

MEMORANDUM

To: Woodland Park Communities
From: Economic & Planning Systems, Inc.
Subject: Fiscal and Economic Impact Analysis of the Proposed Euclid Improvements Project; EPS #181057
Date: July 7, 2022

The Economics of Land Use



Economic & Planning Systems (EPS) has been aiding Woodland Park Communities with fiscal and economic impact analysis of the proposed "Euclid Improvements" project in the City of East Palo Alto. The proposed project seeks to replace 160 existing rent-stabilized units with 605 mixed-income apartments and up to 8,000 square feet of retail and/or community/nonprofit space within Woodland Park. In addition, the proposed project provides for an additional 75 units of deed-restricted, below-market-rate affordable housing to be developed at an offsite location. The off-site housing would be delivered in partnership with Eden Housing and would satisfy City requirements for below-market-rate housing.

This memorandum summarizes the fiscal impact of the proposed project on the City of East Palo Alto General Fund, including the Woodland Park development and off-site housing. The analysis reflects coordination with the City and its fiscal consultant, Keyser Marston Associates (KMA). Fiscal impact estimates for the Woodland Park development derive from EPS analysis completed in 2021 (EPS Memorandum February 8, 2021). The findings presented here also add fiscal impact estimates for the proposed off-site affordable housing. However, design work and program formulation for the off-site affordable housing is still underway and the findings of this analysis could change as more project detail becomes available.

The following **Summary of Findings** highlights EPS estimates of the project's net positive fiscal impacts at project stabilization. Actual fiscal and economic impacts will depend on factors that cannot be predicted with certainty, including the market performance of the project, future changes in City or State budgeting practices, the efficiency of various City departments in supplying services, and other factors. Critical analytical inputs relied upon by the analysis include assumptions provided by Woodland Park Communities, Eden Housing, City Finance

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Department, public documents, and EPS industry knowledge, among other sources. The analysis presents impact estimates in constant 2022 dollars.

Summary of Findings

1. The Euclid Improvements project will result in a total net fiscal benefit to the City of East Palo Alto's General Fund of over \$1.1 million per year.

This updated analysis estimates that the net annual fiscal impact of the Euclid Improvements project on the City's General Fund is positive and significant. As shown in **Table 1**, this impact estimate reflects net new General Fund revenues of over \$1.1 million in year 11 when Measure O requirements apply. The estimated net fiscal impact of proposed development at Woodland Park totals almost \$1.2 million, well above the net annual fiscal cost of \$68,000 associated with the project's off-site affordable housing.¹ Euclid Improvements overall net new contribution to the General Fund will be available to support a range of City services.

Table 1 Euclid Improvements Project Fiscal Impact Summary (2022\$)

Revenue/ Expense Category	Net Impact ¹
WOODLAND PARK DEVELOPMENT	
General Fund Revenues	\$1,712,000
General Fund Expenditures	<u>-\$535,000</u>
<i>Annual Fiscal Impact on the General Fund</i>	<i>\$1,177,000</i>
PARTNERSHIP FOR BELOW-MARKET-RATE HOUSING	
<i>Annual Fiscal Impact on the General Fund</i>	<i>-\$68,000</i>
TOTAL	
<i>Annual Fiscal Impact on the General Fund</i>	<i>\$1,109,000</i>

[1] Net impact is based on year 11 of the Proposed Project. City revenues from Measure O begin after year 10.

Sources: Woodland Park Communities; City of East Palo Alto; Economic & Planning Systems, Inc.

¹ This analysis finds that the off-site affordable housing development will have a negative fiscal impact on the City's General Fund. The estimated annual cost to the City is largely attributable to the lost property tax revenue that results from tax exemption, combined with new General Fund costs from services to the housing project. The California Revenue and Taxation Code provides that property owned by a nonprofit organization or eligible limited liability company providing housing for lower income households can qualify for the welfare exemption.

2. At project buildout, Property Tax will account for the largest revenue source to the City.

After accounting for lost property tax revenue attributable to the off-site affordable housing, the analysis estimates that Euclid Improvements project will generate over \$960,000 in net new annual property tax revenue accruing to the City's General Fund. This growth in property tax revenue stems from an expected increase in assessed value of \$308 million at Woodland Park. The rise in assessed value at Woodland Park is offset by a modest reduction in assessed value at the off-site affordable housing site.

3. The Euclid Improvements project's most significant cost to the City's General Fund is likely to be borne by the Police Department.

Assuming that Police Department costs increase with added population at Woodland Park and within the new off-site affordable housing, the analysis estimates that the cost of police services will grow from about \$150,000 per year today to approximately \$468,000 per year at project stabilization. This estimate reflects police department cost factors provided to EPS by the City. However, compared to historically reported calls for service at Woodland Park, the police cost estimates are conservative (i.e., more likely to overstate than understate costs). Woodland Park has dedicated, private, around-the-clock security fielding calls that would otherwise go to City police.

4. Over a 20-year time horizon, the project is expected to generate a cumulative net positive fiscal impact of about \$18.6 million.

The City levies a Residential Rental Business License Tax (Measure O) which applies to all market-rate units starting 10 years after a certificate of occupancy has been issued. Accounting for this tax increase beginning in year 11, the fiscal impact of the Euclid Improvements project is estimated at about \$1.6 million in year three, \$8.6 million in year 11, and over \$18.6 million in year 20, including development at Woodland Park and off-site affordable housing.

5. One-time development impact fees paid by the project developer total roughly \$8.17 million.

The City of East Palo Alto charges development impact fees including:

1. Parks and Trails Fee;
2. Public Facilities Fee;
3. Transportation Infrastructure Fee;
4. Storm Drainage Fee;
5. Water Capacity Fee; and
6. Residential Impact Fee.

Assuming that the proposed project is not subject to the City's Residential Impact fee and that Woodland Park Communities pays impact fees on net new units delivered, roughly \$8.17 million would be generated for City capital improvement programs. In addition, local infrastructure improvements delivered by the project and other development impact fees (e.g., levied by local school districts) will contribute to the community benefit of the proposed project.

MEMORANDUM

To: Woodland Park Communities
From: Economic & Planning Systems, Inc.
Subject: Updated Fiscal and Economic Impact Analysis of the Proposed Euclid Improvements Project; EPS #181057
Date: February 8, 2021

The Economics of Land Use



Woodland Park Communities retained Economic & Planning Systems, Inc. (EPS) to prepare a fiscal and economic impact analysis of the proposed "Euclid Improvements" project in the City of East Palo Alto. The proposed project seeks to replace 160 existing rent-stabilized units with 605 mixed-income apartments and up to 8,000 square feet of retail and/or community/nonprofit space.

This EPS analysis considers the likely effects of the proposed project on the City of East Palo Alto General Fund and the local economy. Specifically, the fiscal analysis identifies whether the proposed project will generate adequate City revenues to cover the cost of providing ongoing municipal services to new residents and employees. In addition, the economic impact analysis evaluates the potential effect of the project on employment, employee compensation, and sales (i.e., economic output). Keyser Marston Associates (KMA) reviewed an early draft of this analysis, released in September 2019. This update reflects KMA recommendations and new data from East Palo Alto's Finance Department. The findings of this analysis could change further as additional project data, information from the City, and more input from stakeholders becomes available.

The following **Summary of Findings** highlights EPS estimates of the project's net positive fiscal and economic impacts at project stabilization. Actual fiscal and economic impacts will depend on a number of factors that cannot be predicted with certainty, including the market performance of the project, future changes in City or State budgeting practices, the efficiency of various City departments in providing services, and other factors. Critical analytical inputs relied upon by the analysis include assumptions provided by Woodland Park Communities, City and County documents, and EPS industry knowledge, among other sources. The analysis presents impact estimates in constant 2021 dollars.

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Summary of Findings

- 1. The proposed mixed-use project will result in a net fiscal benefit to the City of East Palo Alto General Fund of over \$907,000 per year, increasing to about \$1.18 million in the future.***

This analysis estimates that the net annual fiscal impact of the proposed project on the City's General Fund is positive and significant at project stabilization, as shown in **Table 1**. This impact estimate reflects net new General Fund revenues of \$1.44 million and net new City General Fund expenditures of \$0.54 million. Net new revenues increase to \$1.71 million in year 11 when Measure O requirements apply. The estimated \$907,000 net additional City funds at project stabilization and \$1.18 million at year 11 are over and above the positive net fiscal impact that the "baseline" existing uses currently have on the General Fund. The project's net new contribution to the General Fund will be available to support a range of potential City services.

Table 1 Fiscal Impact Summary at Project Stabilization and Year 11

Revenue/ Expense Category	Net Impact at Stabilization¹	Net Impact at Year 11
Total General Fund Revenues	\$1,442,000	\$1,712,000
Total General Fund Expenditures	\$535,000	\$535,000
ANNUAL FISCAL IMPACT ON GENERAL FUND	\$907,000	\$1,177,000

[1] The project is assumed to stabilize by Year 3. Additional revenues as a result of Measure O start Year 11; see Table 14 for yearly fiscal impact schedule.

Sources: Woodland Park Communities; City of East Palo Alto; Economic & Planning Systems, Inc.

- 2. At project buildout, Property Tax will account for the largest revenue source to the City.***

The proposed project is projected to generate nearly \$1.1 million in annual property tax revenue accruing to the City's General Fund. This is an increase of \$0.97 million over the current \$117,000 in annual property tax revenue generated by the existing 160 units on site. The growth in property tax revenue is attributable to the anticipated \$308 million increase in the assessed value of the project parcels, from about \$37 million today to an estimated \$345 million after the project is delivered.

- 3. The proposed project's most significant cost to the City's General Fund is likely to be borne by the Police Department.***

Assuming that police costs increase along with the net new population added by the development, the analysis estimates that the cost of police services will grow from about \$150,000 per year today to approximately \$435,000 per year at project stabilization. This estimate reflects current police department cost factors provided to EPS by the City. However, based on historically-reported calls for service, the police costs associated with the project site now and with new development are conservative (i.e., more likely to overstate

than understate costs). Additionally, Woodland Park has dedicated, private, around-the-clock security on site. This security service addresses calls from residents, so it is likely that security fields calls that would otherwise go to City police.

4. Over a 20-year time horizon, the project is expected to generate a cumulative net positive fiscal impact of about \$20 million.

The City levies a Residential Rental Business License Tax (Measure O) which applies to all units starting 10 years after a certificate of occupancy has been issued. Accounting for this tax increase commencing in year 11, the project generates an additional \$0.27 million annually in fiscal impact, increasing from \$907,000 to \$1.18 million per year. The cumulative impact of the project is estimated at about \$1.8 million in year three, \$9.3 million in year 11, and over \$19.9 million in year 20.

5. One-time development impact fees paid by the project developer total roughly \$6.8 million.

The City of East Palo Alto currently charges development impact fees including the (1) Parks and Trails fee, (2) Public Facilities fee, (3) Transportation Infrastructure fee, (4) Storm Drainage fee, and (5) Water Capacity Fee. The analysis assumes that the applicant is not subject to the City's Residential Impact fee. Based on the City's most recent fee schedule (effective July 2019), the total development impact fees are \$15,400 per unit.¹ Assuming that Woodland Park Communities pays impact fees on the net new units delivered by the project, roughly \$6.8 million would be generated for City capital improvement programs. Additional local infrastructure improvements and development impact fees levied by the local school district will generate additional community benefits.

6. Construction of the Euclid Improvements project will cost an estimated \$320 million and directly support roughly 1,500 job years in the local economy.

Assuming the project is constructed over a three-year period, an average of 500 jobs will be supported throughout the development period. This direct employment and associated spending in the local economy is anticipated to stimulate an additional \$100 million+ in economic "ripple" effects in the local economy, with the total economic significance of the investment resulting in a one-time benefit that approaches \$460 million. **Table 2** summarizes estimated one-time impacts from construction.

¹ City of East Palo Alto City-wide Development Impact Fee Program, Community and Economic Development Department, Engineering Division

Table 2 One-Time Economic Impact from Construction

Impact Type	Jobs	Employee Compensation	Value Added ¹	Total Output
Direct Effect	1,500	\$139,135,000	\$188,611,000	\$320,000,000
Indirect Effect	450	\$33,047,000	\$49,056,000	\$71,412,000
Induced Effect	400	\$26,385,000	\$45,924,000	\$67,424,000
Total Effect	2,350	\$198,567,000	\$283,591,000	\$458,836,000

[1] Comparable to gross domestic product (GDP).
 Sources: IMPLAN; Economic & Planning Systems, Inc.

7. The proposed project’s operations will support new jobs and generate demand for goods and services in the local economy, creating about \$6.7 million in net new spending annually in the local economy.

In addition to tax revenue for the City and construction period benefits, the project will generate new ongoing employment and spending in East Palo Alto as well as additional economic activity created by the project’s “ripple effect” in the local economy (within San Mateo County). EPS estimates that the project will directly support about 99 jobs and \$6.3 million in spending in the local economy. These part-time and full-time jobs result from operations and maintenance of the project as well as household spending on retail purchases in the local economy. Including the ripple effect, the project will support an estimated \$9.6 million in spending per year, an increase of approximately \$6.7 million over the existing uses at the project site. The spending will support an estimated 82 net new jobs in East Palo Alto, including approximately 40 retail jobs. **Table 3** summarizes estimated recurring annual impacts from project operations.

Table 3 Recurring Economic Impact from Operations

Impact Type	Jobs	Employee Compensation	Value Added¹	Total Output
Direct Effect	99	\$4,675,000	\$7,650,000	\$6,266,000
Indirect Effect	7	\$565,000	\$866,000	\$1,274,000
Induced Effect	12	\$807,000	\$1,404,000	\$2,063,000
Total Economic Impact	119	\$6,047,000	\$9,920,000	\$9,603,000
Baseline	37	\$1,885,000	\$3,092,000	\$2,925,000
Net Economic Impact	82	\$4,162,000	\$6,828,000	\$6,678,000

[1] Comparable to gross domestic product (GDP).
 Sources: IMPLAN; Economic & Planning Systems, Inc.

8. The proposed project will create new job opportunities in a range of industries that already are present in the local economy and in occupations that span a wide spectrum of educational and professional requirements.

By adding to the City of East Palo Alto’s housing stock and enhancing local retail, the proposed project supports marginal growth in already well-developed economic sectors. Accordingly, the local economy is well equipped to provide the necessary direct and indirect inputs to supply, including services from vendors and new employees. Furthermore, the industries that are positively impacted by the project require employment in an array of occupations that support a diversity of employee qualifications, with typical entry-level job education ranging from no high school diploma (e.g., landscaping jobs) to some college (e.g., bookkeeping jobs). In addition, these occupations also provide opportunities for well-educated members of the labor force, with occupations in property management and real estate providing noteworthy opportunities for college graduates and those with advanced degrees. Overall, the job opportunities created by the proposed project appear well aligned with the educational characteristics of workers residing in East Palo Alto.

Fiscal Impact on the General Fund

This section describes the methodology and key assumptions used to estimate the fiscal impacts of the proposed project. The analysis is based on information from:

- development applicant;
- City and County documents; and
- existing EPS industry knowledge.

EPS has developed a fiscal impact framework based on its in-house methodology and East Palo Alto-specific factors obtained from the sources above. EPS has not conducted an independent audit of the City’s budget, performed in-depth interviews with service-providing City departments, or conducted detailed market analysis.

Project Description

Woodland Park Communities is proposing to replace 160 existing rent-stabilized units with a 605-apartment mixed-income community, along with up to 8,000 square feet of retail and community space. **Table 4** details the proposed development program. The table also presents EPS assumptions concerning the population and employment that would be on site at the project. A variety of revenues and costs included in this fiscal analysis are based on the anticipated "service population" shown in **Table 4**, which weights a local employee's service burden at one third of a resident's burden.

Table 4 Development Program and Service Population

Land Use	Development Program	Resident or Worker Density Assumptions¹	Employment	Residents	Service Population²
Commercial					
Retail	up to 5,000 SF	400 SF/Employee	13	0	4
Community/Non-profit space	up to 3,000 SF	380 SF/Employee	8	0	3
Commercial Total	8,000 SF		20	0	7
Residential					
Apartments ³					
Market Rate Units	445 DU	1.75 Residents/Unit	0	779	779
Deed-Restricted Rent-Controlled Units	160 DU	2.5 Residents/Unit	0	400	400
Residential Total	605 DU	1.9 Residents/Unit	0	1,179	1,179
Project Total			20	1,179	1,186

[1] Office, retail, hotel, and residential employment densities reflect typical conditions. Density may vary based on tenanting and real estate format.

[2] Service population is the sum of total residential population and one third of total employment. It represents a measure of public service demand in which an employee generates one third the demand of a resident.

[3] Household population for the new units reflects assumptions from data provided November 11, 2020 by Director of Client Services for Greystar Real Estate Services, which supports the leasing of recently built multifamily product for the Project Sponsor in San Mateo and Santa Clara Counties. Household population for the replacement units reflects existing Census reported data for Census Tract 6121, adjusted as recommended by KMA.

Sources: Greystar Real Estate Services; CA Department of Finance (2020); Economic & Planning Systems, Inc.

General Fund Revenues

New General Fund tax proceeds attributable to the proposed development will include sales tax, property tax, property tax in lieu of vehicle license fee (VLF), sales tax, franchise fee, utility users' tax, and licenses, fees, and permits. **Table 5** provides a summary of the East Palo Alto Fiscal Year 2019-2020 Adopted General Fund revenue budget and a description of the forecasting method relied upon for each relevant revenue source.

Table 5 FY 2019-2020 Revenue Budget Summary and Fiscal Impact Estimating Factors

City of East Palo Alto Revenue Category	FY 2019-20 Baseline (Non-COVID)	Estimating Factors
Property Tax	\$10,638,829	31.6% of 1% of base assessed value
Property Tax In-Lieu of VLF ¹	\$4,311,171	See Table 7
Sales Tax ²	\$5,900,000	1.45% of estimated taxable sales
Transient Occupancy Tax	\$2,300,000	- not estimated
Franchise Fees	\$1,050,000	\$31.43 per capita service population
Utility Users Tax	\$1,570,000	\$47.00 per capita service population
Licenses, Fees, and Permits	\$3,005,000	- See Table 10
Fines and Forfeitures	\$420,000	- not estimated
Use of Money and Property	\$537,000	- not estimated
Grants and Intergovernmental	\$75,000	- not estimated
Charges for Current Services	\$690,500	- not estimated
Other Miscellaneous	\$27,500	- not estimated
Total Revenues	\$30,525,000	

[1] FY19-20 estimate based on communication with the City of East Palo Alto Finance Department.

[2] The Sales Tax Estimating factor of 1.45 percent is made up of two parts: (1) the Bradley-Burns sales tax, of which 95 percent (i.e., 0.95 percent of the sale price) accrues to the City while the remaining 5 percent (i.e., 0.05 percent of the sale price) accrues to San Mateo County, and (2) a 0.5-percent district sales tax that East Palo Alto voters approved in November 2016 through Measure P, which accrues to the City's General Fund. In total, taxable transactions in East Palo Alto generate sales tax to the City at a rate of 1.45 percent (0.95 percent Bradley-Burns plus 0.5 percent Measure P).

Sources: City of East Palo Alto Adopted Budget FY 2019-20; Economic & Planning Systems, Inc.

Property Tax Revenue

Property tax revenue is based on the estimated assessed value of the proposed project. Relying on Woodland Park Communities’ proposed development program, EPS estimates the project’s assessed value at about \$345,000,000 at buildout, as shown in **Table 6**.² The assessed value of the retail component assumes \$500 per square foot. The weighted average value of a residential unit is about \$566,000, which accounts for 160 new units that will be rent-stabilized and 445 units that will be rented at market rates. The existing units on site currently are assessed at approximately \$218,600 per unit. EPS assumes new rent-stabilized units will be assessed at a higher value, about \$350,000 per unit. The new market rate units have an estimated assessed value of \$644,000 per unit.

Table 6 Assessed Value of the Proposed Project

Category of Assessed Value	Development Value Assumptions¹	Total Value Estimate
Retail Assessed Value	\$500 per square foot	\$2,500,000
Residential Assessed Value	\$566,299 per unit	\$342,611,150
<i>Market Rate Units</i>	<i>\$644,070 per unit</i>	<i>\$286,611,150</i>
<i>Existing Units²</i>	<i>\$231,944 per unit</i>	<i>\$0</i>
<i>New Rent-Controlled Units³</i>	<i>\$350,000 per unit</i>	<i>\$56,000,000</i>
Total Assessed Value		\$345,111,150

[1] Includes land and improvements.

[2] San Mateo County Assessor Tax Roll (Assessment Year 2018, adjusted to 2021 at 2% per annum).

[3] Cushman & Wakefield Appraisal of Woodland Park as of December 31, 2018 and adjustment for new construction.

Sources: Woodland Park Communities; City of East Palo Alto; Economic & Planning Systems, Inc.

The proposed project is located in Tax Rate Area (TRA) 021-024. For parcels located within this TRA, the City’s General Fund captures 31.6 percent of the base 1.0 percent property tax rate. Given the anticipated assessed value of the proposed project, the property tax revenue accruing to the City’s General fund is anticipated to be over \$1 million per year, as shown in **Table 7**. The **Fiscal Impact of Existing Uses** section of this memorandum considers the baseline property tax revenue associated with the current assessed value of the site.

Property Tax In-Lieu of Vehicle License Fees

In 2004, the State of California adjusted the method for sharing vehicle license fees (VLF) with local jurisdictions. More recently, State budget changes replaced the VLF with property tax,

² Personal communication with the San Mateo County Assessor’s Office indicates that the sales comparison approach may be used to establish assessed value. Assessed value relied on in this analysis approximates that valuation.

which grows proportionately with increases in assessed value of the City. The proposed project will add about 10.5 percent to the current assessed value in East Palo Alto (assuming no other assessed value growth for simplification purposes) and will generate a proportional increase in in-lieu VLF revenues. The estimated property tax in lieu of VLF associated with the proposed project is approximately \$452,000.

Table 7 Property Tax and Property Tax In Lieu of VLF Revenue

Property Tax and Estimating Factors	Assumption / Estimating Factor	Formula	Estimates
Property Tax			
Project Assessed Value	see Table 5	<i>a</i>	\$345,111,150
Property Tax	1.0% Base Property Tax Rate		\$3,451,112
General Fund Property Tax Revenue¹	31.6% Allocation to General Fund		\$1,091,469
Property Tax In Lieu of VLF			
Existing Citywide Property Tax in Lieu of VLF ²		<i>b</i>	\$4,311,171
Citywide Assessed Value ³		<i>c</i>	\$3,289,212,822
Percentage Increase in Citywide Assessed Value		$d = a / c$	10.49%
New General Fund Property Tax In Lieu of VLF		$e = d * b$	\$452,337

[1] Increment allocation factor for Tax Rate Area 021-014.

[2] City of East Palo Alto Finance Department.

[3] San Mateo County Assessor's Annual Report (FY 2018-2019). Includes secured and unsecured assessed value.

Sources: City of East Palo Alto; San Mateo County Assessor; Economic & Planning Systems, Inc.

Retail Sales Tax Revenue

The proposed project is expected to generate retail sales tax revenue accruing to the City of East Palo Alto, both from project households retail spending and additional on-site retail sales. Project household spending estimates are reflective of retail sales for specific income brackets. Additional on-site retail sales are based on expected business activity within the estimated 5,000 square feet of retail in the project program. The local sales tax rate is 1.45 percent of taxable retail sales, including the base sales tax rate and additional sales tax generated by a voter-approved measure. **Table 9** summarizes sales tax revenue projections at project stabilization.

Taxable Household Spending

This fiscal analysis relies on data from the U.S. Bureau of Labor Statistic Consumer Expenditure Survey to establish the retail spending pattern of households. The spending patterns reflect household consumer behavior observed nationally for households with specific levels of annual income. This analysis uses anticipated residential rents to estimate household income for households in market rate units, as shown in **Table 8**. The estimated household incomes for the

rent-stabilized units reflect the median household income for the Census block group in which the project is located.³

Table 8 Annual Household Income Estimates

Residential Unit Type	Total Units	Occupied Units¹	Monthly Rent per Unit²	Annual Rent	Average Household Income³	Total Household Income
Market Rate Units	445	423	\$3,067	\$36,804	\$94,369	\$39,894,592
Rent-Controlled Units	160	152	\$1,329	\$15,952	\$43,818	\$6,660,336
Total	605	575	\$2,607	\$31,289		\$46,554,928

[1] Assumes citywide vacancy rate of 5 percent for market rate units (5-year average data from CoStar Group).

[2] Weighted average rent across studio, 1-bedroom, 2-bedroom, 3-bedroom, and 4-bedroom units.

[3] Assumes that rental costs are 39 percent of total household income for market rate units (Bay Area Burden, ULI). Incomes for rent-controlled units assumes median household income for Block Group 4, Census Tract 6121 (ACS 2015-2019).

Sources: American Community Survey Table B19013 (2015-2019); CoStar Group; City of East Palo Alto Inclusionary Housing Ordinance; HCD Income Limits; Economic & Planning Systems, Inc.

To identify taxable retail expenditures made by project households, the analysis identifies and isolates taxable retail spending from total household spending. The analysis estimates that for market-rate units, households spend approximately 26 percent of gross household income on taxable retail purchases. Households in the rent-stabilized units spend an estimated 34 percent of gross income on taxable retail purchases. To account for East Palo Alto’s capture of these taxable sales, the analysis estimates that 5 percent of that spending occurs within the City. Per-household taxable spending in East Palo Alto is multiplied by occupied project units to determine average annual taxable sales.

The **Fiscal Impact of Existing Uses** section of this memorandum considers the baseline sales tax revenue associated with the current assessed value of the site. The analysis identifies that rent-stabilized units do not contribute to the net impact on sales tax revenue, since current residents will return to new rent-stabilized units and that their contributions to local sales tax revenue remain unchanged.

On-Site Retail Sales

On-site retail sales are based on a taxable sales factor of \$350 per square foot of retail space. To avoid double counting, EPS assumes that 20 percent of resident spending on taxable retail in East Palo Alto occurs at the on-site retail. After netting out this resident spending (already

³ Block 4003, Block Group 4, Census Tract 6121, American Community Survey (2013-2017 5-year estimate).

counted) from the on-site sales total, the additional on-site taxable retail sales are estimated at about \$1.6 million.

Table 9 Retail Sales Tax Revenue

Sales Tax Sources and Estimating Factors	Assumptions/ Estimating Factors	Estimates
Market Rate Units - Household Retail Spending		
Average Household Income ¹	\$94,369 per household	
Household Expenditure on Taxable Sales ²	\$24,536 per household	
Occupied Residential Units	423 units	
Market Rate Units - Household Retail Spending		\$10,372,594
Retail Sales in East Palo Alto ³	5.0% City capture rate	\$518,630
Rent-Controlled Units - Household Retail Spending		
Average Household Income ¹	\$43,818 per household	
Household Expenditure on Taxable Sales ²	\$14,898 per household	
Occupied Residential Units	152 units	
Rent-Controlled Household Retail Spending		\$2,264,514
Sources: Woodland Park Communities; City of East Palo Alto	5.0% City capture rate	\$113,226
On-Site Retail Sales		
New Retail Space	5,000 square feet	
Taxable Retail Sales	\$350 per sq. ft.	\$1,750,000
(Less) Project Resident and Employee Expenditures ⁴		-\$126,371
Net Additional Taxable Sales from Project Retail		\$1,623,629
Total Taxable Retail Sales		\$2,255,484
General Fund Sales Tax Revenue	1.45% of taxable sales	\$32,705

[1] See Table 8 for household income calculations.

[2] Based on Bureau of Labor Statistics Consumer Expenditure Survey (2017) for respective income groups.

[3] EPS Assumption.

[4] EPS Assumption (20 percent of resident spending captured in local taxable spending estimates above).

Sources: International Council of Shopping Centers (2012); BLS Consumer Expenditure Survey (2017); Economic & Planning Systems, Inc.

Other General Fund Revenues

In addition to the revenues described above, other taxes and fees are estimated to be generated by the project. This analysis uses an average revenue approach derived from City budget documents to forecast new franchise fee revenues generated by commercial activity and utility users tax revenues generated for charges for services on increased resident and employee utility usage. **Table 10** presents forecasting assumptions and revenue estimates.

The project will also generate revenues through licenses, fees, and permits. The City of East Palo Alto charges a business license fee on all entities doing business in the City, including landlords, based on the City’s Annual License Fee Schedule. Furthermore, the City collects fees through Measure O to help fund programs for affordable housing and alleviate displacement and homelessness. Under Measure O, landlords with five or more residential rental units are subject to a 1.5 percent tax on gross rental receipts. The tax is levied beginning ten years after issuance of a certificate of occupancy for the units (CoO). Woodland Park LLC currently pays approximately \$36,000 per year to the City for the 160 units under Measure O. **Table 10** shows the revenues at project stabilization (year 3), when the project would still be exempt from Measure O. In year 11, ten years after certificate of occupancy is granted, the annual amount for Measure O is estimated to be about \$270,000 (see **Table 15**).

The current apartments are subject to an additional Rental Stabilization Ordinance Fee (RSO fee), which charges a City-established fee (\$222 per unit for FY 2018-2019) on units built before 1988. Because Woodland Park communities would replace the existing rent-control units, the project would continue to be subject to the registration fee for the rent-controlled units. This amount is estimated to be about \$35,000 for the current 160 units in the analysis of baseline conditions and is assumed to remain unchanged under the proposed conditions. The estimates in **Table 10** reflect continued RSO fee payment.

Table 10 Revenue from Other Taxes and Fees

Other Revenue Sources	Estimating Factor	Estimates
Franchise Fees	\$31.43 per capita service population	\$37,263
Utility Users Tax	\$47.00 per capita service population	\$55,717
Licenses, Fees, and Permits		
<i>Business License</i> ¹	per Annual License Fee Schedule	\$9,936
<i>Measure O</i> ²	1.5% gross rental receipts	\$0
<i>Rent Stabilization Ordinance Fee</i>	\$222 per unit	\$35,520
Total		\$45,456

[1] Assumes Woodland Park LLC earns annual gross receipts over \$10,000,000. The amount shown is proportional to the number of units in this section of Woodland Park apartments (160 of 1,842) plus fee attributable to the 445 new units per the City fee schedule.

[2] Applies to both baseline and the proposed project. Proposed project is exempt for first 10 years (excluded from summary above, see Table 14). Measure O (2016) is a 1.5 percent Business License Tax on Gross Receipts on owners of five or more residential units after 10 years from issuance of certificate of occupancy.

Sources: City of East Palo Alto; Economic & Planning Systems, Inc.

General Fund Expenditures

This fiscal analysis estimates the costs attributable to population and employment growth by characterizing how expenses will change for each City department. For some departments, population and employment growth in the City will not dramatically alter operations. For example, administrative functions in the City are not likely to scale up significantly to accommodate new projects. Alternatively, departments that provide services directly to residents and businesses likely will increase their operations and associated costs to accommodate new population.

It is important to note that a range of external factors may influence City responses to growth and cost effects in the future. Examples of factors that are beyond the control of the City and its departments that may act to magnify or reduce department costs over time include:

- regional growth;
- technology;
- state and federal policies; and
- environmental factors.

This study does not speculate regarding the potential effects of such exogenous influences on the General Fund expense budget. The analysis focuses only on those factors attributable directly to the population growth, employment growth, and land use changes generated by the proposed project.

The fiscal analysis model relies on a categorization of the likely budgetary response to population and employment growth for each department. The anticipated response to growth is expressed for fiscal modeling purposes in terms of “fixed expenses” and “variable expenses” within the department budget.

The fixed expenses are the portion of a City department’s budget which is not affected by population and employment growth. Even a department which is anticipated to grow largely in step with the City’s service population likely would have some fixed cost. For example, in most cases each department has only one director position, which is a fixed expense for the department. While the department may increase staffing to accommodate growth, the department will not add another director.

The variable expenses of a department are those that do increase with growth. As the City’s populations expand, increased demand for services requires some departments to scale up their operations to meet new demand. The analysis identifies the portion of a department’s budget that scales up as the variable share of the budget.

EPS uses a per-capita cost approach to estimate department costs attributable to new residents and workers. The analysis relies on budget data provided by the City’s Finance Director concerning variable General Fund costs. The City data specify the variable costs to be used by this fiscal impact analysis, and the EPS analysis conforms to the City’s specified cost factors. The cost data are conservative (i.e., more likely to overstate costs and understate costs), relative to EPS fiscal impact analysis in other jurisdictions. **Table 11** presents per-capita service costs relied on by this analysis. To determine the new General Fund expenditures attributable to the proposed project, the per-capita factors are multiplied by the projected increase in service population or resident population of the project, as appropriate.

Table 11 FY 2020-2021 Expenditure Budget Summary and Fiscal Impact Estimating Factors

General Fund Expenditures	FY 2020-21 Baseline (Non-COVID)	Variable Expenditures	Estimating Factors³	General Fund Expense Estimates
General Government ¹	\$6,382,615	\$4,033,126	\$121 per capita service population	\$143,130
Community Development	\$5,257,315	\$1,754,305	\$53 per capita service population	\$62,258
Public Works	\$4,859,425	\$3,924,500	\$117 per capita service population	\$139,275
Police	\$12,989,075	\$12,257,125	\$367 per capita service population	\$434,988
Other ²	\$953,920	\$790,860	\$24 per capita service population	\$28,066
Total General Fund Expenditures	\$30,442,350	\$22,759,916	\$681 per capita service population	\$807,716

[1] Includes City Council, City Attorney, City Clerk, City Manager, Administrative Services, and Finance.

[2] Includes capital and technology, overhead, debt service, and other non-departmental expenditures.

[3] Service population for East Palo Alto reflects population and employment estimates from California Department of Finance (2020); US Census, American Community Survey (2015-2019).

Sources: City of East Palo Alto Adopted Budget FY 19-20; KMA Memorandum to City of East Palo Alto, August 14, 2020; Economic & Planning Systems, Inc.

Fiscal Impact of Proposed Project

The analysis estimates that the proposed development will generate an annual fiscal impact of about \$907,000 at stabilization, increasing to \$1.18 million in year 11. **Table 12** details the fiscal impact of the proposed project on the City of East Palo Alto's General Fund, with forecasted revenues and expenditure estimates based on the methodology described above.

Table 12 Fiscal Impact of Proposed Uses

Revenue/ Expense Category	Proposed Project at Stabilization	Proposed Project at Year 11
General Fund Revenues		
Property Tax	\$1,091,000	\$1,091,000
Property Tax In-Lieu of VLF	\$452,000	\$452,000
Sales Tax	\$33,000	\$33,000
Franchise Fees	\$37,000	\$37,000
Utility Users Tax	\$56,000	\$56,000
Licenses, Fees, and Permits ¹	\$45,000	\$315,000
Total Revenues	\$1,715,000	\$1,985,000
General Fund Expenditures		
General Government	\$143,000	\$143,000
Community Development	\$62,000	\$62,000
Public Works	\$139,000	\$139,000
Police	\$435,000	\$435,000
Other	\$28,000	\$28,000
Total Expenditures	\$808,000	\$808,000
ANNUAL FISCAL IMPACT ON GENERAL FUND	\$907,000	\$1,177,000

[1] Licenses, Fees, and Permits revenue excludes Measure O revenue for Project scenario as it applies starting 10 years from issuance of certificate of occupancy.

Fiscal Impact of Existing Uses (Baseline Analysis)

In order to quantify the fiscal impact of the existing apartment complex, the same revenue and cost methodology is applied to the existing land use program. The site currently is occupied by 160 rent-stabilized housing units. The existing housing has a neutral fiscal impact, with estimated revenues that are equal to estimated costs attributable to the site.

Revenue/ Expense Category	Baseline
General Fund Revenues	
Property Tax	\$117,000
Property Tax In-Lieu of VLF	\$49,000
Sales Tax	\$2,000
Franchise Fees	\$13,000
Utility Users Tax	\$19,000
Licenses, Fees, and Permits ¹	\$74,000
Total Revenues	\$273,000
General Fund Expenditures	
General Government	\$48,000
Community Development	\$21,000
Public Works	\$47,000
Police	\$147,000
Other	\$9,000
Total Expenditures	\$273,000
ANNUAL FISCAL IMPACT ON GENERAL FUND	\$0

[1] Fiscal impact estimates are presented as an annual number at stabilization (by Year 3). Additional revenues as a result of Measure O start Year 11; see Table 14 for yearly fiscal impact schedule.

Net Fiscal Impact

The Euclid Improvements project will result in an annual net fiscal benefit to the City of East Palo Alto General Fund beginning in year 1. This analysis estimates that the net annual fiscal impact of the proposed project on the City's General Fund is approximately \$907,000 at project stabilization (year 3). After Measure O revenue commences in year 11, the project's estimated net fiscal impact increases to \$1.18 million per year. The cumulative net impact of the project is estimated at \$1.8 million in year three, \$9.3 million in year 11, and over \$19.9 million in year 20, as shown under "Baseline v. Project Comparison" in **Table 15**.

Other Fiscal Benefits

One-time development impact fees paid by the project developer could total roughly \$6.83 million. The City of East Palo Alto currently charges development impact fees including a (1) Parks and Trails fee, (2) Public Facilities fee, (3) Storm Drainage fee, (4) Transportation Infrastructure fee, and (5) Water Capacity Fee. Estimate assumes applicant is not required to pay the City's Residential Impact fee. Based on the City's most recent fee schedule (effective July 2019), the total development impact fees are estimated at \$15,400 per unit.⁴ Assuming that Woodland Park Communities pays impact fees on the net new units delivered by the project, roughly \$6.8 million would be generated for City capital improvement programs, as shown in **Table 14**.

In addition, the applicant anticipates significant contributions to local infrastructure, including approximately \$10 million for sanitary and sewer and at least \$5 million for municipal water tank improvements. Furthermore, over \$1 million in impact fees is likely to be generated for the Sequoia and Ravenswood school districts.

Table 13 One-Time Development Impact Fees

Development Impact Fees	Estimated One-Time Payment
Parks and Trails	\$1,271,000
Public Facilities	\$2,229,000
Storm Drainage	\$273,000
Transportation Infrastructure	\$827,000
Water Capacity Fee	<u>\$2,231,000</u>
Total	\$6,831,000
<i>Total Fee per unit</i>	<i>\$15,400</i>

Source: City of East Palo Alto, as of August 17, 2020

⁴ City of East Palo Alto City-wide Development Impact Fee Program, Community and Economic Development Department, Engineering Division

Table 14 Net Fiscal Impact Schedule Years 1-20

Year	Baseline			Project				Baseline v. Project Comparison		
	Percent Stabilized ¹	Total Fiscal Impact	Cumulative	Percent Stabilized ¹	Fiscal Impact	w/ Measure O Revenues	Total Fiscal Impact	Cumulative	Net Annual Fiscal Impact	Net Cumulative Fiscal Impact
1	100%	\$0	\$0	33%	\$299,310	\$0	\$299,310	\$299,310	\$299,310	\$299,310
2	100%	\$0	\$0	67%	\$607,690	\$0	\$607,690	\$907,000	\$607,690	\$907,000
3	100%	\$0	\$0	100%	\$907,000	\$0	\$907,000	\$1,814,000	\$907,000	\$1,814,000
4	100%	\$0	\$0	100%	\$907,000	\$0	\$907,000	\$2,721,000	\$907,000	\$2,721,000
5	100%	\$0	\$0	100%	\$907,000	\$0	\$907,000	\$3,628,000	\$907,000	\$3,628,000
6	100%	\$0	\$0	100%	\$907,000	\$0	\$907,000	\$4,535,000	\$907,000	\$4,535,000
7	100%	\$0	\$0	100%	\$907,000	\$0	\$907,000	\$5,442,000	\$907,000	\$5,442,000
8	100%	\$0	\$0	100%	\$907,000	\$0	\$907,000	\$6,349,000	\$907,000	\$6,349,000
9	100%	\$0	\$0	100%	\$907,000	\$0	\$907,000	\$7,256,000	\$907,000	\$7,256,000
10	100%	\$0	\$0	100%	\$907,000	\$0	\$907,000	\$8,163,000	\$907,000	\$8,163,000
11	100%	\$0	\$0	100%	\$907,000	\$269,754	\$1,176,754	\$9,339,754	\$1,176,754	\$9,339,754
12	100%	\$0	\$0	100%	\$907,000	\$269,754	\$1,176,754	\$10,516,508	\$1,176,754	\$10,516,508
13	100%	\$0	\$0	100%	\$907,000	\$269,754	\$1,176,754	\$11,693,262	\$1,176,754	\$11,693,262
14	100%	\$0	\$0	100%	\$907,000	\$269,754	\$1,176,754	\$12,870,017	\$1,176,754	\$12,870,017
15	100%	\$0	\$0	100%	\$907,000	\$269,754	\$1,176,754	\$14,046,771	\$1,176,754	\$14,046,771
16	100%	\$0	\$0	100%	\$907,000	\$269,754	\$1,176,754	\$15,223,525	\$1,176,754	\$15,223,525
17	100%	\$0	\$0	100%	\$907,000	\$269,754	\$1,176,754	\$16,400,279	\$1,176,754	\$16,400,279
18	100%	\$0	\$0	100%	\$907,000	\$269,754	\$1,176,754	\$17,577,033	\$1,176,754	\$17,577,033
19	100%	\$0	\$0	100%	\$907,000	\$269,754	\$1,176,754	\$18,753,787	\$1,176,754	\$18,753,787
20	100%	\$0	\$0	100%	\$907,000	\$269,754	\$1,176,754	\$19,930,542	\$1,176,754	\$19,930,542

[1] Net fiscal impact accounts for 5% residential vacancy.

Source: Economic & Planning Systems

Economic Impact Analysis

This section evaluates the proposed project's ongoing economic impact in the local economy using project data and the IMPLAN "Input/Output" (I/O) model of the local economy.⁵ The economic impacts calculated here are those that can be directly linked to proposed project operational expenditures and retail sales attributable to the proposed project. Using IMPLAN, local expenditures are analyzed to determine associated economic metrics such as direct employment, employee compensation, and value added (a metric comparable to GDP) supported by the project. The economic impact analysis also evaluates indirect and induced economic impacts, which are "multiplier" or "ripple" effects in the local economy.

Framework and Approach

I/O analysis is premised on the concept that industries in a geographic region are interdependent and thus the total contribution of any one establishment's activity is larger than its individual (direct) output and/or employment. Consequently, an establishment's economic activity has a "multiplier" effect that generates successive rounds of spending and output in other economic sectors within a particular region. For example, consider the implications of operating expenditures made by a property manager. Building operations stimulate purchases of goods and services, who in turn purchase raw materials from suppliers. Thus, an increase/decrease in the demand for these goods and services will generate an increase/decrease in output and employment in the interdependent secondary industries.

Regional economic impact analysis and I/O models in particular provide a means to quantify economic effects stemming from a particular industry or economic activity. Specifically, I/O models produce quantitative estimates of the magnitude of regional economic activity resulting from some initial activity, in this case spending on apartment management activities and retail. I/O models rely on economic multipliers that mathematically represent the relationship between this initial change in one sector of the economy and the effect of that change on economic output, employment, and income in other industries. These economic data provide a quantitative estimate of the magnitude of shifts in jobs and revenues within a regional or state economy.

The initial revenue injections into the economy from the project are referred to as the direct effect. The I/O model quantifies the impacts associated with the ripple or multiplier effects that result from this initial round of spending. The ripple effects are categorized as indirect or induced effects. Indirect effects represent economic impacts on suppliers while induced effects represent economic impacts on household income and spending. In this report, direct, indirect, and induced effects are defined as follows:

- The **Direct Effect** is a measure of the economic value of the initial injection of spending into the economy, including one-time construction spending and recurring expenditures to operate the project.

⁵ IMPLAN is an Input-Output modeling system (software and data) developed by the Minnesota IMPLAN Group, and is widely used in the U.S. for estimating economic impacts across a wide array of industries and economic settings. IMPLAN draws upon data collected from several state and federal sources, including the Bureau of Economic Analysis, Bureau of Labor Statistics, and the Census Bureau. For the purposes of this economic impact analysis the "local" economy is defined as San Mateo County.

- The **Indirect Effect** is a measure of the economic value of “upstream” industry-to-industry transactions that supply inputs to the production of goods and services consumed by the new project.
- The **Induced Effect** is a measure of the economic value of labor income that re-circulates in the economy as a result of the initial revenue made by the project. This would relate to the spending of the project’s employees.
- The **Total Impact** is the sum of the direct, indirect, and induced effects. The total impact measures the overall impact of the project’s activities on the economy.

This report measures economic significance using common economic metrics, including employment, employee compensation, output, and value added, as defined below.

- **Employment** is equivalent to jobs, a headcount that includes part-time and full-time workers.
- **Employee Compensation** represents payments to labor in the form of both income and fringe benefits paid by the employer (e.g., health, retirement), as well as proprietor income.
- **Value Added** represents a contribution to gross regional product and equals the market value of the final goods and services produced within a particular region. Value added is equal to economic output less the value of intermediate goods and services.
- **Economic Output** represents a measure of economic activity, calculated as production value including intermediate inputs (i.e., the goods and services used in the production of final products). Output includes spending on employee compensation as well as the production value of each intermediate input, such as equipment, supplies, insurance, rents, utilities, communication

One-Time Economic Impacts from Project Construction

The construction of the proposed project will directly support approximately 1,500 job-years of employment with employee compensation (including benefits) of over \$90,000 per year. The average number of jobs supported by the project each year depends on the construction timeline. If the entire project is developed in over a three-year period, the project would support an average of about 500 jobs during each of the years of construction activity.

Total economic impacts reflect an input/output analysis based on current San Mateo County economic data. The total one-time economic impact of project construction, including direct effects and indirect/induced multiplier effects, is estimated at about \$459 million. The project could support over 2,300 job-years in San Mateo County during the construction period.

Table 15 One-Time Economic Impact for Construction Activity

Impact Type	Jobs	Employee Compensation	Value Added ¹	Total Output
Direct Effect	1,500	\$139,135,000	\$188,611,000	\$320,000,000
Indirect Effect	450	\$33,047,000	\$49,056,000	\$71,412,000
Induced Effect	400	\$26,385,000	\$45,924,000	\$67,424,000
Total Effect	2,350	\$198,567,000	\$283,591,000	\$458,836,000

[1] Comparable to gross domestic product (GDP).
 Sources: IMPLAN; Economic & Planning Systems, Inc.

Recurring Economic Impacts from Project Operations

Building operations, including administration and maintenance, is anticipated to cost approximately \$5.7 million per year. This estimate derives from the current operating budget for Woodland Park overall, with a per-unit budget derived and applied to the 605 units in the proposed program. In addition, the project is responsible for about \$2.3 million in retail spending within the City of East Palo Alto. After accounting for sales leakage from the local economy (e.g., taxes, goods sold locally but produced elsewhere), this analysis estimates that the proposed project will directly support approximately \$6.3 million in economic output and 99 direct jobs locally. Including indirect and induced effects, the project will support approximately \$9.6 million in economic activity annually. After accounting for the economic significance of the existing uses on site, the net effect of the proposed project is about \$6.7 million per year, with over 80 jobs added in the local economy. **Table 17** presents estimated recurring annual economic impacts attributable to the proposed project.

Table 16 Annual Economic Impact at Project Buildout

Impact Type	Jobs	Employee Compensation	Value Added ¹	Total Output
Direct Effect	99	\$4,675,000	\$7,650,000	\$6,266,000
Indirect Effect	7	\$565,000	\$866,000	\$1,274,000
Induced Effect	12	\$807,000	\$1,404,000	\$2,063,000
Total Economic Impact	119	\$6,047,000	\$9,920,000	\$9,603,000
Baseline	37	\$1,885,000	\$3,092,000	\$2,925,000
Net Economic Impact	82	\$4,162,000	\$6,828,000	\$6,678,000

[1] Comparable to gross domestic product (GDP).
 Sources: IMPLAN; Economic & Planning Systems, Inc.

Employment Opportunities for Local Residents

The proposed project will create new job opportunities in a range of industries that already are present in the local economy and in occupations that span the full spectrum of educational and professional requirements. By adding to the City of East Palo Alto's housing stock and enhancing local retail, the proposed project supports marginal growth in already well-developed economic sectors. Accordingly, the local economy is well equipped to provide the necessary direct and indirect inputs to supply, including services from vendors and new employees. Furthermore, the industries that are positively impacted by the project require employment in an array of occupations that support a diversity of employee qualifications, with typical entry-level educations ranging from no high school diploma (e.g., landscaping jobs) to some college (e.g., bookkeeping jobs). In addition, these occupations also provide opportunities for advanced members of the labor force, with occupations in property management and real estate providing noteworthy opportunities for college graduates and those with advanced degrees.

Overall, the job opportunities created by the proposed project appear well aligned with the educational characteristics of workers residing in East Palo Alto, where over 32 percent of working residents do not have a high school degree but nearly 20 percent have a college or higher degree. **Table 18** presents a selection of key occupations that will be supported by the project and the educational attainment of workers in each. In this table, the typical entry-level education for each occupation is denoted with a box. **Table 19** presents the educational attainment of working residents in East Palo Alto. Generally consistent with the educational attainment distribution in the city, the key occupations needed to support the proposed project require a range of workers types, including those with minimal educational attainment as well as those with various educational degrees.

**Table 17 Distribution of Educational Attainment for Selected Representative Occupations Related to the Project
 (Percent of Workers in Occupation, National)**

Selected Representative Occupations^{1 2}	Less than High School Diploma	High School Diploma or Equivalent	Some College, No Degree	Associate's Degree	Bachelor's Degree	Master's Degree or Greater
Property, real estate, and community association managers	4.6	18.6	25.5	9.0	31.2	11.1
Real estate sales agents	1.4	12.7	26.6	10.1	37.5	11.6
Bookkeeping, accounting, and auditing clerks	3.5	27.7	38.8	10.6	16.4	3.1
Building cleaning workers	24.9	43.7	19.2	5.9	5.0	1.1
Landscaping and groundskeeping workers	37.9	35.4	14.6	4.4	6.7	1.1
First-line supervisors of retail sales workers	4.6	29.5	25.7	13.4	21.1	5.7
Retail salespersons	6.9	29.1	27.6	10.2	21.6	4.7
Maintenance and repair workers	12.4	42.7	26.5	11.4	6.1	0.8

[1] National average educational attainment for workers 25 years and older by detailed occupation, 2016-2017 (BLS).

[2] Boxed section for each occupation represents typical educational attainment for an entry-level position (BLS).

Source: Bureau of Labor Statistics; Economic & Planning Systems, Inc.

Table 18 Educational Attainment in East Palo Alto

Educational Attainment	Percent of Total¹
Less than 9th grade	22%
9th to 12th grade, no diploma	10%
High school graduate (includes equivalency)	27%
Some college, no degree	19%
Associate's degree	4%
Bachelor's degree	11%
Graduate or professional degree	7%

[1] Educational attainment for workers 25 years and older in East Palo Alto.

Source: ACS 2013-2017 5-Year Estimates; Economic & Planning Systems, Inc.