the CoStar Group (rents) and Redfin (home sale prices).

RENTAL HOMES

There are approximately 2,000 market-rate multifamily rental units in San Pablo. As shown in Figure 13, San Pablo has 214 market-rate multifamily rental buildings with a total of 2,043 rental units, based on data from the CoStar Group.²⁵ This total may be slightly underestimated, given that CoStar's database does not include single-family rental homes and does not comprehensively track all smaller multifamily buildings (five or less units). Also, this total does not include subsidized rental housing units or mobile home rental units.

The multifamily rental vacancy rate in San Pablo has hovered between 4 and 5 percent in the last few years. Figure 14 shows that the vacancy rate in San Pablo has declined relatively steadily since 2009, and has reached very low levels (4.1 percent in 2020), indicating that units have become less available. Contra Costa County and the Bay Area show similar vacancy rates.

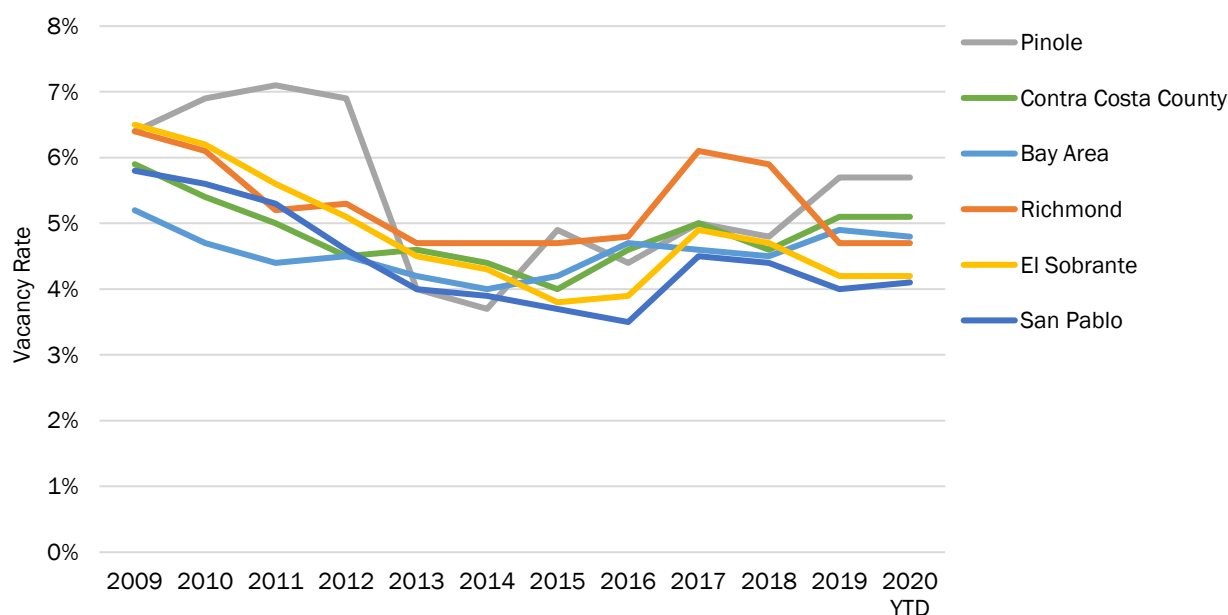
²⁵ Costar provides two different totals for multifamily market rental properties in San Pablo, depending on the query performed. The first estimate is 214 buildings, including 2,0343 units. The second estimate is 213 buildings, including 1,961 units.

FIGURE 13. MARKET-RATE MULTIFAMILY RENTAL INVENTORY AND VACANCIES, MARCH 2020

	Number of Buildings	Number of Units	Vacancy Rate
San Pablo	214	2,043	4.1%
Richmond	650	3,802	4.7%
Pinole	33	681	5.7%
El Sobrante	58	994	4.2%
Contra Costa County	2,878	49,301	5.1%
9-County Bay Area	42,143	751,043	4.8%

Note: Total building count and unit count in San Pablo do not align with Figure 17 due to missing data on building size.
Source: Costar, March 2020; Strategic Economics, 2020.

FIGURE 14. MARKET-RATE MULTIFAMILY RENTAL VACANCY RATE, 2009 TO MARCH 2020



Source: Costar, March 2020; Strategic Economics, 2020.

Multifamily rents have steadily risen in the last decade in San Pablo, in line with regional trends. The Bay Area is experiencing a housing crisis that is among the most severe in the nation, which has led to rapid rent increases across the region.²⁶ Figure 15 and Figure 16 show that rents in San Pablo increased from \$970 per unit in 2009 to \$1,460 per unit in 2020, equivalent to a 53 percent increase. Rents in Richmond, Contra Costa County, and the Bay Area experienced similar growth rates between 2009 and 2020. Note that values are expressed in nominal dollars and are not adjusted for inflation.

Average rents in San Pablo remain some of the lowest among neighboring cities, and significantly lower than Contra Costa County. As of March 2020, San Pablo's monthly rents averaged under \$1,500 per unit and were the lowest among cities in the West County, including Richmond, Pinole, and El Sobrante (Figure 15). San Pablo's average rents are also significantly lower than Contra Costa County's

²⁶ "Plan Bay Area 2040 Final Plan," 2019, <http://2040.planbayarea.org/the-bay-area-today>.

average (\$2,000 per unit) and the regional average (\$2,400 per unit). These low rents are partly explained by San Pablo's smaller unit sizes (700 square feet in San Pablo, compared to 786 square feet in Richmond or 816 square feet in the County). However, rents remain well below the County and Bay Area average even on a per square foot basis.²⁷

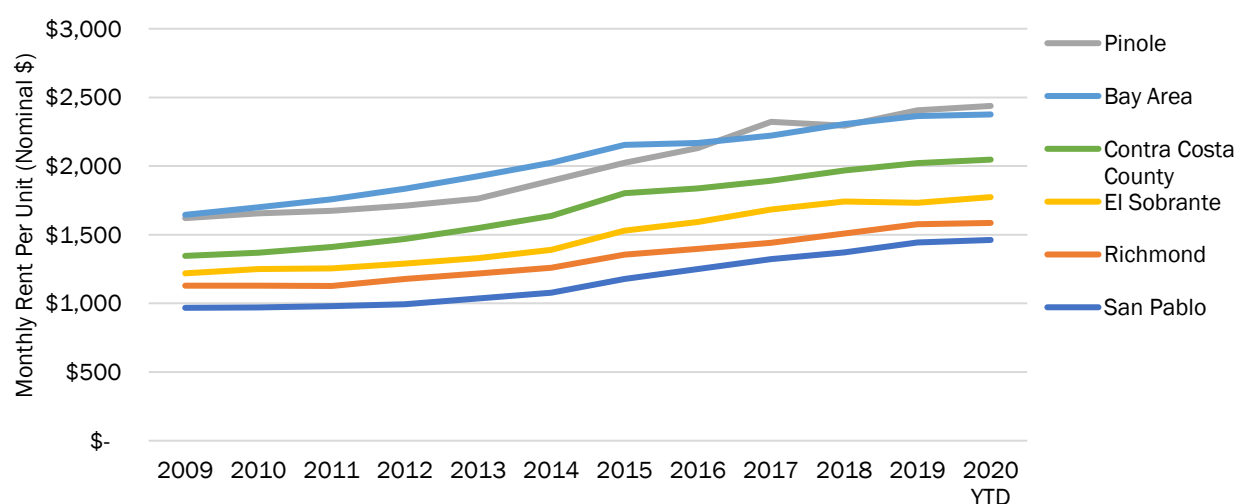
San Pablo's average market rate rent is equivalent to Contra Costa County's maximum rent limit for one-bedroom units affordable to households earning 60 percent of AMI. According to the California Tax Credit Allocation Committee, a deed-restricted unit would rent for no more than \$1,395 for a one-bedroom unit and \$1,674 for a two-bedroom unit for households earning 60 percent of AMI in Contra Costa County.²⁸ In San Pablo, the average market rent is \$1,462 per unit, with an overall average unit size of 700 square feet (Figure 15).²⁹

FIGURE 15. MARKET-RATE MULTIFAMILY AVERAGE RENT, 2009 TO MARCH 2020

	Average Unit Size (Square Feet)	Average Monthly Rent (Per Unit), 2020	Average Monthly Rent (Per Square Foot), 2020	% Change 2009-2020
San Pablo	700	\$1,462	\$2.24	53%
Richmond	786	\$1,586	\$2.17	45%
Pinole	828	\$2,438	\$2.96	50%
El Sobrante	825	\$1,774	\$2.27	46%
Contra Costa County	816	\$2,047	\$2.53	52%
9-County Bay Area	816	\$2,376	\$2.95	45%

Note: Average monthly rents reflect effective rents. Percent increase is based on nominal dollars (not adjusted for inflation).
Source: Costar, March 2020; Strategic Economics, 2020.

FIGURE 16. MARKET-RATE MULTIFAMILY AVERAGE MONTHLY RENT PER UNIT, 2009 TO MARCH 2020



Note: Average monthly rents reflect effective rents. All values are nominal dollars (not adjusted for inflation).
Source: Costar, March 2020; Strategic Economics, 2020.

Larger multifamily properties in San Pablo generally command higher rents than smaller properties. Figure 17 shows that buildings with two to nine units have average monthly rents around \$1,000 per unit, and buildings with 10 to 49 units have average rents around \$1,300 per unit. Large apartment buildings with 50 units or more have the highest average rents at \$1,750 per unit. These larger

²⁷ Despite a lack of local rent stabilization policies in San Pablo, the City's rents remain relatively low compared to nearby jurisdictions.

²⁸ California Tax Credit Allocation Committee, 2019. "Maximum Rents for Projects Placed in Service on or after 4/12/2019", Available at: <https://www.treasurer.ca.gov/ctcac/rentincome/19/rent/13-rent-limits-pis-post-042419.pdf>.

²⁹ San Pablo's average monthly rent is an average of all unit sizes and the city's average for one-bedrooms only may be a lower price.

apartment buildings tend to be newer and have modern amenities. They are also often operated by professional property management companies, which are more likely to raise rents on a regular basis. In contrast, smaller rental buildings tend to be older, have smaller units, or provide fewer amenities.

Reliable rent data for single-family homes is unavailable. About 1,800 renter households in San Pablo live in single-family homes (see Chapter II). There is very limited rental data for single-family homes, making it difficult to compare single-family and multifamily rent trends. In addition, about 100 of San Pablo's rented single-family homes are owned by publicly traded corporations (see Chapter II). National and state research has found that single-family homes owned by publicly traded corporations typically charge higher than median rents.³⁰

FIGURE 17: MARKET-RATE MULTIFAMILY RENTAL PROPERTIES BY BUILDING SIZE, SAN PABLO, MARCH 2020

	Building Count	Percent of Total	Unit Count	Percent of Total	Average Unit Size	Average Rent (per unit)	Average Rent (per sf)
Buildings 2 to 9 Units	173	81%	798	41%	674	\$1,064	\$1.61
Buildings 10 to 49 Units	33	15%	573	29%	701	\$1,322	\$1.93
Buildings 50 Units or More	7	3%	590	30%	696	\$1,750	\$2.52
Total	213	100%	1,961	100%	694	\$1,514	\$2.20

Note: Totals do not align with previous figures due to methodological differences in Costar's data.

Source: Costar, March 2020; Strategic Economics, 2020.

FOR-SALE HOMES

Home sale prices have risen steeply in San Pablo in recent years, at an even higher rate than the region. Figure 18 and Figure 19 show that from 2012 to February 2020, the median price of single-family homes doubled in Contra Costa County and increased by 174 percent in San Pablo and 177 percent in Richmond. During this period, condominium sale prices rose at an even faster rate in San Pablo, increasing by more than three times their 2012 value.³¹

Single-family home and condominium prices in San Pablo still remain lower than in Richmond and the County. The median price of a single-family home in San Pablo is approximately \$500,000. This is lower than Richmond's median price of about \$550,000 and lower than the County's median price of around \$620,000. The median condominium price in San Pablo (\$364,000) is also slightly lower than Richmond (\$373,500) and the County (\$408,000). On a per square foot basis, San Pablo's single-family home and condominium sale prices are similar to, if not higher than, other jurisdictions. However, homes in San Pablo are generally smaller in size relative to Contra Costa County, partly as a result of a large portion of the City's housing stock being built in the World War II era as temporary worker housing for the Richmond shipyards.³²

³⁰ Tenants Together, "The New Single-Family Home Renters of California: A Statewide Survey of Tenants Renting From Wall Street Landlords", May 2015. Available at:

<http://www.tenantsaltogether.org/sites/tenantsaltogether.org/files/The%20New%20Single-Family%20Home%20Renters%20of%20California.pdf>; Francesca Mari for the New York Times Magazine, "A \$60 billion housing grab by Wall Street", March 4, 2020. Available at: <https://www.nytimes.com/2020/03/04/magazine/wall-street-landlords.html>

³¹ This rapid increase may be due in part to San Pablo's economic recovery following the Great Recession. However, data dating back prior to 2012 was not available through Redfin's database. Similarly, Zillow data on home sale prices in San Pablo goes back only to 2014.

³² City of San Pablo, "History: Suburban City Era (1940-Present)", available at: <https://www.sanpabloca.gov/963/Suburban-City-Era-1940-Present>

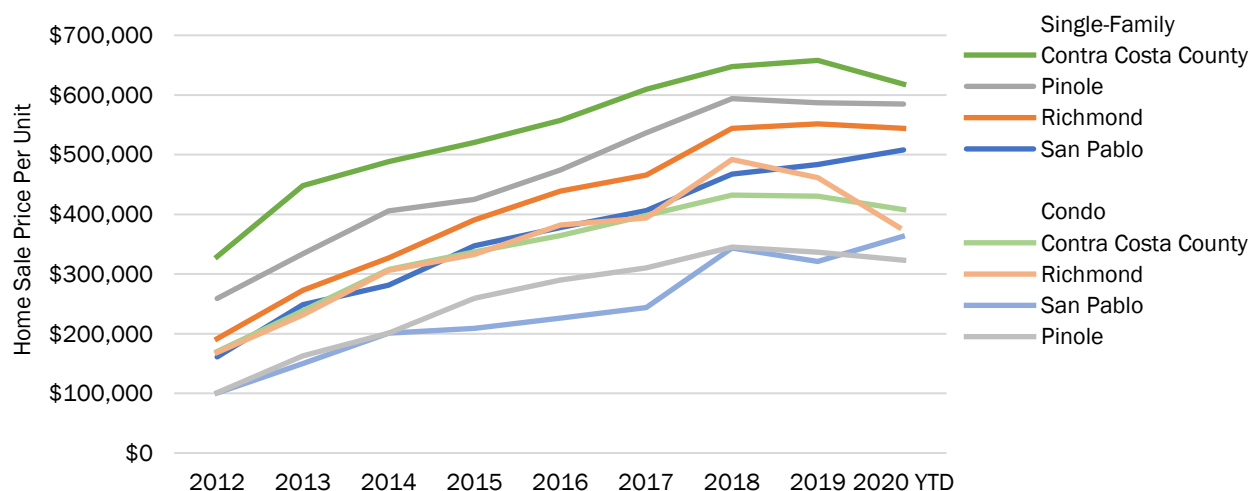
FIGURE 18. MEDIAN HOME PRICE, FEBRUARY 2020

	Median Sale Price (Per Unit)	Median Sale Price (Per Square Foot)	% Change 2012-2020
Single-Family			
San Pablo	\$508,000	\$388	174%
Richmond	\$544,000	\$407	177%
Pinole	\$585,000	\$414	134%
Contra Costa County	\$618,000	\$376	101%
Condominium			
San Pablo	\$363,500	\$286	263%
Richmond	\$373,500	\$477	149%
Pinole	\$323,000	\$395	304%
Contra Costa County	\$408,000	\$423	141%

Note: Home sale price information for the City of El Sobrante was not available.

Source: Redfin, 2012-February 2020; Strategic Economics, 2020.

FIGURE 19. MEDIAN HOME PRICE PER UNIT, 2012 TO FEBRUARY 2020



Note: Home sale price information for the City of El Sobrante was not available.

Source: Redfin, 2012-February 2020; Strategic Economics, 2020.

DEVELOPMENT ACTIVITY

This section provides an overview of recently built and planned market-rate and affordable housing multifamily development in San Pablo. Given that there has been very limited development activity in San Pablo in the last decade, development trends in Richmond are also summarized in this section.

San Pablo has two specific plan areas that have been designated to accommodate much of the city's future residential growth. As defined in the City's General Plan, the San Pablo Avenue Specific Plan area and the 23rd Street Specific Plan area are the main locations within the City that are designated for new residential growth. These areas allow higher density and mixed-use development, as described in Figure 20.

FIGURE 20. DEVELOPMENT STANDARDS FOR MULTIFAMILY DEVELOPMENT IN SAN PABLO'S SPECIFIC PLAN AREAS

	23 rd Street Specific Plan	San Pablo Avenue Specific Plan
Allowable uses	Mixed-use with ground floor retail is required for development fronting 23 rd St.	Mix of areas zoned for residential only, commercial only, or mixed-use. Residential uses are not permitted on the ground floor along San Pablo Ave.
Height	Minimum two floors; maximum four floors and 50 feet.	Two to six stories; minimum 35 feet and maximum 60 feet, but varies depending on land use type and location within the plan.
Density	Minimum 30 du/ac; maximum 55 du/ac. Maximum FAR of 2.5	Minimum 12 du/ac; maximum 60 du/ac. Minimum FAR of 1.5; maximum FAR of 2.5
Residential Parking	Studio and 1-BD: 1 space per unit 2-BD or more: 1.5 spaces per unit Additional guest parking is required in most cases (1 parking space per 10 units)	Studio (or units <500 sf): 1 space per unit 1-BD (or units 500-800 sf): 1.5 spaces per unit 2-BD (or units 800-1,100 sf): 1.8 spaces per unit 3-BD or more (units >1,100 sf): 2 spaces per unit
Commercial Parking	1 parking space per 400 sf	1 space per 250 to 666 sf, depending on the commercial use.

Note: Density is expressed as dwelling units per acre (du/ac) and as Floor to Area Ratio (FAR). SF stands for square feet.

Source: City of San Pablo 23rd Street Specific Plan (2006) and San Pablo Avenue Specific Plan (2011); Strategic Economics, 2020.

No new multifamily residential development has occurred in San Pablo since 2008, except for one affordable housing project. There is no record of new market rate rental projects (Figure 21) or for-sale townhomes and condominiums (Figure 22) in San Pablo from 2008 to March 2020 – despite the Specific Plan zoning designations allowing this type of development. The only recent project in San Pablo is El Paseo Apartment Homes, an affordable housing project completed in 2008 in the San Pablo Avenue Specific Plan area.

San Pablo's development pipeline is limited to two projects. As seen in Figure 21, two rental projects are in early proposal stages in San Pablo. Both are located on city-owned land. The Block E project, located in the San Pablo Avenue Specific Plan area, would add one affordable unit and 19 market rate units. The 1820 Rumrill Blvd project is expected to be 100 percent affordable housing and would add 15 units. No new projects have been proposed in the 23rd Street Specific Plan area.

The majority of Richmond's recent rental development activity consists of affordable housing located in central Richmond. As seen in Figure 21, most of Richmond's recently completed and pipeline activity in terms of rental housing consists of affordable housing. Nearly all of these projects are located in central Richmond and all are within a mile of a BART station. Recently built projects are typically between two and four stories, with surface parking.

Richmond has also attracted a few market-rate residential projects, consisting mostly of for-sale townhomes along the city's shoreline. All of the recently built and proposed market-rate apartments, townhomes, and condominium projects in Richmond are located in or near Point Richmond and Marina Bay (see Figure 22). Recently built market-rate projects are between two to three stories and most have two parking spaces per unit.

FIGURE 21. MULTIFAMILY RENTAL DEVELOPMENT ACTIVITY (MARKET-RATE AND AFFORDABLE) IN RICHMOND AND SAN PABLO, 2008 TO MARCH 2020

Project	Address	City	Rent Type	Affordable Units	Total Units	Year Built/ Expected
Recently Built						
El Paseo Family Apartments	1150 Brookside Dr	San Pablo	Affordable	132	132	2008
400 Macdonald Ave	400 Macdonald Ave	Richmond	Affordable	45	45	2008
Lillie Mae Jones Plaza	120 W Macdonald Ave	Richmond	Affordable	26	32	2011
Harbour View Senior Apartments	25 Harbour Way S	Richmond	Affordable	62	62	2014
Artisan Cove	901 Marina Way	Richmond	Market	0	46	2016
The Point	403 S Garrard Blvd	Richmond	Market	0	27	2017
Miraflores Senior Apartments	150 South 45th Street	Richmond	Affordable	80	80	2018
Under Construction						
Heritage Point	1500 Fred Jackson Way	Richmond	Affordable	42	42	2020
Nevin Homes Residential	22 nd St and Nevin Ave	Richmond	Affordable	58	289	2020
Proposed						
Block E Project	Chattleton Ln & Pinewood Terrace	San Pablo	Market/Affordable	1	20	Unknown
1820 Rumrill Blvd	1820 Rumrill Blvd	San Pablo	Affordable	15	15	Unknown
Central Avenue Housing	5620 Central Ave	Richmond	Affordable	172	172	2021
1499 Marina Way S	1499 Marina Way S	Richmond	Market	0	740	2022

Source: Costar, March 2020; City of San Pablo, 2020; Strategic Economics, 2020.

FIGURE 22. MULTIFAMILY FOR-SALE DEVELOPMENT ACTIVITY (MARKET RATE) IN RICHMOND AND SAN PABLO, 2008 TO MARCH 2020

Project	Address	City	Type	Total Units (Market Rate)	Year Built/ Expected
Recently Built					
Anchorage at Marina Bay	1007 Maritime Way	Richmond	Townhomes	207	2008
Waterline	101 Seaclyff Drive	Richmond	Townhomes	60	2019
Rows at NOMA	1631 Portside Way	Richmond	Townhomes	98	2020
Proposed					
Terminal One Project	1500 Dornan Drive	Richmond	Condos and Townhomes	334	N/A
Quarry Residential Project	1135 Canal Boulevard	Richmond	Condos	200	N/A
Point Molate Mixed Use Project	San Pablo Peninsula	Richmond	Apts, Condos, & Townhomes	986	N/A

Note: There were no new projects in San Pablo. The Point Molate project in Richmond includes plans to build approximately a total of 1,260 residential units: 274 single-family homes, 636 low-rise apartments and townhomes, and 350 mid-rise apartments and condominiums.

Source: City of Richmond, March 2020; City of San Pablo, 2020; Strategic Economics, 2020.

Opportunities and Constraints for Development

This section summarizes opportunities and barriers for market rate and affordable housing production in San Pablo. Findings are based on the market data presented in the previous section, as well as interviews with local developers and staff from agencies and organizations focused on housing policy and planning in the Bay Area. A list of interviewees and summary notes are included in the Appendix.

MARKET RATE HOUSING DEVELOPMENT

Opportunities for market rate housing development in San Pablo are described below:

- **West Contra Costa County has begun attracting some market rate residential development in recent years.** Multifamily development activity has not been evenly distributed throughout Contra Costa County. While multifamily market-rate development activity in West Contra Costa County (north of El Cerrito) has been relatively more limited in the last decade than other parts of the County, there have been a handful of new market rate projects in Richmond. These projects consist mostly of lower density townhomes projects along the waterfront in Point Richmond and Marina Bay. Access to the waterfront and other amenities have been important factors for attracting new housing development in West Contra Costa County.
- **In the short-term, San Pablo's primary market potential may be to attract first-time homebuyers looking for smaller, "starter" homes.** San Pablo's low-cost housing stock, consisting in large part of small, single-family homes, could make it an attractive market for first-time homebuyers. In terms of new development potential, lower-cost building types (such as townhomes or low-density buildings with surface parking) are more likely to be financially feasible, given their development cost relative to currently achievable rents/prices. Also, this product type would be well-suited to families and first-time homebuyers.
- **In the medium to long-term, investing in San Pablo's neighborhood amenities could help improve the City's attractiveness for multifamily investment.** Market rate housing developers tend to favor locations with access to high-quality schools and neighborhood amenities such as transit, parks, public spaces, and health services. In the medium or longer-term, San Pablo may have the potential to capture more of the County's residential growth. Investing in the City's public amenities and infrastructure – such as improved access to BART – would help achieve this goal.
- **The State of California is providing financial and technical assistance to jurisdictions planning for increased housing capacity.** The State of California has recently released funding for two such programs, both of which San Pablo successfully secured. The first is a SB 2 Planning grant, which San Pablo intends to use for the City's General Plan update.³³ The second is a LEAP (Local Early Action Planning) grant, a one-time grant the City will use to plan for the upcoming 6th RHNA cycle.³⁴ These funding sources will support the City of San Pablo as staff pursue strategies and zoning changes to allow for more housing production.
- **The production of Accessory Dwelling Units (ADUs) and other small-scale missing middle housing could be well-suited for San Pablo.** There are opportunities to add small increments of housing in San Pablo's many single-family home neighborhoods. The City is currently

³³ California Housing and Community Development, "SB 2 Planning Grants", 2020. Available at: <https://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml#awarded>

³⁴ California Housing and Community Development, "Local Early Action Planning (LEAP) Grants", 2020. Available at: <https://www.hcd.ca.gov/grants-funding/active-funding/leap.shtml>

updating its ADU ordinance to comply with recent State legislation aimed at easing restrictions on ADUs (see Chapter II for more detailed information on ADU legislation).

- **The City of San Pablo is in the process of updating the City's General Plan.** This planning process will provide opportunities to update zoning regulations (allowable uses, density, parking requirements) to further incentivize housing development.

Constraints for market rate housing development in San Pablo are described below:

- **Given current rents and construction costs in San Pablo, new higher density multifamily development is not financially feasible.** Since the early 2010s, development costs across the Bay Area region have risen very rapidly, mostly as a result of labor shortages. These elevated costs have posed a challenge to development region-wide, but in a market like San Pablo, where rents remain low even compared to the County and the region, new projects are unlikely to be financially feasible, especially denser building types that have high construction costs.
- **Areas designated for residential growth in San Pablo have zoning requirements and physical constraints that may limit new market rate development.** Figure 20 in the previous section summarizes key zoning requirements in the 23rd Street and San Pablo Avenue Specific Plan areas. Zoning requirements and physical constraints that may hinder market rate development are summarized below:
 - **Required active ground floor use.** Requiring retail on the ground floor of a multifamily project may impact the economic feasibility of development in the Specific Plan areas. Retail uses can add considerable costs to development, particularly due to an increased number of parking spaces required. Retail space can also take years to tenant, and it may take a few years before a retail space contributes to the operating income of a project.
 - **Minimum density in the 23rd Street Specific Plan area.** Currently, the 23rd Street Specific Plan prohibits development less than 30 dwelling units per acre (du/ac). However, as mentioned above, lower density multifamily or townhome projects – which would have densities below 30 du/ac – may be the most viable in San Pablo.
 - **Maximum Floor to Area Ratio (FAR).** While a density of 55 or 60 dwelling units per acre may be sufficient for a higher density project, a Floor to Area Ratio (FAR) of 2.5 may be too low, assuming podium parking is included in the calculation.
 - **Parking requirements.** The plans' minimum required parking ratios are reasonable, though they may be high for projects seeking to achieve higher densities. Without additional transit investments, however, it may be difficult to reduce parking more than is currently required.
 - **Small and shallow parcels.** Many parcels on the 23rd Street corridor are shallow commercial parcels, which are more challenging to assemble and redevelop into multifamily development projects. On the other hand, San Pablo Avenue appears to have a mix of small and large parcels that are more easily redeveloped.
- **Zoning in many single-family home neighborhoods does not allow for the construction of new duplexes, triplexes, and fourplexes.** Buildings with two to four units, while they do exist in some single-family neighborhoods, are essentially nonconforming uses that cannot be built in most neighborhoods zoned for low density residential uses (R-1). As mentioned above, the City is easing restrictions related to ADUs, which has resulted in some new development activity. There may be opportunities to also expand zoning in R-1 districts to allow for the construction of new duplexes, triplexes, and fourplexes to allow for more housing production in San Pablo.

However, this strategy may be constrained by current parking requirements, given the number of covered spaces that are required per unit and the relatively small lot sizes.

AFFORDABLE HOUSING DEVELOPMENT

Opportunities for affordable housing development in San Pablo are described below:

- **There is significant interest from the development community to pursue new affordable housing in San Pablo.** Several of the affordable housing developers interviewed expressed interest in partnering with the City of San Pablo to pursue new construction of affordable housing in San Pablo.
- **San Pablo's City-owned properties are an important resource to encourage more affordable housing development.** As described in Figure 21, 1820 Rumrill Boulevard is a proposed 100 percent affordable project located on city land that would add 15 affordable units. The City of San Pablo also owns additional parcels considered "surplus land", including the former City Hall site (13831 San Pablo Ave), which is now vacated and may present a development opportunity. There are multiple benefits of developing affordable housing on publicly-owned land. First, the City can act as a patient and flexible partner. Given that affordable housing developers must stitch together funding from an array of different funders (local, state, federal), long-term commitment from the landowner can make a significant difference in moving projects forward. Second, the City can choose to offer the land at a discounted rate, which helps the project's funding stack.
- **In addition to new construction, there may be opportunities for affordable housing acquisition/rehabilitation.** Several deed-restricted affordable properties in San Pablo are older properties that could be acquired and renovated (see Chapter II). In addition, San Pablo has a large stock of relatively low cost, unsubsidized housing which could be acquired and converted to deed-restricted housing, as a way to protect the existing affordability of these units while also making progress towards the City's Regional Housing Needs Allocation (RHNA) goals.³⁵ Because many smaller landlords may be struggling during the COVID-19 economic crisis, acquisition/rehabilitation could be easier to accomplish in the current environment.

Constraints for affordable housing development in San Pablo are listed below:

- **Limited City funding for affordable housing is one of the major barriers to development in San Pablo.** Affordable housing developers interviewed consistently stated that limited local funding for affordable housing in San Pablo was an important obstacle. Local funding is needed not only to make projects pencil, but also to increase a project's competitiveness for other sources at the state and federal level. As of March 2020, San Pablo had \$5.5 million in its LIHF, but this fund does not have an ongoing revenue source.³⁶
- **Contra Costa County as a whole is relatively under-resourced in terms of funding and capacity for affordable housing.** Contra Costa County does not have a major source of funding for affordable housing development, with the exception of federal CDBG and HOME funds, as well as limited Project Based Vouchers. In contrast to other Bay Area counties such as Alameda,

³⁵ Per California's Government Code, Sections 65583 (1) (a) and (c), up to 25 percent of a jurisdiction's Regional Housing Needs Allocation (RHNA) target may be met through conversion, rehab, or preservation. "Conversion" refers to the conversion of unsubsidized units to rent-restricted affordable units, as long as certain criteria apply. Some of the key criteria are as follows: converted units may not have been acquired through eminent domain; new affordable units must increase the jurisdiction's overall affordable housing unit count; converted units must be rent-restricted to low or very low income households; and affordability covenants must be in place for at least 55 years.

³⁶ As of March 2020, the LIHF fund had a balance of \$5.5 million. However, San Pablo's new Housing Assistance Grant Program, adopted in April 2020 to provide rent, mortgage, or utility payment support to lower-income residents affected by COVID-19, received a \$250,000 allocation from the LIHF. Further allocations for the program have not yet been determined.

Santa Clara, and San Mateo Counties, Contra Costa County has not passed an affordable housing bond measure in recent years.

- **Some City-owned surplus lands face physical development constraints.** The City of San Pablo has identified the San Pablo Dam Road parcel as surplus land.³⁷ However, this parcel has significant slope/grade issues, which may be difficult to overcome.³⁸
- **Developers reported a lack of awareness about San Pablo's available funding and publicly-owned sites for affordable housing.** Although existing resources and sites are limited in San Pablo, proactively advertising these resources through Notices of Funding Availability (NOFAs) or Request for Proposals (RFPs) could be an effective way to proactively communicate the City's desire to build housing and gather interest from prospective developers.
- **The ground floor commercial requirement in the 23rd Street Specific Plan area may limit new affordable housing development.** As seen in Figure 20, the 23rd Street Specific Plan requires that new development fronting 23rd Street include active ground floor use. This represents a particular challenge for affordable housing development because the cost of building the commercial component of a mixed-use affordable project is rarely eligible for public subsidies, and because the retail space increases the project's operating costs.
- **San Pablo may not be as competitive for state funding sources that prioritize transit-oriented locations and "areas of opportunity" as other cities.** Regional planning efforts such as Plan Bay Area 2040 and state funding sources such as the Affordable Housing and Sustainable Communities (AHSC) program have sought to incentivize development in areas near high quality transit. While San Pablo does have bus lines along San Pablo Avenue, most neighborhoods are quite far from the Richmond or El Cerrito Del Norte BART stations. In addition, there has been a push from the state to "affirmatively further fair housing" by ensuring that new affordable housing development is occurring in "areas of opportunity", such as higher-income neighborhoods near job centers, rather than communities already challenged by issues such as racial segregation, concentration of poverty, and limited community resources. According to the state's Draft 2020 Opportunity Map, census tracts in San Pablo are categorized either as "Low Resource" and "High Segregation and Poverty."³⁹

³⁷ California Housing and Community Development (HCD), "Public Lands for Affordable Housing Development", April 27, 2020. Available at: <https://www.hcd.ca.gov/community-development/public-lands-for-affordable-housing-development.shtml>

³⁸ The San Pablo Dam Road parcel (address number not available) faces various topographic issues. See City of San Pablo "City's inventory of leased and owned properties pursuant to Government Code 50569", February 3, 2020.

³⁹ California Tax Credit Allocation Committee (TCAC) and California Housing and Community Development Department (HCD), "2020 Draft TCAC/HCD Opportunity Map", available at: <https://belonging.berkeley.edu/tcac-2020-preview>; and "California Fair Housing Task Force: Draft Methodology for the 2020 TCAC/HCD Opportunity Map", April 2020, available at: <https://www.treasurer.ca.gov/ctcac/opportunity/draft-2020-tcac-hcd-methodology-december.pdf>.

IV. OVERVIEW OF THE IMPLEMENTATION PLAN

This chapter provides an in-depth description of the Affordable Housing Strategy's Implementation Plan. The Implementation Plan is a high-level blueprint that sets policy priorities to guide the City of San Pablo's actions over the next 10 years.

The Implementation Plan is organized around seven core goals, which represent San Pablo's overall policy objectives. Each core goal includes various strategies to help the City reach these goals. The goals and strategies included in the Implementation Plan (summarized in Figure 23) were developed over the course of several months based on extensive input from various sources:

- **Community input.** As described in detail in the Appendix, Strategic Economics and City staff conducted an online survey in June/July 2020. A total of 161 responses were recorded from San Pablo residents. Survey results helped identify community priorities. The City also organized two virtual Affordable Housing Forums in August 2020 to share information with the San Pablo community about the AHS and receive questions and comments on existing housing resources and needs in San Pablo.
- **Technical analysis.** The assessment of San Pablo's major affordable housing needs summarized in Chapter II, and the analysis of residential market conditions in San Pablo summarized in Chapter III, both informed the development of these goals.
- **Research on best practices.** Strategic Economics also conducted extensive research on best practices adopted by other communities across the state and nation to promote affordable housing and support low- and moderate-income households.
- **City staff and elected officials.** City staff were closely involved in developing these goals, and Strategic Economics will present the draft strategy to City Council and the Housing and Economic Development Standing Committee.

In the following sections, each goal and associated strategies are described in detail. For each strategy, three key questions are addressed:

- How does the strategy work and how would it help meet San Pablo's housing needs and goals?
- What are key considerations for implementing this strategy in San Pablo?
- What are recommended implementation actions, tailored to San Pablo's specific context?

Note that Chapter V provides a more detailed version of the Implementation Plan, including information for each action item regarding the lead agency responsible for implementation, partners to support with implementation, and staff and/or funding resources required.

FIGURE 23. SAN PABLO AFFORDABLE HOUSING STRATEGY: GOALS AND STRATEGIES

Goals	Strategies
Goal A: Support New and Existing Homeowners	<ol style="list-style-type: none"> 1. Housing rehabilitation funds 2. First-time homebuyer assistance program 3. Foreclosure prevention program
Goal B: Support and Protect Existing Tenants	<ol style="list-style-type: none"> 4. Rental assistance 5. Tenant-landlord mediation and just-cause protections 6. Tenant education and legal services 7. Relocation assistance
Goal C: Improve Housing Quality & Safety	<ol style="list-style-type: none"> 8. Proactive code enforcement & inspections 9. Multifamily rehabilitation program 10. Mobile home park health & safety
Goal D: Preserve Existing Affordable Housing	<ol style="list-style-type: none"> 11. Preservation of existing deed-restricted units 12. Acquisition, rehabilitation, conversion of unsubsidized housing to deed-restricted 13. Community Land Trust (CLT)
Goal E: Produce More Housing	<ol style="list-style-type: none"> 14. Inclusionary zoning 15. Incentive zoning 16. Use of publicly owned land for affordable housing development 17. Technical and financial assistance to facilitate construction & legalization of ADUs 18. Zoning changes to facilitate "missing middle" housing development 19. Zoning changes in Specific Plan areas and commercial zones 20. Regulatory changes to allow lower-cost innovative construction technologies
Goal F: Prevent and Reduce Incidence of Homelessness	<ol style="list-style-type: none"> 21. Outreach and collaboration 22. Transitional and permanent supportive housing
Goal G: Create New Affordable Housing Funding Sources	<ol style="list-style-type: none"> 23. Affordable housing impact fee 24. Local affordable housing bond measure 25. Real estate transfer tax

Source: City of San Pablo, 2020; Strategic Economics, 2020

Goal A. Support New and Existing Homeowners

The need to support existing homeowners in maintaining the quality and safety of their home, as well as the need to provide resources for potential first-time homebuyers in San Pablo, were both identified as important priorities in the online survey. The following strategies address this goal.

1. HOUSING REHABILITATION FUNDS

How does it work and why is it relevant to San Pablo?

- This strategy would involve providing financial assistance (grants or low-interest loans) to low-income homeowners in need of emergency home repairs or other home rehabilitation.
- This strategy can be an effective way to stabilize communities and keep families in their homes, for example by assisting lower-income households to maintain real estate assets or allowing seniors to age in place by making necessary renovations.
- San Pablo residents identified this strategy as a top need in the community online survey. About 55 percent of respondents stated they were interested in learning more about “resources for homeowners for rehabilitation, repair, and maintenance” and 95 percent of respondents agreed that programs to “help homeowners and landlords to keep properties in good condition” were a high priority.
- However, there are currently limited resources to meet this need in San Pablo. Contra Costa County offers two programs (the Neighborhood Preservation Program and the Weatherization Program, as described in Chapter II), but they are limited in their scope.

What are key considerations?

- These types of funds often involve a partnership with nonprofit organizations, such as Habitat for Humanity.

What are recommended implementation actions?

- Actively advertise the existing Contra Costa County Neighborhood Preservation Program (administered by Habitat for Humanity East Bay) and Weatherization Program.
- Establish a new City program to support housing rehabilitation, or contribute funds to existing housing rehabilitation County programs, to augment County resources.

2. FIRST-TIME HOMEBUYER ASSISTANCE PROGRAM

How does it work and why is it relevant to San Pablo?

- This strategy would involve providing financial assistance to low- or moderate-income first-time homebuyers for downpayment, closing costs, or other associated costs.
- Promoting homeownership is one important avenue through which families can build wealth and obtain housing security.
- The San Pablo community identified this strategy as a high priority in the online survey. Existing residents expressed a desire to stay in San Pablo and purchase a home, but many said they were unable to due to prohibitive home prices and other barriers.
- Several agencies currently offer programs for first-time homebuyers. The San Pablo Economic Development Corporation offers support for utilizing the WISH program (Workforce Initiative Subsidy for Homeownership), offered through the Federal Home Loan Bank of San Francisco;

the State of California Housing Finance Agency provides first-time homebuyer loans and down payment assistance; and the Mortgage Credit Certificate (MCC) program provides qualified first-time homebuyers with a federal income tax credit to reduce monthly mortgage payments. Finally, ECHO Housing offers free counseling services to eligible first-time homebuyers.

What are key considerations?

- First-time homebuying programs often set maximum sale price limits. This can make it difficult for program participants to find a suitable home in the Bay Area, given the region's exponential increases in home sale prices in the last decade.
- At the same time, single-family home and condominium sale prices in San Pablo remain relatively lower than prices in Richmond, Contra Costa County, and the Bay Area overall. These lower prices, which are partly due to the smaller unit sizes typically found in San Pablo, may make it relatively feasible to implement a first-time home-buying program in San Pablo.

What are recommended implementation actions?

- Adopt and implement the proposed San Pablo Loan Assistance for Sustainable Housing Program (SPLASH) program, in partnership with the San Pablo Economic Development Corporation (EDC).

3. FORECLOSURE PREVENTION PROGRAM

How does it work and why is relevant to San Pablo?

- This strategy would involve providing educational resources for homeowners living in units that are at risk of foreclosure.
- The need for education and resources related to foreclosure risk may continue to increase given the economic downturn and job loss caused by the COVID-19 pandemic. During the COVID-19 crisis, the federal government has imposed limits on foreclosure for homes with federally-backed mortgages (see Chapter II).

What are key considerations?

- Foreclosure prevention typically requires referrals and partnerships with existing programs offered by the federal or state government and nonprofit organizations. Assistance most often takes the form of counseling. Financial assistance for units at risk of foreclosure has previously been provided by the federal government. Partners may include the San Pablo Economic Development Corporation and ECHO Housing, a nonprofit organization that offers free housing counseling services.
- An interesting example of a collaborative effort is the former Contra Costa County Home Equity Preservation Alliance (HEPA). HEPA was a partnership between the County, the cities of Richmond, Antioch, Walnut Creek, and nonprofit service providers that together provided a "one-stop-shop" for households facing foreclosure in Contra Costa County during the Great Recession (note that the program is no longer active.) HEPA provided seminars, workshops, counseling and legal advice. Cities contributed CDBG funds to the program.

What are recommended implementation actions?

- Seek out nonprofit organizations that offer foreclosure prevention counseling and resources.

Goal B. Support and Protect Existing Tenants

Results from the online survey indicated a high level of interest from the community in learning more about resources available to tenants. This is especially relevant in San Pablo given that two-thirds of households are currently renters.

Various short and long-term tenant protections currently exist at the local and state level, and different protections apply selectively to different types of units. As described previously, the City of San Pablo and Contra Costa County recently adopted temporary, emergency renter protections as a response to COVID-19, but these protections have either already expired or are set to expire in the fall of 2020.

At the state level, recent legislation provides longer-term protections. AB 1482 caps annual rent increases to 5 percent plus inflation and implements just-cause eviction protections statewide for older multifamily rental units.

How do these requirements apply in San Pablo?

- All of San Pablo's market rate, multifamily housing supply was built prior to 2005, and is therefore covered by state rent caps and just-cause eviction. This is equivalent to at least 2,000 units.⁴⁰
- Mobile homes, owner-occupied duplexes, ADUs, and deed-restricted rental units in San Pablo are not protected by the state law, and have limited protections against rent increases or evictions without cause.
- There are about 1,800 single-family rental units in San Pablo – this represents 32 percent of the City's renter households.⁴¹ The vast majority are not protected by AB 1482, with the exception of about 100 single-family homes that are currently owned by a real estate investment trust (REIT).

The strategies below aim to supplement these existing tenant protections. Some strategies apply to all rental units, or some may be used more specifically to assist renters living in single-family units that do not have access to state protections.

4. RENTAL ASSISTANCE

How does it work and why is it relevant to San Pablo?

- This strategy would involve providing financial assistance in the form of rental payment to low-income tenants at risk of eviction or homelessness.
- Providing rental assistance, especially in emergency situations or for rapid rehousing needs, is an effective way to prevent households from losing their homes or falling into housing insecurity. However, the waitlist for Housing Choice Vouchers (Section 8 vouchers) in Contra Costa County has been closed since 2008.
- As reported in Chapter II, San Pablo has about 5,700 renter households of which 1,740 are severely cost-burdened and 1,680 are cost-burdened.⁴² These estimates date prior to COVID-19, which has likely exacerbated the housing cost burden for many renters. Rental assistance

⁴⁰ This estimate is based on the CoStar Group's data on market rate rental properties in San Pablo. However, CoStar does not always track multifamily buildings with fewer than 5 units. Therefore, the actual number may be higher.

⁴¹ According to the U.S. Census ACS 2014-2018 5-year estimates for the City of San Pablo.

⁴² Cost-burdened is defined as paying between 30 and 49 percent of household income; severely cost-burdened is defined as paying more than 50 percent of household income.

in the short- to medium-term may be especially important to mitigate the immediate impacts of the dramatic loss of employment due to COVID-19. This strategy also indirectly supports landlords, who would also benefit from receiving rental payments they are due.

- The City of San Pablo adopted a COVID-19 Housing Assistance Grant Program to provide funds for emergency rent, mortgage, or utilities payment for lower-income households impacted by COVID-19. Two rounds of grants have been disbursed to date, and the program will be extended for a third round.

What are key considerations?

- This strategy requires significant funding resources. The need for rental assistance will likely be much greater than the City or Housing Authority of Contra Costa County can meet through Section 8 or emergency grant programs. Longer-term solutions for producing subsidized, permanently affordable housing will be needed.

What are recommended implementation actions?

- Extend San Pablo's Housing Assistance Grant Program for lower-income households impacted by COVID-19.
- Explore the implementation of an ongoing local rental assistance program for targeted households in need (e.g. at risk of homelessness).

5. TENANT-LANDLORD MEDIATION AND JUST-CAUSE PROTECTIONS

How does it work and why is it relevant to San Pablo?

- This strategy entails protecting tenants by restricting evictions to specific "just causes" (such as failing to pay rent, damaging the property, violating the rental agreement terms, etc.) and requiring notice, documentation, and justification for evictions. Just-cause policies are often combined with additional measures, such as landlord harassment protections or relocation assistance in the case of "no fault" evictions.
- As explained in Chapter II, the majority of market rate, multifamily units in San Pablo are protected by the California Tenant Protection Act of 2019 (AB 1482), which imposes just-cause eviction protections as well as an annual cap on rent increases. The effectiveness of these protections depends on tenant education, access to legal resources, and enforcement (see Strategy #6 below). However, renters living in single-family homes and owner-occupied duplexes (at least a third of the City's renters) are not protected by AB 1482's just-cause protections.
- Contra Costa County also adopted an Eviction and Rent Increase Moratorium for tenants impacted by COVID-19 (see Chapter II). The ordinance expires on January 31, 2021.

What are key considerations?

- Just-cause eviction protections can be undermined by steep rent increases. Landlords may circumvent just-cause evictions by imposing large rent increases that force tenants to move or be evicted based on non-payment of rent, which is a just-cause for eviction. Steep rent increases would be restricted for tenants that are protected by AB 1482, but about one-third of the City's renters are not protected by the state law.
- To ensure that landlords do not take advantage of these loopholes, it is recommended that just-cause protections be paired with tenant-landlord mediation services. City-sponsored mediation services (voluntary or mandatory) could help prevent some instances of exorbitant

rent increases meant to displace tenants. Although mediation resolutions are not binding, they can facilitate discussion with landlords, which may lead to more positive outcomes for tenants.

- A number of cities, including Sacramento, West Hollywood, Palo Alto, Mountain View, Hayward, Carlsbad, Santa Barbara, and Gilroy, offer voluntary mediation services to assist resident tenants and landlords with settling disputes. Typically, these programs are offered at no cost to participants, and several cities administer the program through a partner nonprofit organization. Many of the mediators that participate in these programs are trained volunteers. Recently some cities rolled out mediation programs to provide dispute resolution for commercial and resident tenants and landlords impacted by COVID-19. For example, the City of Sacramento has contracted with a nonprofit to mediate disputes related to rent repayment, future tenancy, and other COVID-19-related issues.⁴³
- Mediation services can also be mandatory. Under a mandatory mediation program, both parties are required to participate in the mediation process if one of the parties initiates a request following a triggering event (e.g. a rent increase above a given percentage). Participation in the mediation process is mandatory; however, the parties cannot be obliged to reach a resolution. For example, the City of San Rafael recently implemented a mandatory mediation program. It applies to all rental properties, including single-family homes. Tenants and landlords may initiate the process in the case of a rent increase that exceeds 5 percent over a 12-month period.⁴⁴ The City of Albany also recently implemented a similar mandatory mediation program, which is administered by ECHO Housing.⁴⁵

What are recommended implementation actions?

- Explore implementing just-cause protections for all rental units in San Pablo, including units exempt from AB 1482.
- Explore partnering with a nonprofit to administer a mediation program that assists with settling disputes between tenants and landlords related to rent increases and payment, enforcement of AB 1482, COVID-19 related issues, and other health and safety concerns.

6. TENANT EDUCATION AND LEGAL SERVICES

How does it work and why is it relevant to San Pablo?

- This strategy would involve providing free or subsidized education, counseling, and legal services for tenants, especially low-income tenants at-risk of displacement.
- AB 1482 and other tenant protections are enforced primarily through the courts. To take full advantage of these protections, effective tenant education and legal services are needed. Renters not protected by AB 1482 may also benefit from learning about their basic rights as tenants, as regulated by state law.
- Services available in Contra Costa County include Bay Area Legal Aid, Contra Costa County Senior Legal Services, 211 Contra Costa, and the County's COVID hotline. However, organizations such as Bay Area Legal Aid have limited staff focused on Contra Costa County, compared to the resources they have available for Alameda County residents, for example.

What are key considerations?

⁴³ City of Sacramento. "Sacramento CARES Mediation Program," 2020. Available at: <https://www.cityofsacramento.org/Community-Development/Code-Compliance/Tenant-Protection-Program/Sacramento-CARES-Mediation-Program>.

⁴⁴ City of San Rafael. "Mandatory Mediation", 2019. Available at: <https://www.cityofsanrafael.org/mandatory-mediation/>

⁴⁵ City of Albany. "Rent Review Ordinance Overview", November 2018. Available at: <https://www.albanyca.org/home/showdocument?id=40346>

- Jurisdictions often partner with non-profit organizations specialized in educational/legal services. For example, the City of Richmond provides funding to the Eviction Defense Center so that Richmond residents may utilize their services.
- A creative case study for providing legal services to tenants is the recent “Keep Oakland Housed” initiative. Keep Oakland Housed is a pilot program that was launched in 2018. It is a unique partnership between the East Bay Law Center, Bay Area Community Services (BACS), and Catholic Charities East Bay. Together, these organizations provide coordinated services to Oakland residents, including legal representation, emergency rental assistance, and wrap-around supportive services. The partnership is funded by private donors (e.g. Kaiser Permanente and the San Francisco Foundation), and the City of Oakland supports the partnership through fundraising and staff support.⁴⁶
- Depending on the nonprofit organization in question, undocumented immigrants may or may not be eligible to receive free legal services. However, providing more general information and education about tenant rights is not typically regulated in the same way.

What are recommended implementation actions?

- Provide funding for, or establish an ongoing partnership with, Bay Area Legal Aid, Eviction Defense Center, or other similar nonprofit organizations that offer free legal services.
- Host regular “Housing Clinics” in San Pablo to inform residents of their resources and rights. This could be combined with the action item listed above.

7. RELOCATION ASSISTANCE

How does it work and why is it relevant to San Pablo?

- This strategy would require landlords to provide financial assistance to relocate, also called a moving allowance, to tenants in the case of no-fault evictions. Benefits may include moving expenses, security deposit, or first month’s rent of the new housing unit.
- San Pablo’s municipal code requires landlords to provide tenants with relocation assistance if tenants are displaced due to a “Notice to Vacate” related to a health and safety code violation. The municipal code also includes a requirement for staff to notify tenants of their right to relocation assistance and gives the City Manager discretion to provide a relocation payment to the tenant if the owner fails to pay by the deadline.⁴⁷
- Under AB 1482, landlords who choose to evict tenants based on a “no-fault” eviction are required to provide relocation assistance in the form of either one month’s rent or a rent waiver. Eligible no-fault evictions under AB 1482 include withdrawal of the unit from the rental market, intent to rent the unit to a close family member, and intent to demolish the unit.⁴⁸

What are key considerations?

- Relocation assistance benefits usually apply in conjunction with just-cause eviction protections (see strategy #5).

What are recommended implementation actions?

⁴⁶ Keep Oakland Housed, available at: <https://www.keeпоaklandhoused.org/>

⁴⁷ See San Pablo Municipal Code Title 8 Health and Safety, Chapter 8.05 Relocation Assistance. Available at: <https://www.codepublishing.com/CA/SanPablo/html/SanPablo08/SanPablo0805.html#8.05>

⁴⁸ California’s Ellis Act states that landlords have the right to “go out of business” and evict tenants for the purpose of withdrawing units from the rental market. The Ellis Act also allows local governments to impose restrictions and conditions on how landlords may remove units from the rental market.

- Review and advertise the City’s Municipal Code procedures, to ensure that proper information is provided to both tenants and property owners in the case of tenant displacement due to a “Notice to Vacate” related to a health and safety code violation.
- Explore improvements to the City’s permit application process in order to better identify cases of potential tenant displacement (e.g. whether the work that is proposed to be conducted as part of the permit application will entail tenant displacement.)

Goal C. Improve Housing Quality & Safety

The online survey highlighted the need to improve housing quality in San Pablo. Between a fifth and a third of survey respondents reported concerns with their current housing situations. Survey respondents stated that they disagreed or strongly disagreed with the following statements: “My home is safe and in good condition” (22 percent), “My home has adequate heating and plumbing” (23 percent) and “My home provides sufficient living space for me and the members of my household”(34 percent).

Chapter II also identified that San Pablo has a relatively old housing stock, and many units are overcrowded (15 percent of households are overcrowded in San Pablo, compared to just 9 percent in Richmond or 5 percent in Contra Costa County).

The strategies below aim to increase housing quality in San Pablo while preventing code-enforcement related tenant evictions. Without the right measures in place, this can be a risk for tenants.

8. PROACTIVE CODE ENFORCEMENT & INSPECTIONS

How does it work and why is it relevant to San Pablo?

- This strategy would require proactive inspections of residential buildings and would enforce local building and fire codes to ensure quality of living conditions. This would apply to both rental and owner-occupied units.
- The City of San Pablo’s existing Residential Health & Safety Program (RH&S) requires the inspection of buildings at the time of sale, for both single-family and multi-family properties. However, this program is not intended to be a complaint-based system for tenants to report health and safety issues or other building code violations.

What are key considerations?

- The City of San Pablo currently does not have an appropriate avenue through which tenants can report health and safety issues related to their rental unit.
- Existing county programs for rehabilitation are only for owner-occupied units. There is no funding available for rehabilitation and maintenance of renter-occupied units.

What are recommended implementation actions?

- Explore improvements to San Pablo’s existing Residential Health & Safety Program, including a system to refer tenants to a mediation program to report health and safety concerns (see strategy #6 Tenant Education and Legal Services).

9. MULTIFAMILY REHABILITATION PROGRAM

How does it work and why is it relevant to San Pablo?

- This strategy would involve providing financial assistance (loans or grants) to landlords to renovate their rental property in order to minimize the financial impact on lower-income residents. A common need in the Bay Area is the seismic retrofit of soft-story buildings (multi-story buildings with open parking or commercial space on the ground floor, which makes them prone to collapse in a major earthquake.). This type of loan program could also apply for other health and safety issues identified by the RH&S Program, for example.

What are key considerations?

- This type of program can be costly, depending on the number of properties in need of rehabilitation.
- In the case of seismic retrofits, cities can impose either mandatory or voluntary programs. For example, the City of San Francisco implemented a mandatory seismic retrofit program.

What are recommended implementation actions?

- Create a loan fund for the rehabilitation of rental properties, especially targeted to buildings occupied by lower-income residents.

10. MOBILE HOME PARK HEALTH & SAFETY

How does it work and why is it relevant to San Pablo?

- The City of San Pablo has eight different mobile home parks, which include nearly 500 units total, as summarized in Section II. Some mobile home parks require additional investments to provide a safe, healthy environment.
- Mobile home parks are not protected by AB 1482, but they do have certain protections under state law.

What are key considerations?

- In most cases, the land on which the mobile home park is located is owned by a property owner, but each mobile home structure is owned by its resident. This can make code enforcement difficult to implement.
- State funding is available for the acquisition and rehabilitation of mobile home parks through the Mobilehome Park Rehabilitation and Resident Ownership Program (MPRRP).⁴⁹ Through the program, resident organizations, nonprofit housing sponsors, or local public agencies can apply for funds to convert, acquire, or rehabilitate existing mobile home parks in order to preserve them as affordable housing and to assist residents with repairs, accessibility improvements, or the replacement of mobile homes.
- Contra Costa County's Neighborhood Preservation Program (NPP) offers grants to individual low-income households for repairs to mobile homes.
- The City took on responsibilities for the enforcement of health and safety in mobile home parks from the State of California Housing and Community Development Department (HCD) in 2004. However, there is a lack of City staffing capacity and funding for inspections and code enforcement activities.
- There is precedent for local Bay Area jurisdictions partnering to purchase a mobile home park. In 2012, the owners of the Buena Vista Mobile Home Park in Palo Alto had considered closing

⁴⁹ California Department of Housing and Community Development. "Mobilehome Park Rehabilitation and Resident Ownership Program (MPRRP)," 2020. <https://www.hcd.ca.gov/grants-funding/active-funding/mprrp.shtml>.

the park and selling the land to a developer. Five years later, the Housing Authority of Santa Clara County purchased the park through a partnership with the Santa Clara County and the City of Palo Alto.

What are recommended implementation actions?

- Monitor mobile home parks that may be closing or where residents have been dealing with code enforcement or other health and safety issues.
- Investigate the potential use of State funding by the City, a nonprofit, or resident organization to acquire mobile home parks.
- Explore partnering with Housing Authority of the County of Contra Costa to acquire and rehab mobile home parks within San Pablo.

Goal D. Preserve Existing Affordable Housing

Findings from Chapter II suggest that while San Pablo is at-risk of gentrification and displacement, the City is not currently undergoing advanced gentrification. However, areas in Richmond and North Richmond immediately to the west and south of San Pablo were found to be undergoing gentrification, which may represent a risk factor for San Pablo. It is critical to preserve existing housing affordability in San Pablo *before* households become at higher risk of displacement. The strategies below propose various forms of affordability preservation, of both subsidized and unsubsidized units.

11. PRESERVATION OF EXISTING DEED-RESTRICTED UNITS

How does it work and why is it important?

- This strategy would involve regularly updating an inventory of existing subsidized affordable properties in San Pablo and deed-restriction expiration dates. Subsidized properties may become at risk of conversion to market rate if the term of the deed restriction expires and is not renewed. Maintaining the affordability of such properties likely requires (1) collaboration and communication between city staff and existing property owners and/or developers, and (2) providing funding or financing for acquisition and rehabilitation. A local subsidy may be needed in addition to the more traditional sources of funding (such as tax credits).
- Based on findings in Chapter II, most existing deed-restricted properties in San Pablo have deed-restrictions that expire past 2050, but four projects (Rumrill Garden Apartments, Rumrill Place Apartments, Church Lane, Judson Homes, or about 170 units) have unknown expiration dates. These affordable units may be at risk of conversion if the term of the deed restriction expires and is not confirmed and/or renewed.

What are key considerations?

- N/A

What are recommended implementation actions?

- Create a database of deed-restricted properties in San Pablo, including unit count, AMI level served, and deed-restriction expiration date. Reach out to owners of deed-restricted properties with missing information to determine if any units are at risk of expiring in the next 10 years.
- Make city funding available for expiring deed-restricted properties.

12. ACQUISITION, REHABILITATION, AND CONVERSION OF UNSUBSIDIZED HOUSING TO DEED-RESTRICTED HOUSING

How does it work and why is it relevant in San Pablo?

- This strategy would involve providing funding and/or financing for the acquisition and rehabilitation of existing low-rent unsubsidized housing (i.e., market rate housing that is being rented at relatively affordable rates due to age or quality) for conversion to deed-restricted housing. (Note: this type of housing has sometimes been referred to as "Naturally Occurring Affordable Housing", or NOAH.)
- Purchasing and deed-restricting properties is an effective community stabilization strategy, especially in markets that have a stock of low-rent unsubsidized housing and that are experiencing rapid rent increases. As described in Chapter III, average multifamily rents in San Pablo remain some of the lowest among neighboring cities, and significantly lower than Contra Costa County and the Bay Area overall. Furthermore, San Pablo has a large stock of multifamily rental housing, mostly in small or medium-sized buildings (less than 50 units) built before 1980, with virtually no new housing built in the last decade. These are the types of buildings that may be ideal candidates for conversion to deed-restricted properties before property values rise and buildings lose their affordability.
- The most common model is when market rate properties are purchased, converted, and managed by a nonprofit housing developer or a Community Land Trust (see also strategy #13).

What are key considerations?

- This strategy is complex and requires partnerships with developers that have technical and financial expertise. Converting a market rate property to a deed-restricted affordable project also often requires tenant outreach (e.g. to receive tenant input and approval, for income verification, etc.)
- There are various funding and financing challenges related to the conversion of unsubsidized housing. For example, upfront acquisition costs may be high; buyers are competing on the market with other market rate developers; rehabilitation costs may be difficult to predict in advance; and there are limited state and federal funding sources available. For these reasons, most projects completed to date in the Bay Area have relied on funding from the City or County (e.g. San Francisco, Oakland, and San Mateo County).
- A small sites strategy would likely be most effective in San Pablo, due to City's size and housing stock characteristics. Smaller buildings are typically less expensive to acquire (however, they do also present inefficiencies in property/asset management and administrative costs.)
- In recent years, San Francisco, Oakland, and San Jose have developed, or explored developing, this type of preservation strategy. Various models exist, and the scale of the program may depend at first of funding availability.

What are recommended implementation actions?

- Explore a preservation strategy for the City of San Pablo, including the identification of potential target properties. Eligible properties could be identified through a collaboration with the City's RH&S Program or through partnering with community-based groups familiar with properties where tenants may be at-risk of displacement.
- Provide funding to acquire and convert properties to qualified nonprofit organizations with experience with the preservation and management of smaller multifamily properties.

13. COMMUNITY LAND TRUST (CLT)

How does it work and why is it relevant to San Pablo?

- This strategy would involve supporting the formation of a CLT or the expansion of an existing CLT into San Pablo. In a CLT, a community development corporation or other mission-driven entity owns land and stewards it in perpetual trust to provide deed-restricted units affordable for the long-term. The CLT model is most often used to provide affordable homeownership opportunities, but some CLTs opt to rent their units, especially in high-cost markets. Most CLTs focus on housing for low-income households.
- A city can support a CLT by assisting with the acquisition of land/property or by providing some form of financial support. For example, both the City of Oakland and the City of San Francisco have experimented with working directly with their local CLTs on housing preservation.
- A CLT could be an effective tool for single-family rental homes that are not protected by AB 1482. As mentioned above, San Pablo has a large number of lower-income households living in rental single-family homes.

What are key considerations?

- This strategy requires a dedicated and well-funded nonprofit organization, including significant technical expertise related to real estate acquisition and management. Of note, a new CLT was recently formed in Richmond (Richmond LAND); there may be opportunities to seek a partnership with this organization.
- High land costs can make it difficult to acquire a “critical mass” of properties, and/or reduce the effectiveness of available funding.

What are recommended implementation actions?

- Explore a partnership with the Richmond LAND Community Land Trust.

Goal E. Produce More Housing

14. INCLUSIONARY ZONING

How does it work and why is it relevant in San Pablo?

- Inclusionary zoning facilitates the construction of affordable housing units by requiring that market rate residential development projects provide a specified percentage of below-market rate units, or otherwise comply in an alternative way. Programs may be structured to offer developers the option of providing units on-site or off-site, or paying an in-lieu fee to fund affordable housing development elsewhere in the jurisdiction.
- Inclusionary zoning requirements can vary by project size, building type, or subarea, and may apply to rental and/or for-sale products.
- An inclusionary zoning policy results in the creation of new affordable units only if a city has strong enough market conditions to attract market rate residential development activity. Nevertheless, it is common for cities in the Bay Area to adopt inclusionary zoning policy in advance of such market conditions, to ensure that affordable units are built if and when development activity does ramp up. In the last decade, San Pablo has had very limited market rate residential development.

What are key considerations?

- Inclusionary requirements (including the percentage of units required to be affordable, the target income groups, and in-lieu fees) can be calibrated to ensure that they do not hinder the feasibility of market-rate development. This type of analysis is usually conducted in a financial feasibility study.
- A large number of cities in the Bay Area have adopted inclusionary zoning. Examples of East Bay cities with inclusionary housing requirements include the City of Richmond, El Cerrito, Albany, Concord, San Leandro, and Emeryville.

What are recommended implementation actions?

- Conduct an Inclusionary Housing Feasibility Study.

15. INCENTIVE ZONING

How does it work and why is it relevant in San Pablo?

- Incentive zoning is when a city provides zoning incentives in exchange for market rate development projects to build (or fund) affordable units. Incentives may include density or building height bonuses, reduced parking requirements, and/or flexible setbacks.
- California's State Density Bonus Law requires local governments to offer increased densities and reduced parking requirements in return for affordable units. The state's Density Bonus also offers generous density bonuses for 100 percent affordable housing, following 2019 legislation. Cities may offer density bonuses above and beyond state requirements.

What are key considerations?

- Incentive zoning results in the creation of new affordable units only if a city has strong enough market conditions to attract market rate residential development activity. Nevertheless, it is common for cities in the Bay Area to adopt incentive zoning policy in advance of such market conditions, to ensure that affordable units are built if and when development activity does ramp up. In the last decade, San Pablo has had very limited market rate residential development.

What are recommended implementation actions?

- Update the City's density bonus ordinance to be consistent with State Density Bonus Law (to occur after the General Plan Update).

16. USE OF PUBLICLY-OWNED LAND FOR AFFORDABLE HOUSING DEVELOPMENT

How does it work and why is it relevant in San Pablo?

- This strategy would involve reducing the cost of new affordable housing development by leveraging publicly owned land to support affordable housing development.
- The California Surplus Land Act, updated in 2019 (AB 1486), applies to all local agencies, including cities, counties, local successor agencies, and housing authorities. Public agencies seeking to sell or lease surplus land must provide the right of first refusal to affordable housing developers and provide documentation to California's Department of Housing and Community Development.
- Chapter III identified surplus parcels owned by the City of San Pablo. One of these parcels is currently being proposed for a 100 percent affordable housing project (1820 Rumrill Blvd); one parcel represents a potential development opportunity site (the former City Hall site at

13831 San Pablo Ave), and one parcel faces physical development constraints due to substantial slope issues (the San Pablo Dam Road parcel).

What are key considerations?

- Public agencies may sell or lease land at a discounted rate as a way to further encourage the production of new affordable housing.

What are recommended implementation actions?

- Better advertise the City of San Pablo's public land availability through RFQs and RFPs.
- Establish relationships with affordable housing developers interested in working in San Pablo.
- Sell or lease publicly-owned land at discounted rates to further incentivize affordable housing development.

17. TECHNICAL AND FINANCIAL ASSISTANCE TO FACILITATE CONSTRUCTION & LEGALIZATION OF ACCESSORY DWELLING UNITS (ADUS)

How does it work and why is it relevant in San Pablo?

- This strategy would involve providing technical and/or financial assistance to property owners to encourage the construction of new Accessory Dwelling Units (ADUs) and the legalization of existing ADUs. Note that ADUs could be built on single-family or multifamily parcels (e.g. lots with duplexes, triplexes, or even small multifamily properties).
- Although the rents charged for ADUs are not regulated, ADUs are often a relatively more affordable option due to their smaller size and therefore represent a potential source of new affordable housing. They can also be an ongoing financial generator for the property owner.
- Many state laws have been passed in the last few years to remove local zoning barriers to ADUs, such as parking requirements, minimum unit size, minimum lot sizes, or tenure requirements. Cities must comply with state laws. In addition, as of January 1, 2020, cities are required by state law to waive development impact fees for ADUs that are less than 750 square feet, and charge impact fees proportionally to the size of the unit if the ADU is larger than 750 square feet.⁵⁰
- A total of 16 ADUs have been built (12 ADUs) or legalized (4 ADUs) in San Pablo in the last five years. While this is a small sample, the data suggests an upward trend in ADU construction since 2018, as restrictions have been increasingly relaxed through state laws.

What are key considerations?

- The construction of new ADUs and permitting existing ADUs ultimately depends on the willingness and resources of individual property owners.
- In recent years, Californian cities have adopted creative strategies to encourage ADU production. For instance, the City of San Diego offers free, pre-approved ADU floor plans to reduce the costs associated with construction.⁵¹ The City of San Jose has also developed pre-

⁵⁰ According to California Senate Bill 13 (2019), this bill "prohibit[s] a local agency, special district, or water corporation from imposing any impact fee, as specified, upon the development of an accessory dwelling unit less than 750 square feet, and would require any impact fees to be charged for an accessory dwelling unit of 750 square feet or more to be proportional to the square footage of the primary dwelling unit." Available at: https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB13

⁵¹ See City of San Diego Development Services: Companion/Junior Units. Available at: <https://www.sandiego.gov/development-services/news-programs/programs/companion-junior-units>

approved ADU plans of different unit sizes (detached ADUs only) through partnerships with a selection of certified vendors (Abodu, Acton ADU, and prefabADU).⁵²

- Financial barriers can also be an obstacle for property owners interested in adding an ADU to their property. Cities have implemented various forms of financial assistance to incentivize ADU construction. For example, the City of Santa Cruz waives certain city fees in exchange for the owner renting their ADU to households at 50 or 60 percent of AMI. A Los Angeles-based nonprofit organization (LA-Más) supports homeowners by offering a “one-stop-shop” for financing, designing, permitting, and constructing new ADUs. In exchange, homeowners are required to rent their ADUs to Section 8 voucher holders for a minimum of five years.⁵³

What are recommended implementation actions?

- Complete the update to San Pablo ADU ordinance (anticipated Fall 2020).
- Provide technical assistance to property owners to facilitate ADU development, for example through the adoption of pre-approved floor plans or through partnerships with organizations specialized in ADU production.
- Explore partnerships with organizations that provide financial assistance to property owners interested in building ADUs.

18. ZONING CHANGES TO FACILITATE "MISSING MIDDLE" HOUSING DEVELOPMENT

How does it work and why is it relevant in San Pablo?

- This strategy would involve enacting zoning changes to enable single-family parcels to redevelop to 2-4 units per parcel. "Missing middle" housing encompasses housing types that are denser than a detached single-family home, but less dense than large apartment buildings. Examples include townhomes, duplexes, and fourplexes.
- “Missing middle” housing was frequently built in American cities before WWII, but many cities have since made them virtually illegal, by only permitting single-family homes in residential areas. Missing Middle units may be more affordable than single-family homes because the units are smaller, and land cost is spread across more units.
- Many neighborhoods in San Pablo already include a mix of single-family and "missing middle" housing, so this type of zoning change would likely fit well with existing neighborhoods.

What are key considerations?

- Recently, public agencies have adopted laws that largely eliminate single-family zoning, such as Minneapolis, MN and the State of Oregon. Other cities and states have explored this type of approach as well (e.g. California proposed bills SB 827, SB 50, and SB 902, although none have passed yet in California).

What are recommended implementation actions?

- Conduct an analysis to determine whether there are opportunities for introducing more “missing middle” housing types (duplexes, triplexes, and fourplexes) in specific areas of San Pablo, taking into account existing lot sizes, parking demand, and access to transit.

⁵² See City of San Jose Preapproved ADUs. Available at: <https://www.sanjoseca.gov/business/development-services-permit-center/accessory-dwelling-units-adus/adu-permit-plan-review-process/adu-single-family-master-plan-program>

⁵³ LA-Más Backyard Homes. Available at: <https://www.mas.la/affordable-adus>

19. ZONING CHANGES IN SPECIFIC PLAN AREAS AND OTHER COMMERCIAL ZONES

How does it work and why is it relevant in San Pablo?

- This strategy would involve revising zoning standards, such as allowable uses, ground floor requirements, maximum residential density, minimum parking requirements in the 23rd Street Specific Plan area, the San Pablo Avenue Specific Plan area, and other commercial zones to make development more feasible.
- Chapter III identified potential zoning barriers to residential development in San Pablo, such as required active ground floor uses, minimum densities, or parking requirements (though note that there may be limits to the effectiveness of parking ratio reductions, given that San Pablo is not a transit-rich community and has a large average household size relative to the County.)

What are key considerations?

- The City is currently undergoing a General Plan update with a focus on accelerating housing development. The General Plan process is an opportunity to further examine potential zoning changes.

What are recommended implementation actions?

- Explore potential changes to zoning and development standards (especially parking requirements) included in San Pablo's Specific Plan Areas and other commercial zones as part of the General Plan update.

20. REGULATORY CHANGES TO ALLOW LOWER COST INNOVATIVE CONSTRUCTION TECHNOLOGIES

How does it work and why is it relevant in San Pablo?

- This strategy would involve implementing regulatory changes to enable modular housing, cross-laminated timber (CLT), or other building technologies. Modular development is a construction approach of manufacturing units offsite and later assembling them on-site. Experts estimate that construction costs could be reduced by 15 and 25 percent through the use of modular strategies or newly developed affordable materials, which could make it easier for higher density multifamily housing projects to pencil.
- These innovative technologies could also be used by affordable housing developers to reduce the cost of construction and the subsidies required.
- Chapter III described constraints to market rate residential development in San Pablo. Since the early 2010s, development costs across the Bay Area region have risen very rapidly, mostly as a result of labor shortages. These elevated costs have posed a challenge to development region-wide, but in a market like San Pablo, where rents remain low even compared to the County and the region, new projects are unlikely to be financially feasible, especially denser building types that have high construction costs.

What are key considerations?

- Reducing the cost of new construction may not be sufficient on its own to attract new housing production in San Pablo.

What are recommended implementation actions?

- Explore zoning changes and/or new ordinances in San Pablo that would allow for more innovative technologies.

Goal F. Prevent and Reduce Incidences of Homelessness

The City of San Pablo continues to work in partnership with different agencies to reduce and prevent homelessness. In California, counties are often the most closely involved with ongoing social work and “Continuum of Care” work with people experiencing housing insecurity or who are currently unhoused. Although the Affordable Housing Strategy is not primarily focused on housing the unhoused, the need to prevent and reduce the incidence of homelessness in San Pablo remains a critical goal for the City to keep in sight in this 10-year Implementation Plan.

Goals A through E, which seek to promote housing production at all income levels, preserve existing affordable housing, and provide protections and resources to tenants and homeowners facing housing challenges – are all part of the long-term solution to ending homelessness.

In the short-term, additional strategies can also help support the goal of preventing and reducing homelessness in San Pablo. They are listed below.

21. OUTREACH AND COLLABORATION

How does it work and why is it relevant in San Pablo?

- This strategy would involve increased, and more coordinated, dissemination of information about resources to people experiencing homelessness in San Pablo. This would also require more active collaboration with Contra Costa County and other service providers focused on supporting unhoused communities in Contra Costa County.

What are key considerations?

- The City of San Pablo is not a direct service provider for people experiencing homelessness. Contra Costa County’s Health, Housing, and Homeless Services Division is responsible for integrating housing and homeless services across the health care system and connecting with other key agencies and organizations (e.g. Employment and Human Services, Contra Costa County Housing Authority, housing providers, etc.).⁵⁴

What are recommended implementation actions?

- Update the City website to create a specific page with information about available services for individuals experiencing homelessness.
- Create a one-page flyer with information and resource and distribute to the San Pablo EDC and other local social service organizations in San Pablo.
- Connect with County homelessness services and join ongoing working groups addressing homelessness.
- Collaborate with County and service organizations to identify best practices to provide services to individuals experiencing homelessness. Create quarterly or biannual meetings to share information, trends, and resources.

22. TRANSITIONAL AND PERMANENT SUPPORTIVE HOUSING

How does it work and why is it relevant in San Pablo?

⁵⁴ Contra Costa County Health, Housing, and Homeless Services Division. “About Us”. Available at: <https://cchealth.org/h3/about-us.php>

- This strategy would involve exploring different opportunities to create, or support the creation of, transitional and/or permanent supportive housing options in San Pablo.

What are key considerations?

- The development of transitional and/or permanent supportive housing requires close collaboration with on-site service and health providers, as well as with the County, who oversees the coordination of services for people experiencing homelessness.
- Santa Clara County provides a useful example of how the County leveraged Measure A funding to focus specifically on permanent supportive housing and other housing for extremely and very-low income households.
- Project Homekey is a state program that provides funds for local entities to acquire and convert hotel, motel, or vacant apartment properties into transitional or permanent housing. For example, the City of Milpitas is currently proposing to use the grant to redevelop an extended stay hotel into permanent supportive housing for individuals and families experiencing homelessness. The deadline for applying to the current funding round of the Homekey program has passed (September 2020) and funds must be used by the end of 2020. It is unknown at this time whether there will be future funding rounds.⁵⁵

What are recommended implementation actions?

- Determine whether San Pablo's zoning code currently limits the establishment of emergency warming centers (temporary or seasonal). If necessary, clarify zoning code to allow for emergency warming centers (temporary and/or seasonal) as part of the General Plan process.
- Explore partnerships to create an emergency warming center and/or a "Safe Parking Program" in San Pablo.
- Explore the potential to convert existing hospitality properties to temporary or permanent housing serving people experiencing homelessness.
- Actively explore opportunities to collaborate with Contra Costa County to develop a new transitional housing project and/or new permanent supportive housing in San Pablo.

Goal G. Create New Funding Sources for Affordable Housing

The City of San Pablo has very limited funding sources for affordable housing. As explained in Chapter II, the Low-Income Housing Fund (LIHF) is the City's primary source of funds. Contra Costa County also has very limited funding available relative to the County's needs. Goal G is to create new funding sources to dedicate to affordable housing in San Pablo, and the three strategies included under Goal G represent different avenues that San Pablo could take to raise local dollars.

While the strategies included under Goal G may be infeasible in the short-term due to the recession induced by the COVID-19 crisis, they will be essential to the long-term viability of the Affordable Housing Implementation Plan, since many of the strategies in Goals A through F require a local funding source.

⁵⁵ According to the State of California Department of Housing and Community Development (HCD) website: "Of the \$600 million in Homekey grant funds, \$550 million is derived from the State's direct allocation of the federal Coronavirus Aid Relief Funds (CRF), and \$50 million is derived from the State's General Fund. See State of California Department of Housing and Community Development (HCD). "Homekey". Available at: <https://hcd.ca.gov/grants-funding/active-funding/homekey.shtml>

23. AFFORDABLE HOUSING IMPACT FEE

How does it work and why is it relevant in San Pablo?

- This strategy would involve enacting development impact fees or linkage fees to mitigate the impacts of new, market rate housing development on demand for affordable housing.
- State law regulates how cities may impose impact fees. The California Mitigation Fee Act requires impact fees to be adopted based on findings of a “nexus” (or reasonable relationship) between the development paying the fee, the size of the fee, and the use of fee revenues. In setting fees, cities should consider other existing impact fees, fee levels in nearby cities, and impacts on development feasibility.
- As with inclusionary zoning and incentive zoning, affordable housing impact fees only generate revenue if market rate development activity occurs.

What are key considerations?

- With the passage of AB 1505 in 2017, many jurisdictions have chosen to enact inclusionary requirements and in-lieu fees instead of affordable housing impact fees.

What are recommended implementation actions?

- Explore affordable housing impact fees in conjunction with the Inclusionary Housing Feasibility Study (see strategy #14).

24. LOCAL AFFORDABLE HOUSING BOND MEASURE

How does it work and why is it relevant in San Pablo?

- This strategy would involve placing a municipal general obligation bond on the local voting ballot. General obligation bonds are typically repaid over time by imposing a new ad valorem property tax (i.e. a tax that is based on the assessed value of properties).
- An affordable housing bond creates a new tax on property, and requires two-thirds approval by voters. It must be considered in the context of the jurisdiction’s existing long-term indebtedness.

What are key considerations?

- Given the economic downturn caused by the COVID-19 pandemic, voters may be reticent to approve additional taxes in the short term.
- A bond measure could be implemented at the city or county level. The potential amount raised by a small city such as San Pablo would be very limited. Contra Costa County has not placed an affordable housing bond measure on the ballot, even while many counties in the Bay Area have done so, and a recent transportation measure, Measure J, was defeated by Contra Costa County voters.

What are recommended implementation actions?

- Work with local affordable housing advocacy organizations (such as EBHO) to explore the possibility of placing a general obligation bond on the ballot in the medium or long-term.

25. REAL ESTATE TRANSFER TAX

How does it work and why is it relevant in San Pablo?

- Enact a real estate transfer tax, which is paid upon the sale of property. Tax payment is traditionally split between the buyer and seller.
- Charter cities may adopt, with voter approval, a real estate transfer tax at any rate. General law cities cannot implement this type of tax. The City of San Pablo is a general law city.
- This revenue source does not rely on new development activity, but on the sale of residential and/or commercial property. For this reason, it may be more appropriate for San Pablo at the least in the short-term since the City has had very few new development projects in the last economic cycle.

What are key considerations?

- Given the economic downturn caused by the COVID-19 pandemic, voters may be reticent to approve additional taxes in the short term.

What are recommended implementation actions?

- Explore the regulatory steps that would be required for San Pablo to become a charter city.
- Explore placing a measure on the local ballot to approve a new real estate transfer tax in the medium or long-term if San Pablo becomes a charter city.

V. DETAILED IMPLEMENTATION PLAN

Figure 24 below summarizes the goals, strategies, and action items described in the previous chapter. For each action item, Figure 24 also lists the lead agency responsible for implementation, potential partners to support with implementation, as well as staff and financial resources required for each implementation action.

The COVID-19 pandemic has placed extreme stress on municipal and state budgets, further constraining the amount of funding for affordable housing. Therefore, the timing of implementation of each action will likely depend on the availability of staff and funding resources. However, because there is an urgent need for immediate action in response to COVID-19, it is recommended that the City prioritize strategies and actions that will help to prevent evictions and displacement of existing residents. These include foreclosure prevention, rental assistance, and tenant services to protect residents at risk of losing their homes.

The order of magnitude of staffing and funding required for implementation is ranked for each implementation action (none, low, medium, high). Given constrained resources from the City of San Pablo, the implementation plan also identifies potential partners for implementation, which include other government agencies, nonprofit groups, private property owners, developers, housing advocates, and community members.

FIGURE 24. DETAILED IMPLEMENTATION PLAN

	Lead Agency	Partners	Additional Staffing Resources Required (None, Low, Medium, High)	Additional City Financial Resources Required (None, Low, Medium, High)
Goal A: Support New and Existing Homeowners				
Strategy 1. Housing rehabilitation funds				
Action 1.1. Actively advertise the Contra Costa County Neighborhood Preservation Program and Weatherization Program.	City of San Pablo	Contra Costa County	Low	None
Action 1.2. Establish a new City program to support housing rehabilitation, or contribute funds to existing housing rehabilitation County programs, to augment County resources.	City of San Pablo	Contra Costa County	Medium	Medium
Strategy 2. First-time homebuyer assistance program				
Action 2.1. Adopt and implement the proposed San Pablo Loan Assistance for Sustainable Housing Program (SPLASH) program, in partnership with the San Pablo Economic Development Corporation (EDC).	City of San Pablo and San Pablo EDC	N/A	Medium	High
Strategy 3. Foreclosure prevention program				
Action 3.1. Seek out nonprofit organizations that offer foreclosure prevention counseling and resources.	City of San Pablo	San Pablo EDC	Low	None
Goal B: Support and Protect Existing Tenants				
Strategy 4. Rental assistance				
Action 4.1. Extend San Pablo's Housing Assistance Grant Program for lower income households impacted by COVID-19.	City of San Pablo	N/A	Medium	Medium
Action 4.2. Explore the implementation of an ongoing local rental assistance program for targeted households in need (e.g. at risk of homelessness).	City of San Pablo	N/A	Medium	High

	Lead Agency	Partners	Additional Staffing Resources Required (None, Low, Medium, High)	Additional City Financial Resources Required (None, Low, Medium, High)
Strategy 5. Tenant-landlord mediation and just-cause protections				
Action 5.1. Explore implementing just-cause protections for all rental units in San Pablo, including units exempt from AB 1482.	City of San Pablo	N/A	Medium	Medium
Action 5.2. Explore partnering with a nonprofit to administer a mediation program that assists with settling disputes between tenants and landlords related to rent increases and payment, enforcement of AB 1482, COVID-19 related issues, and other health and safety concerns.	City of San Pablo	ECHO Housing, Project Sentinel, or other nonprofit organizations that offer mediation services	High	Medium
Strategy 6. Tenant education and legal services				
Action 6.1. Provide funding for, or establish an ongoing partnership with, Bay Area Legal Aid, Eviction Defense Center, or other similar nonprofit organizations that offer free legal services.	City of San Pablo	Nonprofit organization offering legal resources, counseling, and/or education for low-income tenants such as Bay Area Legal Aid or Eviction Defense Center	Medium	Medium
Action 6.2. Host regular “Housing Clinics” in San Pablo to inform residents of their resources and rights.	City of San Pablo	See above	Low	Medium
Strategy 7. Relocation assistance				
Action 7.1. Review and advertise the City’s Municipal Code procedures, to ensure that proper information is provided to both tenants and property owners in the case of tenant displacement due to a “Notice to Vacate” related to a health and safety code violation.	City of San Pablo	N/A	Medium	Medium

	Lead Agency	Partners	Additional Staffing Resources Required (None, Low, Medium, High)	Additional City Financial Resources Required (None, Low, Medium, High)
Action 7.2. Explore improvements to the City's permit application process in order to better identify cases of potential tenant displacement (e.g. whether the work that is proposed to be conducted as part of the permit application will entail tenant displacement.)	City of San Pablo (would likely require collaboration between various departments)	N/A	Medium	None
Goal C: Improve Housing Quality & Safety				
Strategy 8. Proactive code enforcement & inspections				
Action 8.1. Explore improvements to San Pablo's existing Residential Health & Safety Program, including a system to refer tenants to a mediation program to report health and safety concerns.	City of San Pablo	ECHO Housing, Project Sentinel, or other nonprofit organizations that offers mediation services	Low	Medium
Strategy 9. Multifamily rehabilitation program				
Action 9.1. Create a loan fund for the rehabilitation of multifamily rental properties, especially targeted to buildings occupied by lower income residents.	City of San Pablo	Developers & existing property owners	High	High
Strategy 10. Mobile home park health & safety				
Action 10.1. Monitor mobile home parks that may be closing or where residents have been dealing with code enforcement or other health and safety issues.	City of San Pablo	Mobile home park owners and residents	High	None
Action 10.2. Investigate the potential use of State funding by the City, a nonprofit, or resident organization to convert, acquire, or rehab mobile home parks.	City of San Pablo	California HCD (Housing & Community Development), resident organizations	Medium	None

	Lead Agency	Partners	Additional Staffing Resources Required (None, Low, Medium, High)	Additional City Financial Resources Required (None, Low, Medium, High)
Action 10.3. Explore partnering with Housing Authority of the County of Contra Costa to acquire and rehab mobile home parks within San Pablo.	City of San Pablo	Housing Authority of Contra Costa County	High	High
Goal D: Preserve Existing Affordable Housing				
Strategy 11. Preservation of existing deed-restricted units				
Action 11.1. Create a database of deed-restricted properties in San Pablo, including unit count, AMI level served, and deed-restriction expiration date. Reach out to owners of deed-restricted properties with missing information to determine if any units are at risk of expiring in the next 10 years.	City of San Pablo	Existing property owners	Medium	None
Action 11.2. Make city funding available for expiring deed-restricted properties.	City of San Pablo	Existing property owners and prospective developers	Medium	High
Strategy 12. Acquisition, rehabilitation, and conversion of unsubsidized housing to deed-restricted housing				
Action 12.1. Explore a preservation strategy for the City of San Pablo, including identification of potential target properties. Eligible properties could be identified through a collaboration with the City's RH&S Program or through partnering with community-based groups familiar with properties where tenants may be at-risk of displacement.	City of San Pablo, including potentially the RH&S Program	Community-based groups familiar with properties that may be at risk	High	Medium
Action 12.2. Provide funding to acquire and convert properties from a list of qualified organizations with experience with preservation and management of smaller multifamily properties.	City of San Pablo	Developers, CLTs, community-based organizations	Medium	High

	Lead Agency	Partners	Additional Staffing Resources Required (None, Low, Medium, High)	Additional City Financial Resources Required (None, Low, Medium, High)
Strategy 13. Community Land Trust (CLT)				
Action 13.1. Explore a partnership with the newly formed Richmond LAND Community Land Trust.	City of San Pablo	Richmond LAND CLT	Low	Low
Goal E: Produce More Housing				
Strategy 14. Inclusionary zoning				
Action 14.1. Conduct an Inclusionary Housing Feasibility Study	City of San Pablo	N/A	Low	Low
Strategy 15. Incentive zoning				
Action 15.1. Update the City's density bonus ordinance to be consistent with State Density Bonus Law (to occur after the General Plan Update).	City of San Pablo	General Plan Update consultant team	Medium	Medium
Strategy 16. Use of publicly owned land for affordable housing development				
Action 16.1. Better advertise the City of San Pablo's public land availability through RFQs and RFPs.	City of San Pablo	Affordable housing developers	Low	None
Action 16.2. Establish relationships with affordable housing developers interested in working in San Pablo.	City of San Pablo	Affordable housing developers	Medium	None
Action 16.3. Sell or lease publicly-owned land at discounted rates to further incentivize affordable housing development.	City of San Pablo	Affordable housing developers	High	High
Strategy 17. Technical and financial assistance to facilitate construction & legalization of Accessory Dwelling Units (ADUs)				
Action 17.1. Complete the update to San Pablo ADU ordinance (anticipated Fall 2020).	City of San Pablo	N/A	Low	Low

	Lead Agency	Partners	Additional Staffing Resources Required (None, Low, Medium, High)	Additional City Financial Resources Required (None, Low, Medium, High)
Action 17.2. Provide technical assistance to property owners to facilitate ADU development, for example through the adoption of pre-approved floor plans or through partnerships with organizations specialized in ADU production.	City of San Pablo	Organizations specialized in ADU production	Medium	Low
Action 17.3. Explore partnerships with organizations that provide financial assistance to property owners interested in building ADUs.	City of San Pablo	Organizations specialized in ADU production	Medium	High
Strategy 18. Zoning changes to facilitate "Missing Middle" housing development				
Action 18.1. Conduct an analysis to determine whether there are opportunities for introducing more "missing middle" housing types (duplexes, triplexes, and fourplexes) in specific areas of San Pablo, taking into account existing lot sizes, parking demand, and access to transit.	City of San Pablo	General Plan Update consultant team	Low	None
Strategy 19. Zoning in specific plan areas and other commercial zones				
Action 19.1. Explore potential changes to zoning and development standards (especially parking requirements) included in San Pablo's Specific Plan Areas and other commercial zones as part of the General Plan update.	City of San Pablo	General Plan Update consultant team	Low	Medium
Strategy 20. Regulatory changes to allow lower cost innovative construction technologies				
Action 20.1. Explore zoning changes and/or new ordinances in San Pablo that would allow for more innovative technologies.	City of San Pablo	General Plan Update consultant team	Low	Low

	Lead Agency	Partners	Additional Staffing Resources Required (None, Low, Medium, High)	Additional City Financial Resources Required (None, Low, Medium, High)
Goal F: Prevent and Reduce the Incidences of Homelessness				
Strategy 21. Outreach and Collaboration				
Action 21.1. Update City website to create a specific page with information about available services for individuals experiencing homelessness.	City of San Pablo	Contra Costa County	Low	None
Action 21.2. Create a one-page flyer with information and resource and distribute to the San Pablo EDC and other local social service organizations.	City of San Pablo	San Pablo EDC, social service organizations	Low	None
Action 21.3. Connect with County homelessness services and join ongoing working groups addressing homelessness.	City of San Pablo	Contra Costa County, social service organizations	Medium	None
Action 21.4. Collaborate with County and service organizations to identify best practices to provide services to unsheltered individuals in public spaces.	City of San Pablo	Contra Costa County, social service organizations	Medium	None
Strategy 22. Transitional and permanent supportive housing				
Action 22.1. Determine whether San Pablo's zoning code currently limits the establishment of emergency warming centers (temporary or seasonal). If necessary, clarify zoning code to allow for emergency warming centers (temporary and/or seasonal) as part of the General Plan process.	City of San Pablo	N/A	Low	None
Action 22.2. Explore possible partnerships to create an emergency warming center and/or a Safe Parking Program.	City of San Pablo	N/A	Medium	Medium
Action 22.3. Explore the potential to convert existing hospitality properties to temporary or permanent housing serving people experiencing homelessness.	City of San Pablo	Affordable housing developers, hotel/motel owners, California HCD	High	Medium

	Lead Agency	Partners	Additional Staffing Resources Required (None, Low, Medium, High)	Additional City Financial Resources Required (None, Low, Medium, High)
Action 22.4. Actively explore opportunities to collaborate with Contra Costa County to develop a new transitional housing project and/or new permanent supportive housing in San Pablo.	City of San Pablo	Contra Costa County, affordable housing developers	Low	Medium
Goal G: Create New Affordable Housing Funding Sources				
Strategy 23. Affordable housing impact fee				
Action 23.1. Explore affordable housing impact fees in conjunction with the Inclusionary Housing Feasibility Study.	City of San Pablo	N/A	Medium	Low
Strategy 24. Local affordable housing bond measure				
Action 24.1. Work with local affordable housing advocacy organizations (such as EBHO) to explore the possibility of placing a general obligation bond on the ballot in the medium or long-term.	City of San Pablo	Advocacy organizations, such as EBHO	Medium	Medium
Strategy 25. Real estate transfer tax				
Action 25.1. Explore the regulatory steps that would be required for San Pablo to become a charter city.	City of San Pablo	N/A	Medium	Medium
Action 25.2. Explore placing a measure on the local ballot to approve a new real estate transfer tax in the medium or long-term if San Pablo becomes a charter city.	City of San Pablo	Advocacy organizations, such as EBHO	Medium	Medium

VI. APPENDIX: COMMUNITY ENGAGEMENT SUMMARY

This section summarizes the outreach component of this study, including key real estate and affordable housing professionals, as well as residents of San Pablo.

Targeted Stakeholder Outreach

Strategic Economics interviewed various public agencies, nonprofit organizations, and developers (market rate and affordable) as part of the initial data gathering phase of work. The name and organizations of stakeholders interviewed are listed below:

- Housing Authority of Contra Costa County (HACCC) – Tony Ucciferri
- Association of Bay Area Governments (ABAG) – Ada Chan
- Bay Area Legal Aid – Adam Poe
- East Bay Housing Organizations (EBHO) – Gloria Bruce
- Related – Meea Kang (formerly at Domus Development)
- West Development – Mike Kelley
- Community Housing Development Corporation (CHDC) of North Richmond – Joanna Griffith and Tania Pulido
- EAH Housing – Welton Jordan
- Resources for Community Development (RCD) – Carolyn Bookhart

A high-level summary of the interviews is provided below, organized in two major sections: (1) affordable housing needs and resources in San Pablo/Contra Costa County, and (2) opportunities and constraints to residential development in San Pablo/Contra Costa County.

AFFORDABLE HOUSING NEEDS AND RESOURCES IN SAN PABLO & CONTRA COSTA COUNTY

- There is a need for a more comprehensive strategy to address the lack of affordable housing in Contra Costa County. The Bay Area’s housing crisis is not happening just in more urban counties (San Francisco, Alameda, Santa Clara counties) – Contra Costa County is also dealing with these challenges.
- It is especially important to get ahead of gentrification in lower-income areas of Contra Costa County. We know that displacement is happening in the core Bay Area, and people are moving people out towards Antioch, Oakley, etc. There is a need to be proactive to protect lower-income residents.
- What constraints does Contra Costa County face in addressing the lack of affordable housing?
 - (1) Historically, it has been a more “suburban” County, yet it is facing “urban problems” like a shortage of housing, affordability issues, and homelessness.
 - (2) A major barrier, especially for the construction of new affordable housing, is the lack of funding. Several counties have passed ballot measures to raise new funds for

affordable housing (San Francisco, Alameda, San Mateo, Santa Clara) – but Contra Costa County has not.

- (3) Compared to other counties, Contra Costa County has more limited organizing capacity (e.g. housing advocacy groups) and nonprofit development capacity. This has started to change in the last decade.
- (4) Community opposition can also be a barrier, but this is often the case in jurisdictions across the region.
- Contra Costa County tenants may have more limited access to low-cost/free legal services compared to other counties. For example, Bay Area Legal Aid has a handful of attorneys dedicated to Contra Costa County, compared to 40-50 dedicated to Alameda County. The exception may be City of Richmond (they have partnered with service providers for this.)
- Contra Costa County is a very diverse county with different needs: West County (Richmond, San Pablo, El Cerrito) differs substantially from the Central County (wealthier) and the East County (Antioch, Oakley, suffered a great deal during the foreclosure crisis). Some parts of the County are more conservative politically.
- There is a need for more housing across the County. However, from a regional perspective, Contra Costa County has not always been prioritized due to (1) lack of jobs (it's not a major job center for the region), (2) limited high-quality transit access.
- ABAG is strategizing on how best to use REAP funding. They are looking to explore housing production strategies from a sub-regional perspective (e.g. West County cities that struggle to attract development)
- Preservation of existing affordable housing is a high priority for a place like San Pablo. Getting ahead of potential displacement and gentrification will be very important. Strategies could include (1) tracking and monitoring of existing income-restricted housing; (2) renter protections for unsubsidized housing currently serving lower-income households.
- Public housing rehabilitation needs are great, but there are limited resources.
- Renter protections, and improved tenants' rights education, are important since two-thirds of San Pablo households are renters. Educating tenants about AB 1482 would be one effective strategy, given that it likely applies to many units in San Pablo. Beyond legal services, counseling, education, and outreach, rental assistance is also needed.
- Yet to be seen whether AB 1482 will be effective – it will be dependent on enforcement.
- Several issues related to Housing Choice Vouchers (Section 8)
 - The waitlist for Section 8 in Contra Costa County has been closed for many years. This is a problem.
 - Section 8 might become more accepted by landlords under the economic downturn induced by COVID-19.
 - San Pablo could explore a grant program that incentivizes grants or financial incentives for property owners that rent their unit to Section 8 holders (e.g. this has been done in the case of ADUs).
- There is a looming eviction crisis caused by COVID-19. The County Board of Supervisors needs to be proactive to protect vulnerable tenants, especially. Rental assistance will be important, in addition to eviction protections. There will be a need for state/federal intervention, too.

- Walnut Creek, Concord, El Cerrito are examples of Contra Costa County cities that have had some success in raising local funding for affordable housing.

OPPORTUNITIES AND BARRIERS TO RESIDENTIAL DEVELOPMENT ACTIVITY

- Multifamily rental development trends in Contra Costa County:
 - As job growth boomed in the core cities of the Bay Area, demand for multifamily housing increased (along with rents/home prices) in the core Bay Area, but this has also spilled over to many areas of Contra Costa County. People have been priced out of the South Bay, Oakland, Berkeley, and so they are increasingly looking to Contra Costa County – including for multifamily housing, which has not typically been the dominant product type in the County (often seen as more suburban).
 - Multifamily development in Contra Costa County has been mostly concentrated in BART-served locations.
 - Western Contra Costa County is a soft market, similar to Solano County in market conditions.
 - The City of Richmond has seen some residential development activity, but it has consisted mostly of lower-density townhome projects along the waterfront area. It has been mostly for-sale projects (not rental). Note that Richmond has also had new affordable housing projects.
- Opportunities and barriers to market rate multifamily development in San Pablo:
 - Rents are not high enough in San Pablo to justify new market rate development. Rents are about 60 percent of AMI, even though construction costs and land costs remain very high. Market development could potentially pencil in San Pablo assuming cheap land and no site challenges.
 - There is a stigma around San Pablo/Richmond's school district. This is a barrier for market rate developers.
 - There might be a market for lower density townhome projects or condominiums. First time homebuyers looking for small homes in a city that remains still somewhat accessible to job centers.
 - There is also an opportunity for small-scale, missing middle infill development – this can be a good strategy for places that struggle to attract large, dense, rental multifamily projects. Focus on ADUs, duplexes, triplexes, etc. Need to provide technical and/or financial assistance to small “mom-and-pop” property owners to incentivize them to take on ADUs, missing middle development.
- Opportunities and barriers to affordable housing development in San Pablo:
 - Developers interviewed for the AHS were eager to work in San Pablo, and were interested in hearing about development opportunities, funding availability, and site availability. Developers asked about any upcoming release of Notice of Funding Availability by the City, and more generally the City's process for selecting developers.
 - The most cited barrier was the lack of local funding – not only does this hinder the project's funding stack, it is also more difficult to leverage state/federal sources without a local match.
 - The lack of funding from Contra Costa County only exacerbates this issue. County only has access to CBDG, HOME, and Project-Based Vouchers.

- One effective strategy for cities that do not have a source of local funding is to dedicate city-owned land at a discount. This can count as a local match.
- Beyond funding, there is also a need for streamlined approvals, patient public partner, flexibility in project design and designation (e.g. senior housing is not always possible).
- There is limited site availability in San Pablo. The existing City Hall site is city-owned and appropriate for development.
- Could the city explore opportunities to redevelop existing commercial spaces (e.g. vacant strip centers?)
- San Pablo's competitiveness for state funding for affordable housing is mixed. It really depends on which specific funding source is being considered. For example, access to high-quality transit (e.g. BART) and to major job centers is relatively limited. But the City does have access to retail, as well as social and health services.
- Developers mentioned strategies to encourage more development: (1) take advantage of the state's density bonus law; (2) streamline approval and reduce impact fees where possible, (3) be flexible with parking requirements, with some caution since San Pablo remains somewhat suburban and low-density and residents may still need to rely on their cars.

Community Online Survey

An online survey was distributed to the San Pablo community and was accessible online from June to mid-July 2020. The survey was available in both English and Spanish, and was advertised through the City's various social media platforms and electronic mailing lists in both languages. The purpose of the survey was to solicit feedback on the community's key issues currently with housing, and their desired priorities for future housing-related work. The sections below first summarize the survey sample characteristics, and second the survey results.

CHARACTERISTICS OF SURVEY PARTICIPANTS

Figure 25 summarizes the overall survey sample size. A total of 198 survey responses were collected, including 173 responses from the English version of the survey and 25 responses from the Spanish version of the survey. Of this sample, 161 responses were collected from San Pablo residents. These responses are the focus of the following charts and tables.

FIGURE 25. SAN PABLO COMMUNITY SURVEY TOTAL SAMPLE SIZE

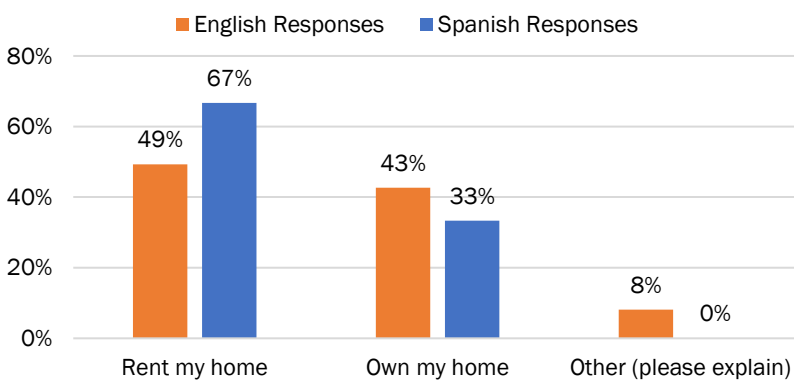
	English Survey Responses	Spanish Survey Responses	Total Survey Responses
San Pablo Residents	137	24	161
Non-San Pablo Residents	36	1	37
Total Survey Responses	173	25	198

Source: City of San Pablo, 2020; Strategic Economics, 2020.

The charts and tables below summarize the demographic and socio-economic characteristics of the sample of San Pablo survey respondents. These characteristics of the survey sample are summarized separately for the English and Spanish survey given some of the stark differences in household characteristics. It is important to note that (1) Hispanic or Latino participants may have chosen to

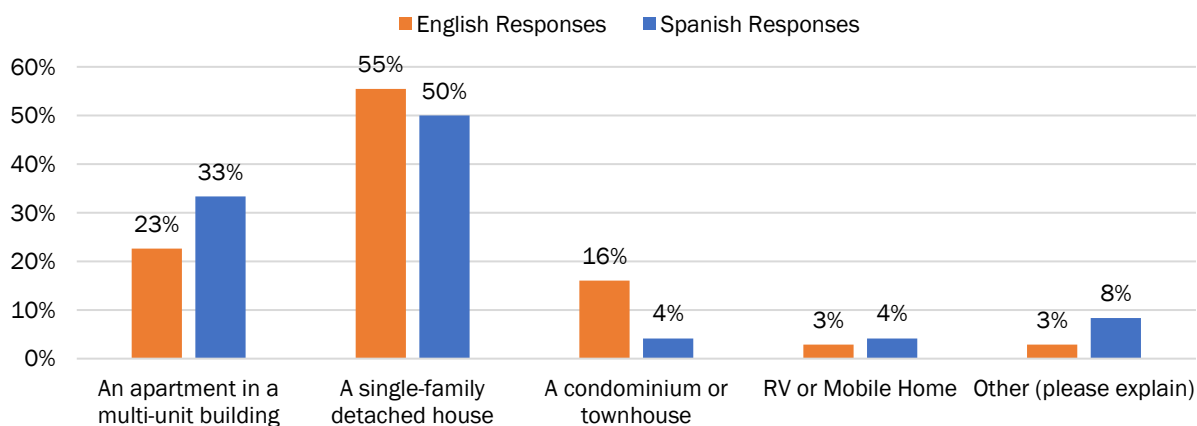
respond to the survey in English, and (2) the sample size is much smaller for the Spanish survey, so results may be harder to conclude from.

FIGURE 26. RESPONSES TO THE SURVEY QUESTION: "DO YOU OWN OR RENT YOUR HOME?"



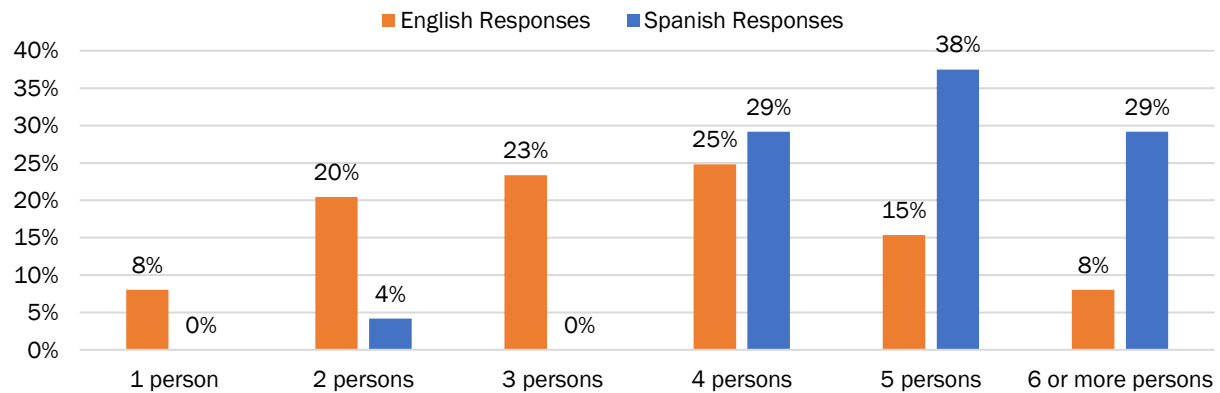
Note: 160 of 161 respondents answered this question.
Source: City of San Pablo, 2020; Strategic Economics, 2020.

FIGURE 27. RESPONSES TO THE SURVEY QUESTION: "WHICH OF THE FOLLOWING BEST DESCRIBES YOUR HOME?"



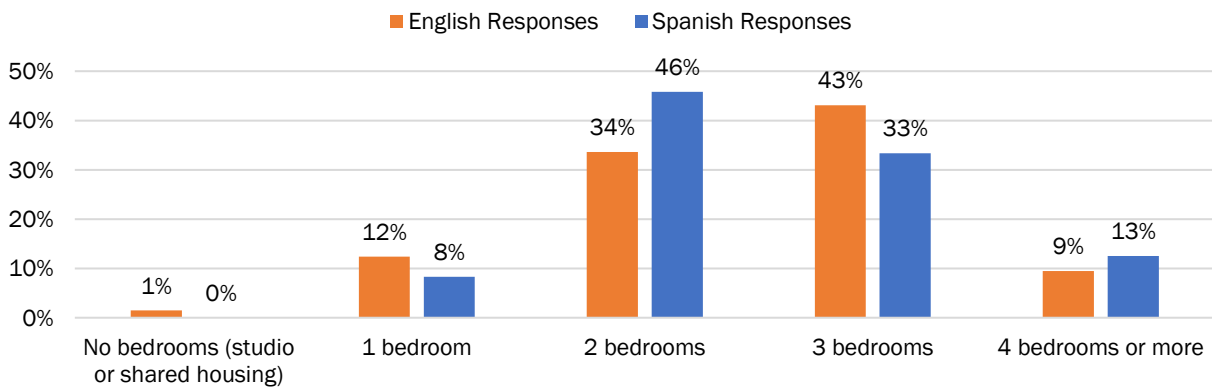
Source: City of San Pablo, 2020; Strategic Economics, 2020.

FIGURE 28. RESPONSES TO THE SURVEY QUESTION: "HOW MANY PEOPLE LIVE IN YOUR HOME?"



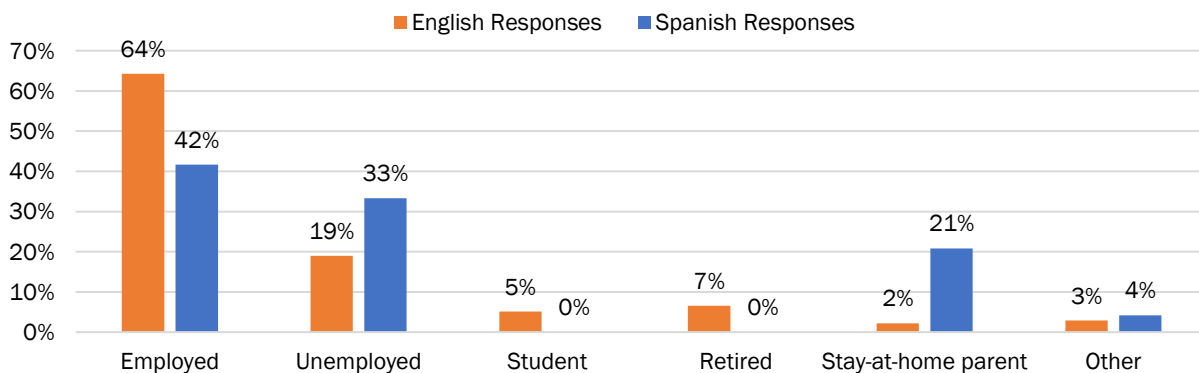
Source: City of San Pablo, 2020; Strategic Economics, 2020.

FIGURE 29. RESPONSES TO THE SURVEY QUESTION: "HOW MANY BEDROOMS DO YOU HAVE IN YOUR HOME?"



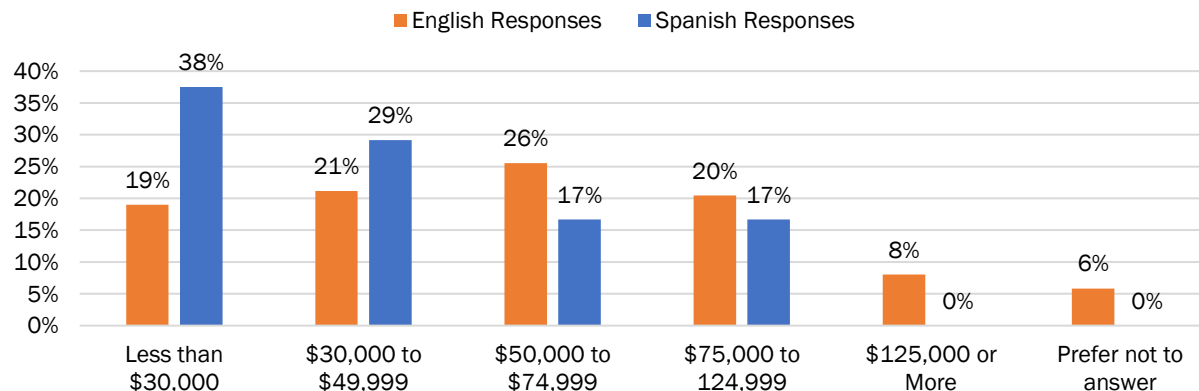
Source: City of San Pablo, 2020; Strategic Economics, 2020.

FIGURE 30. RESPONSES TO THE SURVEY QUESTION: "WHAT IS YOUR CURRENT EMPLOYMENT STATUS?"



Source: City of San Pablo, 2020; Strategic Economics, 2020.

FIGURE 31. RESPONSES TO THE SURVEY QUESTION: "WHAT IS YOUR ANNUAL HOUSEHOLD INCOME (THE AMOUNT BEFORE TAXES)?"



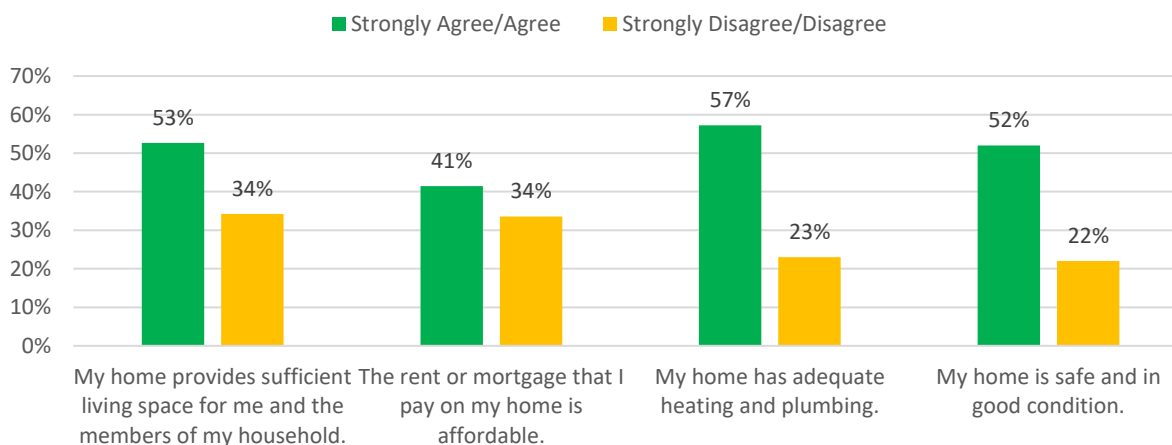
Source: City of San Pablo, 2020; Strategic Economics, 2020.

HOUSING PRIORITIES AND NEEDS

The charts and tables below summarize survey responses regarding San Pablo residents' housing needs and priorities. In this case, results are aggregated for the English and Spanish versions of the survey, given that the distribution of results was very similar between the two versions.

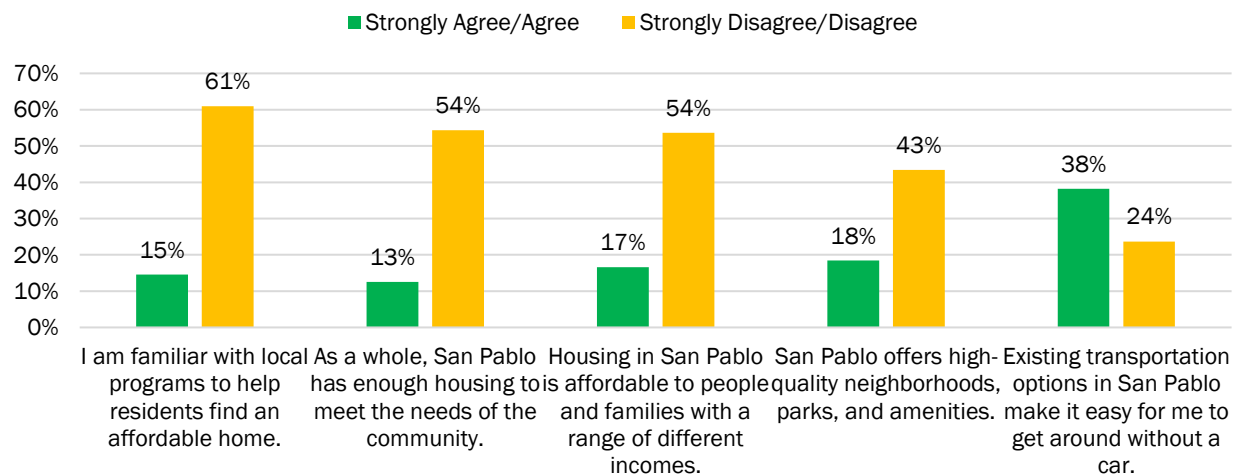
Note that the sum of "Strongly Agree/Agree" and "Strongly Disagree/Disagree" is not 100 percent because of respondents who did not answer the question, responded "Neutral" or "I don't know".

FIGURE 32. RESPONSES TO THE SURVEY QUESTION: "WE WANT TO UNDERSTAND HOW WELL YOUR HOUSING NEEDS ARE MET IN SAN PABLO. PLEASE INDICATE YOUR LEVEL OF AGREEMENT WITH EACH STATEMENT BELOW."



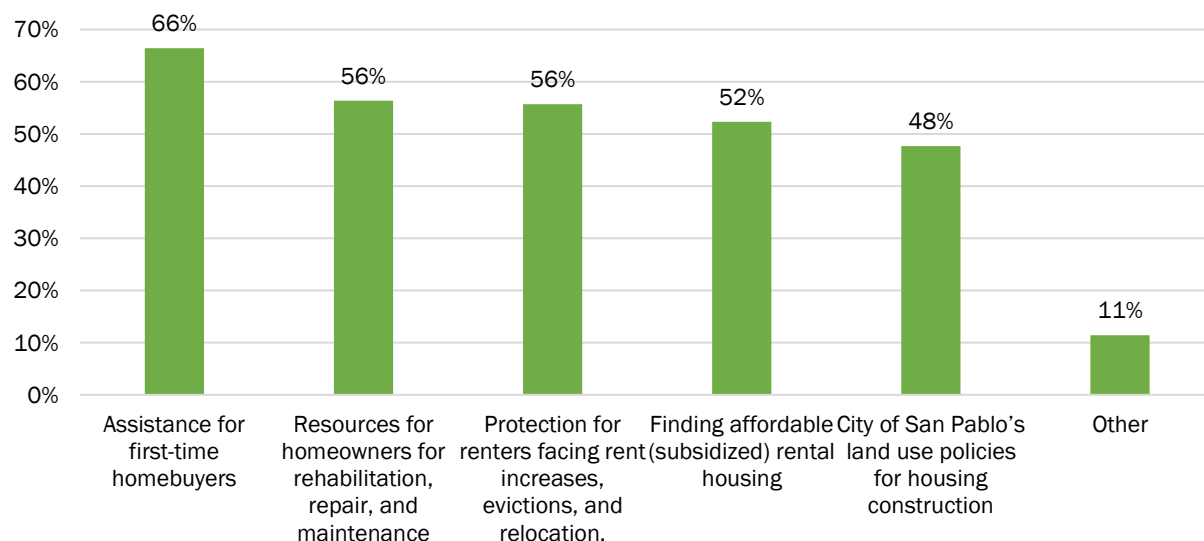
Note: 152 of 161 respondents answered this question.
Source: City of San Pablo, 2020; Strategic Economics, 2020.

FIGURE 33. RESPONSES TO THE SURVEY QUESTION: "WE WANT TO UNDERSTAND HOW WELL YOU THINK SAN PABLO IS MEETING THE HOUSING AND RELATED NEIGHBORHOOD NEEDS OF THE COMMUNITY. PLEASE INDICATE YOUR LEVEL OF AGREEMENT WITH EACH STATEMENT BELOW."



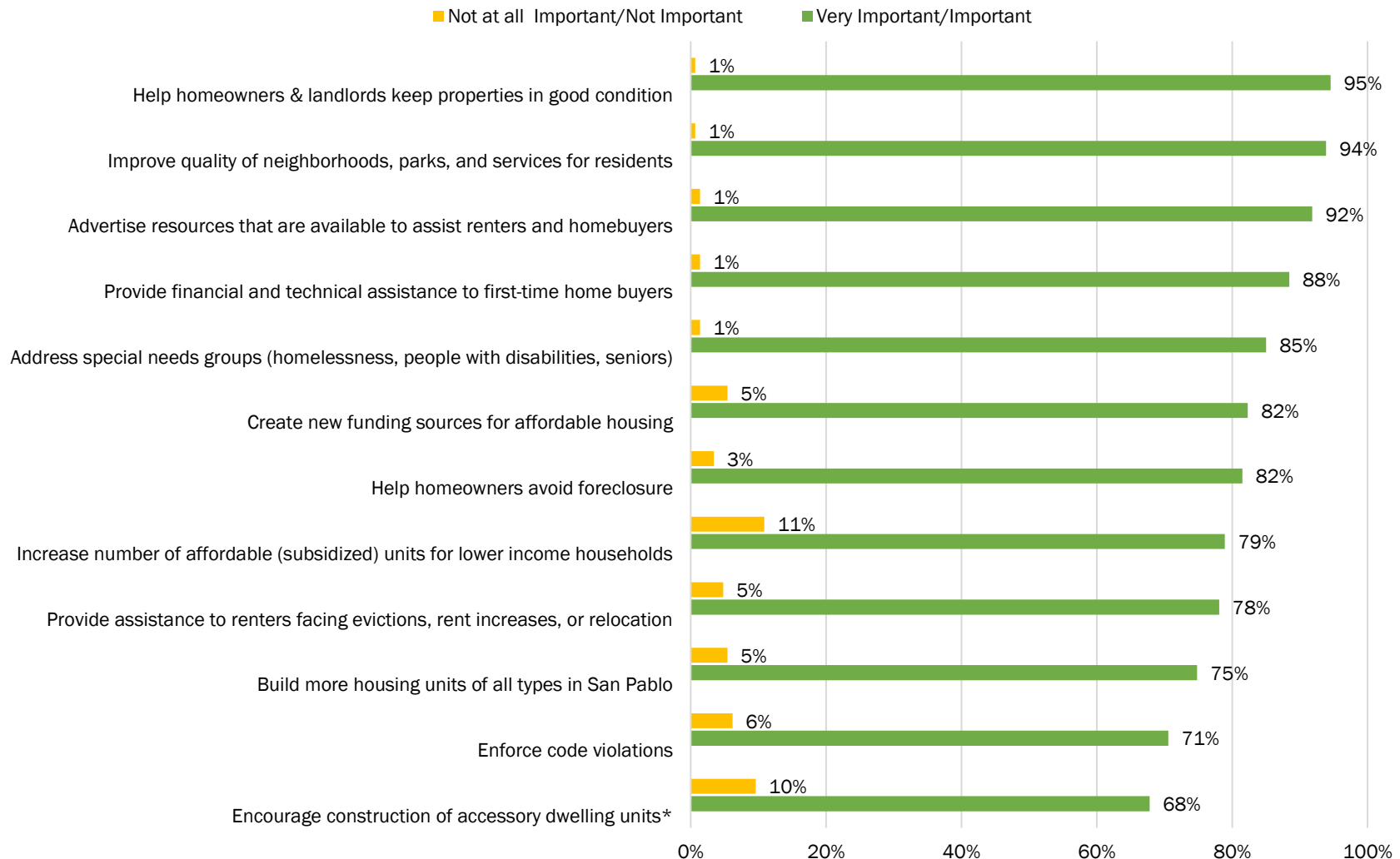
Note: 152 of 161 respondents answered this question.
Source: City of San Pablo, 2020; Strategic Economics, 2020.

FIGURE 34. RESPONSES TO THE SURVEY QUESTION: "WE WANT TO UNDERSTAND WHAT TYPES OF PROGRAMS YOU WOULD BE INTERESTED IN LEARNING MORE ABOUT. PLEASE SELECT WHICH OF THESE INTEREST YOU THE MOST (SELECT ALL THAT APPLY)"



Note: 149 of 161 respondents answered this question.
Source: City of San Pablo, 2020; Strategic Economics, 2020.

FIGURE 35. RESPONSES TO THE SURVEY QUESTION: "OF THE NEEDS IDENTIFIED IN PART 2, WE WANT TO KNOW WHICH ARE THE MOST IMPORTANT TO YOU. THIS WILL INFORM THE PRIORITIES SET FORTH IN THE CITY'S NEW AFFORDABLE HOUSING STRATEGY. PLEASE SELECT HOW IMPORTANT EACH ACTION IS FOR YOU."



*Accessory dwelling unit (ADUs) are also called backyard cottages or "in-law" units.

Note: 147 of 161 respondents answered this question.

Source: City of San Pablo, 2020; Strategic Economics, 2020.

Affordable Housing Forums

The City of San Pablo, in collaboration with Strategic Economics, the San Pablo Economic Development Corporation, the Housing Authority of Contra Costa County (HACCC), and Contra Costa County, hosted two virtual “Affordable Housing Forums” open to the San Pablo community. One forum was hosted in English on Thursday, August 27 from 6 to 7:30 pm and one forum was hosted in Spanish on Saturday, August 29 from noon to 1:30 pm.

A total of fourteen attendees participated in the English forum (excluding panelists). Two attendees participated in the Spanish forum (excluding panelists). In addition, the presentation materials and a recording of the Zoom meetings (in both English and Spanish) were posted to the City’s website for residents to access anytime. Materials were also emailed to forum participants.

The following sections describe the forum agenda and objectives, and a summary of the questions and comments received from participants.

FORUM AGENDA & OBJECTIVES

The main objectives of the Affordable Housing Forums were to: (1) inform San Pablo residents about existing and upcoming resources/programs available to them from the City, County, Housing Authority, and State, including San Pablo’s Affordable Housing Strategy, (2) provide San Pablo residents the opportunity to ask questions about existing and upcoming programs and initiatives, and (3) solicit feedback from San Pablo residents on any other housing-related feedback that could help inform the Affordable Housing Strategy.

The forums consisted of a series of short presentations by different panelists, as indicated in the agenda below. The forums were organized so as to encourage participants to submit questions, which they could do by posting in the Zoom “chat box” or by requesting to ask a question “live”. Panelists paused for questions after each section of the presentation. Participants were also given the chance to submit questions and comments at the end of the forum.

- **Welcome & Introduction to the San Pablo Affordable Housing Strategy** (*Presented by the City of San Pablo*)
- **Housing Authority of Contra Costa County (HACCC) Resources** (*Presented by the HACCC*) – including public housing properties, Housing Choice Vouchers (Section 8) and Project-Based Vouchers in San Pablo.
- **Other County and State Resources** (*Presented by Strategic Economics*) – including County programs for existing homeowners and first-time homebuyers, the County’s moratorium on evictions and rent increases, and California’s Tenant Protection Act of 2019 (AB 1482).
- **San Pablo Economic Development Corporation (EDC) Resources** (*Presented by the San Pablo EDC*) – including existing and upcoming first-time homebuyer programs.
- **City of San Pablo Resources** (*Presented by the City of San Pablo*) – including the COVID-19 Housing Assistance Grants, the Residential Health & Safety program, and other upcoming housing-related City initiatives.
- **Community Needs** (*Presented by Strategic Economics*) – included an overview of the results of the online community survey.

SUMMARY OF QUESTIONS AND COMMENTS RECEIVED

Questions from participants and answers given by presenters during the Affordable Housing Forum are listed below:

- Question: Are project based-vouchers available for existing multifamily owners?
 - Housing Authority of Contra Costa County: Right now, we don't have any money available for new project-based vouchers in San Pablo. We have 95 project-based vouchers available for a project in North Richmond. We have a long list of developers that want project-based vouchers. At the moment unless you are interested in developing in North Richmond on our site, we don't have any project-based vouchers available. But it is possible that sometime later in the future we will have more funding for vouchers in San Pablo.
- Question: How do people apply for the project-based vouchers and are there any income limits?
 - Housing Authority of Contra Costa County: In general, the vouchers go to households earning 30 percent of the area median household income (AMI). We are required by Federal law to give 75 percent of our new vouchers issued each year to households earning 30 percent or below AMI. The remaining 25 percent is either limited to 50 percent or 80 percent AMI, but this should be confirmed with the Housing Authority.
- Question: What is the funding availability to build more subsidized units?
 - Housing Authority of Contra Costa County: HUD's funding has not kept up with rent increases. There just isn't enough money, and we can't issue any new vouchers. But once HUD funding keeps up with local rents, and it will, we will have more vouchers and intend to issue more in the future. We just don't know when that will happen.
- Question: Can you address the City of San Pablo's status as it relates to SB 35, and have we met our requirement for housing?
 - City of San Pablo: No, we do not meet our affordability requirements for housing, and we are subject to SB 35 streamlining for new housing projects that have at least 50 percent affordable housing, which means the City would have to waive many of the its development requirements such as parking and other design standards. And since we do not meet our above moderate-income housing requirements, we have to streamline housing projects that are at least 10 percent affordable.
- Question: Are you able to provide a list of lenders and realtors?
 - San Pablo Economic Development Corporation: Interested parties can contact Suguey Mojica, Program Coordinator; email: info@sanpabloedc.org; phone: 510-215-3206
- Question: What are the City's RHNA numbers that need to be reached and how much low-income housing should San Pablo project to build?
 - City of San Pablo: The RHNA numbers are short 394 units. The units we still need to build are a combination of a variety of income limits. We have until 2023 to build the units we are short. There is limited funding for affordable housing and we are hoping to bring more developers to the City to build more affordable housing.
- Question: Can homes associated with any Habitat for Humanity qualify for the WISH or SPLASH or first-time homebuyer programs?
 - City of San Pablo and San Pablo EDC: Yes, they could as long as they meet the program requirements.

- Question: Is there still a possibility for input on the ADU ordinance?
 - City of San Pablo: We are working on updating our ADU ordinance. The updates will be consistent with changes to State legislation. You can send us your comments on the ordinance. We will bring the new ordinance to the City Council soon.
- Question: How is homelessness being addressed in the City?
 - City of San Pablo: On Tuesday, the Planning Commission approved a transitional housing project on San Pablo Ave. There are also plans for the County to do a presentation at the City Council meeting on September 21st.
- Question: What is the maximum purchase price for a property using first time home buying programs?
 - City of San Pablo: The SPLASH program has not yet been adopted by the City Council, but we are hoping it will be operational by the end of the year. There is a maximum purchase price, but this number should be confirmed with the program operators.
- Question: Will there be case management for the new homeless housing project?
 - City of San Pablo: Yes, there will be case management for the new transitional housing project on San Pablo Ave.
- Question: What is the City doing to attract more investors for building affordable housing?
 - City of San Pablo: We do have some low-income housing funds that we use to help finance deals. We will be looking at redeveloping the San Pablo City Hall, which is another way to facilitate more affordable housing.