

In accordance with the Americans with Disabilities Act, persons requiring assistance or auxiliary aids in order to participate should contact the San Pablo EDC Offices, 1000 Gateway Avenue, First Floor, San Pablo, (510) 215-3200, as soon as possible prior to the meeting. SPEDC will give such requests primary consideration, taking into account undue financial and administrative burdens or fundamental alterations in services, programs or activities.

Next EDC Resolution Number SPEDC2025-017



SAN PABLO EDC
putting people to work

SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING AGENDA

Board of Directors

Genoveva Garcia Calloway, Chair

Saman Farid, Vice Chair

Kanwar Singh, Treasurer (excused absence)

Patricia Ponce, Director

Stephen Baiter, Director

**WEDNESDAY, August 27, 2025
6:00 PM**

Copies of this agenda and non-exempt public records relating to an open session item on this agenda will be available upon request to saeidb@sanpabloedc.org. The agenda may also be viewed at www.SanPabloEDC.org.

CALL TO ORDER OF ANNUAL MEETING/ PLEDGE OF ALLEGIANCE/ ROLL CALL

PUBLIC COMMENTS: The public is encouraged to address the San Pablo EDC Board on any matter listed on the agenda or any other matter within its jurisdiction subject to the rules of decorum to be described and acted on by the Board. If you wish to address the Board, please email saeidb@sanpabloedc.org with "Speaker Form" in the subject line. The Board will hear public comments on items listed on the agenda during discussion of the matter and prior to a vote.

EXECUTIVE DIRECTOR REMARKS

CONSENT AGENDA

All matters listed in the Consent Agenda section will be considered routine by the Board and will be enacted by one motion. The disposition of the item is indicated. There will be no separate discussion of these items. If discussion is requested, that item will be removed from the section entitled Consent Agenda and will be considered separately.

CONSENT AGENDA (2 items)

1. Minutes of the June 25, 2025 regular meeting (pages 3-4)

Recommendation: Approve

2. San Pablo EDC FY24-25 Financial Statements ending June 30, 2025 (pages 5-11)
Receive and file

*** * * END OF CONSENT AGENDA * * ***

REGULAR AGENDA – ITEMS FOR DISCUSSION

1. Resolution authorizing execution of the fiscal year 2025-26 Subrecipient Contract for \$129,700 with Rubicon Programs for delivery of WIOA AJCC workforce services under the Contra Costa Workforce Collaborative (pages 12-24)

Recommendation: Approve

2. Resolution authorizing joining a regional coalition led by the East Bay Leadership Council (EBLC) opposing the Metropolitan Transportation Commission's (MTC) proposed Transit-Oriented Communities Policy (TOC) (pages 25-32)

Recommendation: Approve

ADJOURNMENT

Adjourn to next regular meeting scheduled for **Wednesday, September 17, 2025**, at 6:00 pm.



MINUTES OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS REGULAR MEETING

WEDNESDAY, JUNE 25, 2025

ROLL CALL

The Board of Directors (Board) meeting was called to order at 6:09 PM in the San Pablo Economic Development Corporation (San Pablo EDC) Offices at 1000 Gateway Avenue, First Floor, San Pablo, California. Present were Chair Genoveva Calloway, Director Patricia Ponce. Vice Chair Saman Farid joined via video conference call. Also present were Executive Director Leslay Choy and Board Secretary Saeid Babay Hosseini. Treasurer Kanwar Singh and Director Stephen Baiter had an excused absence.

PUBLIC COMMENTS

There were no public comments.

EXECUTIVE DIRECTOR REMARKS

Executive Director Choy briefed the Board regarding participation at the final Robert Wood Johnson Culture of Health Prize community celebration. She also updated the Board on the Business and Housing Associate recruitment and the upcoming financial audit for fiscal year 2024-25. She commended staff for their notable hiring fair success, netting high satisfaction and job offers from employer partners.

CONSENT AGENDA

1. Minutes of the May 21, 2025 regular meeting
Recommendation: Approve
2. San Pablo EDC FY24-25 Financial Statements ending April 30, 2025
Recommendation: Receive and file
3. Resolution authorizing execution of the letter of engagement with Maze & Associates for fiscal year 2024-25 Audit and Tax Preparation Services and ratifying fiscal year 2025-26 budget expense not to exceed \$13,510
Recommendation: Approve
4. Resolution authorizing execution of fiscal year 2025-26 OBRA Construction and Building Services memorandum of understanding for Mission Plaza Parking Lot Sweeping and Landscape Maintenance Services and ratifying budget expense of \$8,760
Recommendation: Approve
5. Resolution authorizing execution of fiscal year 2025-26 Michael's Transportation Services Training Academy memorandum of understanding renewal for commercial drivers license job training services and ratify Measure S budget expense
Recommendation: Approve

6. Resolution authorizing execution of fiscal year 2025-26 CDL Instructor Trucking LLC memorandum of understanding renewal for Commercial Driver's License job training services and ratify Measure S budget expense

Recommendation: Approve

It was moved by Director Ponce, seconded by Vice Chair Farid, and passed by a vote of those present to adopt the items on the Consent Agenda. The motion passed as follows:

AYES: Calloway, Farid, Ponce
NOES: None
ABSTAIN: None
ABSENT: Baiter, Singh

REGULAR AGENDA

Resolution adopting Fiscal Year 2025-26 Budget composed of a total income budget of \$1,737,400, a total expense budget of \$1,787,970, and Measure S fund balance allocation of \$51,000

Executive Director Choy introduced the item and reviewed the budget and supporting documents in detail. After review and discussion, it was moved by Director Ponce, seconded by Chair Calloway, and passed by a vote of those present to adopt **RESOLUTION SPEDC2025-016**, a resolution to adopt Fiscal Year 2025-26 Budget composed of a total income budget of \$1,737,400, a total expense budget of \$1,787,970, and Measure S fund balance allocation of \$51,000.

AYES: Calloway, Farid, Ponce
NOES: None
ABSTAIN: None
ABSENT: Baiter, Singh

ADJOURNMENT

It was moved by Director Ponce and seconded by Chair Calloway to adjourn the meeting at 6:25 PM to the next regular meeting scheduled for **Wednesday, July 16, 2025** at 6:00 PM.

Respectfully submitted,

Saeid Babay Hosseini, Board Secretary

Genoveva Calloway, Chair

SAN PABLO EDC BOARD REPORT



DATE: August 27, 2025

TO: San Pablo EDC Board

[Back to Agenda](#)

FROM: Leslay Choy, Executive Director
Bradley Ward, Controller

SUBJECT: SAN PABLO ECONOMIC DEVELOPMENT CORPORATION FISCAL YEAR 2024-25 FINANCIAL STATEMENTS THROUGH JUNE 2025

RECOMMENDED ACTION

The Executive Director recommends the Board of Directors:

1. Receive and file report.

BACKGROUND

As part of its ongoing fiduciary oversight, the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) reviews the organization's financial reports. These reports are received and reviewed in advance by Board Treasurer and Finance Committee member, Kanwar Singh. Financials compare year-to-date expenses to annual budget in a format recommended by Treasurer Singh.

ANALYSIS OF FINANCIAL REPORTS

Attached is a set of financial reports through June 2025, the organization's fiscal year end (FYE). The lead item is the balance sheet, which shows the organization's financial position as of June 30, 2025. The June balance sheet reflects assets of \$4,823,108, liabilities of \$1,654,139 and equity of \$3,168,969. As the Board is aware, as of July 31, 2024, all COSP120 funds administered on behalf of the City of San Pablo for B2B and Mini-BIGs programs were expended. For any professional agreement where San Pablo EDC receives the lump sum up front, Account 25800 is used for the unearned portion of the agreement, and changes the month-over-month liabilities, reducing as the year advances; COSP120 YSCP is a good example. In May, per the Board's direction \$4,582.50 in bad debt was recorded on the balance sheet due to the uncollectible Nano Revolving Loan Fund loan.

The second section of the report is the year-to-date profit and loss (P&L) statement through June 30, 2025 with comparison to budget. The P&L statements are presented as a summary of the Total Budget for Operations, Measure S and Total Grants. The first column represents year-to-date (YTD) revenue and expenses by budget item; second column represents total budget; third column represents year-to-date variance to budget. EDC recognizes income on an accrual basis.

The first part of the Total P&L statement is revenue (income). Total income through June is \$1,665,012 representing 101% of budgeted income with 100% of the fiscal year complete. Of note, Suite B at Mission Plaza has been leased and not anticipated to start earning income until 2026, which will create a larger-than-anticipated 47200 deficit. It is an excellent tenant and use for the plaza and offered the best terms of all submitted proposals with the fastest cost recovery time; however, the City's process is new and multi-phased, which may further push back when rent begins.

The second part of the P&L, which includes other expenses less depreciation, represents expenses, the bulk of which are 62100 Contract Services, 65000 Operations and 66000 Payroll. YTD expenses were \$1,510,012 or 85% of the annual budget.

Monthly non-cash depreciation of \$3,739 (year-to-date \$37,393) for the EDC's commercial building asset, Mission Plaza, is accounted for as "other expense" in account 70100, as it does not affect

operations. By classifying it this way, the EDC separates operations and cash usage from non-cash activity. This is referred to as EBITDA or earnings before interest, taxes, depreciation and amortization.

Attachments

- San Pablo EDC FY24-25 Financial Statements through June 2025

San Pablo Economic Development Corporation
Balance Sheet
As of June 30, 2025

	<u>Jun 30, 25</u>
ASSETS	
Current Assets	
Checking/Savings	
10000 · SPEDC Checking Account	1,364,647.86
10005 · Money Market ...1115	2,179,977.80
10015 · TCU Checking /Savings Account	248.45
10100 · Petty Cash	100.00
Total Checking/Savings	<u>3,544,974.11</u>
Accounts Receivable	
11000 · Accounts Receivable	59,476.14
Total Accounts Receivable	<u>59,476.14</u>
Total Current Assets	3,604,450.25
Fixed Assets	
14100 · Buildings - Operating	1,540,000.00
14200 · Accumulated Depreciation	-321,582.46
Total Fixed Assets	<u>1,218,417.54</u>
Other Assets	
18600 · Other Assets	240.00
Total Other Assets	<u>240.00</u>
TOTAL ASSETS	<u><u>4,823,107.79</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	13,447.81
Total Accounts Payable	<u>13,447.81</u>
Credit Cards	
20500 · SPEDC Credit Card	1,603.68
Total Credit Cards	<u>1,603.68</u>
Other Current Liabilities	
25800 · Unearned or Deferred Revenue	335,487.18
25820 · Security Deposit	3,600.00
Total Other Current Liabilities	<u>339,087.18</u>
Total Current Liabilities	354,138.67
Long Term Liabilities	
27100 · Notes, Mortgages, and Leases	1,300,000.00
Total Long Term Liabilities	<u>1,300,000.00</u>
Total Liabilities	1,654,138.67
Equity	
32000 · Unallocated Net Assets	291,056.62
32100 · Operations Net Assets	2,728,984.91
32500 · Meas S Net assets	38,798.08
Net Income	110,129.51
Total Equity	<u>3,168,969.12</u>
TOTAL LIABILITIES & EQUITY	<u><u>4,823,107.79</u></u>

San Pablo Economic Development Corporation
Profit & Loss Budget vs. Actual
July 2024 through June 2025

	Total Operations			
	Jul '24 - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
43400 · Direct Public Support	15,010	16,000	(990)	94%
44400 · Government Contracts	562,500	562,500		100%
44500 · Government Grants				
45000 · Investments	84,719	88,500	(3,781)	96%
46400 · Other Types of Income	27,824	25,500	2,324	109%
47200 · Program Income	194,267	183,500	10,767	106%
Total Income	884,319	876,000	8,319	101%
Gross Profit	884,319	876,000	8,319	101%
Expense				
60300 · Awards and Grants				
60900 · Business Expenses	11,920	6,400	5,520	186%
62100 · Contract Services	43,104	76,300	(33,196)	56%
62800 · Facilities and Equipment	3,200	5,000	(1,800)	64%
65000 · Operations	129,366	142,500	(13,134)	91%
65100 · Other Types of Insurance	30,681	49,200	(18,519)	62%
66000 · Payroll Expenses	451,089	584,080	(132,991)	77%
66500 · Benefits	110,717	108,050	2,667	102%
68300 · Travel and Meetings	1,391	10,400	(9,009)	13%
69000 · Operational Contingency	2,719	5,000	(2,281)	54%
69010 · Bank Service Charges	655			
71500 · Mini-BIG's				
71600 · Back to Business				
Total Expense	784,842	986,930	(202,088)	80%
Net Ordinary Income	99,477	(110,930)	210,407	(90%)
Other Income/Expense				
Other Expense				
70100 · Depreciation & Amortization	44,872			
Total Other Expense	44,872			
Net Other Income	(44,872)			
Net Income	54,605	(110,930)	165,535	(49%)

San Pablo Economic Development Corporation
Profit & Loss Budget vs. Actual
July 2024 through June 2025

	Measure S			
	Jul '24 - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
43400 · Direct Public Support				
44400 · Government Contracts				
44500 · Government Grants	350,000	350,000		100%
45000 · Investments				
46400 · Other Types of Income				
47200 · Program Income				
Total Income	350,000	350,000		100%
Gross Profit	350,000	350,000		100%
Expense				
60300 · Awards and Grants	5,000	7,500	(2,500)	67%
60900 · Business Expenses	1,894	1,700	194	111%
62100 · Contract Services	69,546	105,000	(35,454)	66%
62800 · Facilities and Equipment				
65000 · Operations	25,207	24,800	407	102%
65100 · Other Types of Insurance				
66000 · Payroll Expenses	130,830	162,000	(31,170)	81%
66500 · Benefits	62,000	62,000		100%
68300 · Travel and Meetings				
69000 · Operational Contingency				
69010 · Bank Service Charges				
71500 · Mini-BIG's				
71600 · Back to Business				
Total Expense	294,477	363,000	(68,523)	81%
Net Ordinary Income	55,523	(13,000)	68,523	(427%)
Other Income/Expense				
Other Expense				
70100 · Depreciation & Amortization				
Total Other Expense				
Net Other Income				
Net Income	55,523	(13,000)	68,523	(427%)

San Pablo Economic Development Corporation
Profit & Loss Budget vs. Actual
July 2024 through June 2025

		Total Grants			
		Jul '24 - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
43400 · Direct Public Support	69,867	69,739	128	100%	
44400 · Government Contracts	360,825	360,825		100%	
44500 · Government Grants					
45000 · Investments					
46400 · Other Types of Income					
47200 · Program Income					
Total Income	430,693	430,564	128	100%	
Gross Profit	430,693	430,564	128	100%	
Expense					
60300 · Awards and Grants					
60900 · Business Expenses	8,214	8,085	128	102%	
62100 · Contract Services	151,325	151,325		100%	
62800 · Facilities and Equipment					
65000 · Operations	5,206	5,206		100%	
65100 · Other Types of Insurance					
66000 · Payroll Expenses	157,232	157,232		100%	
66500 · Benefits	34,328	34,328		100%	
68300 · Travel and Meetings					
69000 · Operational Contingency					
69010 · Bank Service Charges					
71500 · Mini-BIG's	12,000	12,000		100%	
71600 · Back to Business	62,388	62,388		100%	
Total Expense	430,693	430,564	128	100%	
Net Ordinary Income					
Other Income/Expense					
Other Expense					
70100 · Depreciation & Amortization					
Total Other Expense					
Net Other Income					
Net Income					

San Pablo Economic Development Corporation
Profit & Loss Budget vs. Actual
July 2024 through June 2025

	TOTAL			
	Jul '24 - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
43400 · Direct Public Support	84,877	85,739	(862)	99%
44400 · Government Contracts	923,325	923,325		100%
44500 · Government Grants	350,000	350,000		100%
45000 · Investments	84,719	88,500	(3,781)	96%
46400 · Other Types of Income	27,824	25,500	2,324	109%
47200 · Program Income	194,267	183,500	10,767	106%
Total Income	<u>1,665,012</u>	<u>1,656,564</u>	<u>8,448</u>	<u>101%</u>
Gross Profit	1,665,012	1,656,564	8,448	101%
Expense				
60300 · Awards and Grants	5,000	7,500	(2,500)	67%
60900 · Business Expenses	22,028	16,185	5,843	136%
62100 · Contract Services	263,975	332,625	(68,650)	79%
62800 · Facilities and Equipment	3,200	5,000	(1,800)	64%
65000 · Operations	159,779	172,506	(12,727)	93%
65100 · Other Types of Insurance	30,681	49,200	(18,519)	62%
66000 · Payroll Expenses	739,151	903,312	(164,161)	82%
66500 · Benefits	207,045	204,378	2,667	101%
68300 · Travel and Meetings	1,391	10,400	(9,009)	13%
69000 · Operational Contingency	2,719	5,000	(2,281)	54%
69010 · Bank Service Charges	655		655	100%
71500 · Mini-BIG's	12,000	12,000		100%
71600 · Back to Business	62,388	62,388		100%
Total Expense	<u>1,510,012</u>	<u>1,780,494</u>	<u>(270,482)</u>	<u>85%</u>
Net Ordinary Income	155,000	(123,930)	278,930	(125%)
Other Income/Expense				
Other Expense				
70100 · Depreciation & Amortization	44,872		44,872	100%
Total Other Expense	<u>44,872</u>		<u>44,872</u>	<u>100%</u>
Net Other Income	<u>(44,872)</u>		<u>(44,872)</u>	<u>100%</u>
Net Income	<u><u>110,128</u></u>	<u><u>(123,930)</u></u>	<u><u>234,058</u></u>	<u><u>(89%)</u></u>

SAN PABLO EDC BOARD REPORT



DATE: August 27, 2025

TO: San Pablo EDC Board

[Back to Agenda](#)

FROM: Leslay Choy, Executive Director

SUBJECT: RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING EXECUTION OF FISCAL YEAR 2025-26 SUBRECIPIENT CONTRACT FOR \$129,700 WITH RUBICON PROGRAMS FOR DELIVERY OF WIOA AJCC WORKFORCE SERVICES UNDER THE CONTRA COSTA WORKFORCE COLLABORATIVE

RECOMMENDED ACTION

The Executive Director recommends the Board of Directors:

1. Approve resolution

BACKGROUND

Strategy 1: Coalesce diverse partner efforts to provide broad and intentional support services to business and workforce.

Strategy 4: Focus on the organization's fiscal sustainability and revenue diversification.

As briefly discussed previously with the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board), the federal Workforce Innovation and Opportunity Act (WIOA)/American's Job and Career Centers (AJCC) program has been the subject of much federal debate with significant reductions discussed. Ultimately, the program is moving forward this year unchanged. Should the Board approve the resolution, San Pablo EDC may continue providing these vital services that help leverage other funding it receives; however, there will be no budget increase.

San Pablo EDC has been a part of the Contra Costa Workforce Collaborative (CCWC) since fiscal year 2018-19 (FY18-19). One of three (3) organizations offering services in West County, and one of 11 organizations countywide led by Rubicon Programs (Rubicon), San Pablo EDC entered into a sub-recipient agreement for \$28,600 to provide Workforce Innovation and Opportunity Act (WIOA)/American's Job and Career Centers (AJCC) services. San Pablo EDC's primary service area is San Pablo, unincorporated West County, Rodeo and Contra Costa College. Before the Board for its consideration is the fiscal year 2025-26 (FY25-26) subrecipient contract with Rubicon for \$129,700.

San Pablo EDC joined with Rubicon Programs and CCWC colleagues to provide a successful competitive response to the Employment and Human Services Development (EHSD) and Workforce Development Board of Contra Costa County (WDBCCC) to provide WIOA AJCC services for another three-year period, with funding that varies from year to year, beginning July 1, 2022. Each year, based on available funding, goals, budgets and new contracts are negotiated. Federal funding for these programs comes under WIOA and is allocated by the federal government to states who distribute to counties. As San Pablo is a general law city, it may not receive WIOA funding to directly administer, and relies upon whomever the WIOA AJCC service provider might be. In 2018, the county-administered AJCC system was dissolved, putting the funding out as a request for proposal (RFP), and from this opportunity, the CCWC emerged. San Pablo EDC saw CCWC as a long-term, critical opportunity to better serve the disenfranchised workforce, leverage Measure S funding and demonstrate ability to perform with federal funding.

ANALYSIS

San Pablo EDC has been fortunate to meet or outperform its contract every year with at or above industry standards for training completions, measurable skills gains and employment.

Participation in the CCWC has afforded the San Pablo EDC opportunities to co-enroll qualified workforce clients served through Measure S and other grant programs (e.g., Kaiser Permanente, National Dislocated Worker Grant, etc.), deepening the supports offered. Further, San Pablo EDC has expanded its direct-served workforce community and has expanded partnerships. In addition to West County, San Pablo EDC also serves WIOA clientele from Alameda, Solano and San Francisco counties and the City of Richmond, as WIOA is “client choice” meaning clients may be served wherever they prefer. San Pablo EDC’s goal is to enroll 70 workforce clients under this grant. In FY24-25, the San Pablo enrolled 77, 11 more than the previous year.

This contract allows San Pablo EDC to leverage funds, directly serve workforce and compete for funding that the organization would have otherwise not had the data to secure. Job training funding for each qualifying WIOA client is paid for directly through an individual training account (ITA) approved by Rubicon and does not come out of the EDC’s funding. For San Pablo residents, WIOA funding may be leveraged with Measure S funding to help assume more of the costs and reduce the financial burden and potential for debt. For all WIOA clients, staff leverages any qualifying funding to more wholly serve the individual with critical wrap-around services, such as food security, childcare subsidy and stipends to meet critical needs.

As with all federal monies, the recipient, Rubicon, and all subrecipients are subject to both a quality assurance (QA) and financial audit. San Pablo EDC has complied annually with no issues to report.

Once executed, the contract would be effective July 1, 2025 through June 30, 2026. It remains significant in terms of revenue diversification. The Board will note that the County remains behind in its contract execution and funding, so the attached sub-recipient contract has been approved by Rubicon, but will not allow San Pablo EDC to process invoice demands for reimbursement until likely September. Executive Director Choy seeks authorization to execute the contract allowing for immaterial changes, such as adult to dislocated worker ratios, or otherwise, to be included, if needed. Any material changes would come forward as amendments for board review.

The Board is asked to authorize the Executive Director to execute the fiscal year 2025-26 Subrecipient Contract for \$129,700 with Rubicon Programs for delivery of WIOA AJCC workforce services under the Contra Costa Workforce Collaborative.

FISCAL IMPACT

Fiscal impact will be \$129,700 to account 44410 Agency Contracts grants class, and \$129,700 will be realized in grant-related staffing and benefits expenses.

Attachments

1. FY25-26 Rubicon CCWC Subrecipient Agreement - San Pablo EDC

RESOLUTION SPEDC2025-0

RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING EXECUTION OF FISCAL YEAR 2025-26 SUBRECIPIENT CONTRACT FOR \$129,700 WITH RUBICON PROGRAMS FOR DELIVERY OF WIOA AJCC WORKFORCE SERVICES UNDER THE CONTRA COSTA WORKFORCE COLLABORATIVE

WHEREAS, As briefly discussed previously with the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board), the federal Workforce Innovation and Opportunity Act (WIOA)/American's Job and Career Centers (AJCC) program has been the subject of much federal debate with significant reductions discussed, although ultimately, the program moved forward this year unchanged; and

WHEREAS, San Pablo EDC has been a part of the Contra Costa Workforce Collaborative (CCWC) led by Rubicon Programs (Rubicon) since fiscal year 2018-19, offering services in West County; and

WHEREAS, for San Pablo residents, WIOA funding may be leveraged with Measure S funding to help assume more of the costs and reduce the financial burden and potential for debt; for all WIOA clients, staff leverages any qualifying funding to more wholly serve the individual with critical wrap-around services, such as food security, childcare subsidy and stipends to meet critical needs; and

WHEREAS, as San Pablo is a general law city, it may not receive WIOA funding to directly administer, and relies upon whomever the WIOA AJCC service provider might be; and

WHEREAS, once executed, the contract would be effective July 1, 2025 through June 30, 2026, and would provide significant funding for three workforce staff; and

WHEREAS, as with all federal monies, the recipient, Rubicon, and all subrecipients are subject to both a quality assurance (QA) and financial audit; San Pablo EDC has complied annually with no issues to report; and

WHEREAS, fiscal impact will be \$129,700 to account 44410 Agency Contracts grants class, and \$129,700 will be realized in grant-related staffing and benefits expenses.

NOW, THEREFORE, BE IT RESOLVED by the San Pablo Economic Development Corporation Board of Directors, as follows:

- 1) Authorize the Executive Director to execute the fiscal year 2025-26 Subrecipient Contract for \$129,700 with Rubicon Programs for delivery of WIOA AJCC workforce services under the Contra Costa Workforce Collaborative.

ADOPTED this 27th day of August, 2025, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Saeid Babay Hosseini, Board Secretary

Genoveva Calloway, Board Chair

MEMORANDUM OF UNDERSTANDING AND SUBRECIPIENT AGREEMENT

I. PURPOSE

This Memorandum of Understanding and Subrecipient Agreement ("Agreement") is entered into between Rubicon Programs ("Rubicon") as the Lead Agency of the Contra Costa Workforce Collaborative (CCWC) and **San Pablo Economic Development Corporation (SPEDC)** ("Subcontractor"), a member agency of the CCWC.

The CCWC is a public-nonprofit partnership among 12 community-based organizations and educational entities. The CCWC will provide comprehensive employment and supportive services in Contra Costa County, including at the comprehensive AJCC in Concord and at over 10 access points throughout the County. This innovative model, Active Collaboration Through Innovation, Opportunities, and Networking (ACTION), represents a joint commitment to a human-centered approach that addresses the unique needs of CCC's jobseekers and employers.

II. FUNDING AND RELATIONSHIP OF THE PARTIES

Rubicon and the member agencies of the CCWC worked collaboratively to submit a proposal in Response to Contra Costa County's Request for Proposal 1180 for provision is funded by the County, through the Employment and Human Services Workforce Development Board (WDBCCC) to provide Workforce Innovation and Opportunity Act (WIOA) America Job Center of California (AJCC) and Adult and Dislocated Worker (A/DW) Career Services. Rubicon, as the lead agency for the CCWC, anticipates being awarded the FY25-26 Funding amount \$1,859,000 to enroll and serve participants under WIOA, Dislocated Oil and Gas Worker Fund Initiative (DOGWF) and in the Marine Trade Waterfront Training Careers Initiative (MTWTC).

Rubicon serves as the Fiscal Agent and Lead Agency for the CCWC and is considered a subrecipient of federal funds from WDBCCC. Subcontractor will provide and carry out federally funded services as described below, and in so doing understands that it is a subrecipient to Rubicon for financial, monitoring and compliance purposes.

III. TERM

Effective Date and Agreement Term: The effective date of this Agreement is 07/01/2025 and the effective term is 07/01/2025 through 06/30/2026.

Early Termination: This Agreement may not be terminated without cause. In the event of noncompliance with the terms of the Agreement, Rubicon will request in writing that noncompliance be cured within 30 days. In the event that noncompliance is not cured after 30 days, Rubicon will put into place accelerated reporting requirements. If Subcontractor fails to comply with these requirements, Rubicon may terminate the Agreement with 30 days' notice.

Loss of Project Funding: If funding which supports this program is suspended or terminated in whole or in part, this Agreement shall cease.

IV. FISCAL ADMINISTRATION, REPORTING AND MONITORING

Obligated Funds: The funds obligated pursuant to this Agreement are **\$129,700** for the 12-month

contract period running 07/01/2025 through 06/30/2026.

Fiscal Administration: Rubicon and Subcontractor will each designate a representative for fiscal administration of this subcontract. The representatives and/or their designees will meet whenever necessary and will maintain regular and ongoing communication.

Fiscal Reporting to WDBCCC: Rubicon will prepare fiscal reports and invoices required by WDBCCC. Subcontractor will provide all necessary reports, invoices and documentation required by Rubicon to meet WDBCCC reporting and invoicing requirements.

Invoices and Reporting to Rubicon: Reports and invoices will be prepared in conformance with the template set forth in Attachment B. These requirements are subject to change over the term of this Agreement as required by Rubicon.

All expenditures of grant funds and requests for reimbursement pursuant to this Agreement must be made in conformance with the budget set forth in Attachment C. Subcontractor will not be reimbursed for expenditures greater than the amount budgeted for the Program year during which the expenses were incurred. Budget modifications may be made upon request and by mutual Agreement between the parties. Rubicon reserves the right to deny requests for budget modifications.

Fiscal Compliance and Contract Monitoring: Rubicon will conduct on site Fiscal monitoring during the term of this Agreement. Such monitoring may include, as necessary, review of Subcontractor's organizational budget, the general ledger, balance sheet, cost allocation procedures and plan, State and Federal tax forms, audited financial statement, fiscal policy manual, supporting documentation for selected invoices, cash receipts and disbursement journals. The compliance monitoring may include review of Personnel Manual, Emergency Operations Plan, Compliance with the Americans with Disabilities Act, subcontracts, and agreements, and the current board roster and selected board minutes for compliance with the Sunshine Ordinance. Monitoring may also include review of all information described in the Contract Documents, Service Plan Outline, Section VI.A.

Audits: Subcontractor is responsible for the arrangement for and payment of any costs associated with audits of its programs in accordance with OMB Circular A-133, if applicable, and for complying with any federal or other auditing requirements associated with the receipt of federal funds administered by WDBCCC.

V. SUBRECIPIENT MONITORING

Subcontractor understands and agrees that it is a Subrecipient of this Subaward of federal funds, and as such must comply with federal statutory and regulatory requirements. The executed contract between Rubicon and Contra Costa County (County) together with its addenda, exhibits, amendments, changes and incorporated documents, including but not limited to WIOA Special Conditions 11-2017, constitute the "Contract Documents." The Contract Documents are attached as Attachment E.¹

Subcontractor understands and agrees that as a subrecipient of federal funds, it is responsible for complying with all terms and conditions in the Contract Documents between Rubicon and County,

¹ At the time of execution of this subcontract, the County has not provided Rubicon the final Contract Documents. These documents will be made available to Subcontractor when they have been received and executed by the parties. It is anticipated that the Contract Documents will be substantially the same as for the prior fiscal year.

which are incorporated by reference, except those items that are specific to Rubicon as contractor thereunder.

Rubicon will monitor Subcontractor and all subrecipients consistent with the requirements set forth in the Federal Rules and applicable sections of the CFR, including 2 CFR §200 (Uniform Guidance). Subcontractor further understands and agrees that it is obligated to comply with all federal, state or other laws, regulations, special conditions and directives applicable to the receipt of federal funds paid to Rubicon pursuant to the contract between Rubicon and County. Subcontractor acknowledges it has inspected, or will inspect upon their availability, the Contract Documents pertinent or applicable to its scope of work and its rights and responsibilities under this Agreement.

VI. ROLES AND RESPONSIBILITIES

The services to be provided through the ACTION program are generally described in the application submitted to WDBCCC in February 2018. The roles and responsibilities of Rubicon and Subcontractor are set forth in Attachment A, Scope of Work. Subcontractor's performance outcomes are also set out in Attachment A.

The scope of work will be reviewed annually, prior to the end of the current Program year. If the contract is renewed for a subsequent year and Rubicon determines that a material change is needed in Subcontractor's scope of work, a new or modified scope of work will be developed and agreed to between the parties. The budget for the Program year may be modified to reflect the new or modified budget or scope of work. If after making good faith efforts to reach mutual Agreement the parties cannot agree on a new or modified scope of work and/or a modified budget, Rubicon shall retain final decision-making authority.

VII. DATA COLLECTION AND EVALUATION

Subcontractor will collect and maintain data and records necessary to document services, individuals served, outcomes and any other information set forth in the Scope of Work or which Rubicon or WDBCCC require to fulfill the terms of the contract between Rubicon and WDBCCC.

The processes, procedures and manner of information collections and retention is outlined in Quality Assurance guidelines that will be provided

VIII. COMMUNICATIONS

Internal Communications: Lead staff from Rubicon and Subcontractor will meet regularly to assess program implementation progress, ensure effective collaboration among our respective program staff, provide respective feedback and make any needed adjustments to the implementation plan. Subcontractor will participate in CCWC Steering Committee meetings with other Subcontractor partners or key stakeholders to ensure the program's effective operation as reasonably requested by Rubicon.

External Communications: All external communications must be conducted in accordance with the requirements of the WDBCCC, the Contract Documents, and CCWC Agreements. Please see attached county contract for reference.

VIII. CONFIDENTIALITY

Subcontractor as subrecipient to Rubicon, shall comply with all confidentiality and privacy protections as required and set forth in the Contract Documents as applicable to Rubicon as subrecipient to

County. (See Special Conditions, Workforce Innovation and Opportunity Act of 2014, Section 15.) Subcontractor shall also comply with all applicable Federal, State and Local Privacy laws.

IX. OTHER TERMS

Indemnification: Each party shall indemnify and hold the other party and its officers, agents and employees free and harmless from all liabilities and claims, causes of action, costs, losses, attorneys fees, damages or expenses of any kind which arise or are alleged to arise from the negligent or willful acts, whether foreseeable or unforeseeable of the first party, its officers, agents and employees, contractor and independent contractors.

Insurance: Both parties shall maintain during the term of this Agreement, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with activities and operations. The cost of such insurance shall be borne by each party. Insurance coverage must include: (1) comprehensive liability insurance (General Liability), including coverage for owned and non-owned automobiles used in performing services under this Agreement, if any, and, if applicable, professional liability insurance with a combined single limit of \$1,000,000 per occurrence and an aggregate annual limit of \$2,000,000; and, (2) Workers Compensation Insurance and Employers Liability Insurance as required by law in the State of California. Subcontractor shall name Rubicon as an additional insured to its General Liability policy for services or work performed in connection with this agreement and provide a Certificate of Insurance with endorsement. Subcontractor shall notify Rubicon of any changes in insurance coverage within 10 days of the change and shall name Rubicon as a party to be notified by the insurance carrier in the event of any material change in the policy if the insurance carrier provides the notification service.

Confidentiality: Rubicon and Subcontractor agree that by virtue of entering into this Agreement they will need to have access to certain confidential information regarding the other party's operations related to this project. The Parties agree that they will not at any time disclose confidential information of the other party without the consent of that party unless such disclosure is authorized by this Agreement or required by law.

Record Retention: By signing this Agreement, Rubicon and Subcontractor agree to retain all records pertinent to this Agreement for period of five years after final payment or for a longer period of time if required by WDBCCC.

Nondiscrimination: There shall be no discrimination against any persons on account of race, color, national origin, age, religion, ancestry, sex, marital status, physical or mental disability, familial status, source of income, religious or political affiliation, sexual orientation, medical condition, participation in or eligibility for a housing assistance program, or other arbitrary basis in the operations of the Project described in this Agreement.

Severability: In the event any provision of this Agreement shall be found to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the validity, legality, and enforceability of the remainder of this Agreement.

Affiliation of Agencies: Nothing contained in this Agreement shall be construed to make the Parties a partner, employee, or agent of the other, nor shall the Parties to this Agreement have any authority to bind the other in any respect, it being intended that each shall remain an independent agency.

Signatories certify that they are authorized to enter into contracts on behalf of Rubicon and Subcontractor, respectively.

RUBICON PROGRAMS INC.

SUBCONTRACTOR

San Pablo Economic Development Corporation

By: _____
Carole Dorham-Kelly, President & CEO

By: _____
Leslay Choy, Executive Director

Date: _____

Date: _____

ATTACHMENT A SCOPE OF WORK

Rubicon Programs will:

1. Provide overall project leadership, including administrative and fiscal management and project oversight, coordinating evaluation and reporting systems, convening regular meetings of the CCWC ACTION team.
2. Be responsible for all reporting relating to the ACTION contract to the WDBCCC.
3. Be responsible for program monitoring with the objective of ensuring that all performance provisions set forth by the Grant are met. Program monitoring may include review of back-up documentation for reporting progress towards meeting service and outcome objectives.
4. Provide Staff Training and Technical Assistance.

San Pablo EDC will:

1. Deliver outreach and information services in support of WIOA enrollments, including the provision of WIOA orientation and enrollment support at Contra Costa College and for New Horizons CDC.
2. Maintain records of workshop attendance and survey feedback. Submit forms monthly to Rubicon. Workshop attendance submissions must include, but not limited to, WIOA orientation and Connect to Opportunity workshops.
3. Meet Individual Service Enrollments: 70, with an aim of 5 (of 70) to be initiated via New Horizons Career Development Center or with Rodeo residents through other Rodeo-centric partners; and 15 to be initiated at Contra Costa College.
4. Aim to reach targeted Individual enrollments: 56 Adults; 12 Dislocated Workers.
5. Aim for 80% of individual enrollments to meet WIOA priority populations.
6. Participate in CCWC Steering Committee Meetings.
7. Participate in CCWC WIOA trainings as scheduled (e.g., QA and case manager support sessions).
8. Collect and enter required documents in CalJOBS as required by WDBCCC and Rubicon.
9. Participate in any CCWC evaluation activities, as reasonably requested.

ATTACHMENT B

INVOICING AND FISCAL REPORTING RESPONSIBILITIES

All fiscal reports and original signed invoices from Subcontractor must be submitted to: Budget & Billing Department, Rubicon Programs, 2500 Bissell Ave., Richmond, CA 94804. Copies of fiscal reports, signed invoices and supporting documentation can be scanned and emailed to the Contract Billing Analyst. Subcontractor will submit required invoices no later than the 15th day after the end of the reporting period.

Subcontractor will prepare required fiscal reports and invoices using the forms provided by Rubicon (sample invoice form provided below). Reports and invoices will include actual expenditures incurred during the specified period.

Upon approval of Subcontractor's invoice and supporting documentation, Rubicon will pay Subcontractor for authorized costs reimbursed by the County within thirty days of receipt of subcontractor's invoice or within 15 days of receipt by Rubicon of the payment from the County, *whichever is later*. Under special circumstances and upon demonstration of financial necessity, Subcontractor may request payment on its invoice prior to receipt by Rubicon of payment from the County. Rubicon will attempt to accommodate such requests when possible, but reserves the right to deny such requests in its sole judgment and discretion.

Subcontractor Executive Director, CFO, or other authorized signer must certify each invoice.

Subcontractor may adjust line items within the existing budget (Attachment C) with prior written approval from Rubicon. Modification form will be provided upon request.

Subcontractor must submit supporting documentation with each invoice. Documentation shall include, but not be limited to vendor invoices, receipt/proof of payment for purchases and all expenses incurred, and payroll records. All charges incurred shall be due and payable only after services have been rendered.

Subcontractor shall supply additional specific documentation when requested by Rubicon.

Subcontractor must keep and make available as requested such supporting documentation for all expenditures for which reimbursement is requested for all costs so claimed.

Subcontractor shall submit a final invoice reflecting actual expenditures, which will be supported by the Contractor's accounting records, within 30 days of the end of the contract period. Any expenses submitted after the 30 days following the fiscal year end will not be paid.

Failure to submit required reports or documentation by specified deadlines may result in withholding of contract payments. Failure to meet contract performance goals will result in a corrective action plan, withholding of contract payments in full or part and / or termination of contract.

INVOICE TEMPLATE

The invoice template will be provided electronically as an Excel spreadsheet. EDC staff are well-versed in the template and process.

ATTACHMENT C
BUDGET

(to be attached following WDBCCC approval)

FEDERAL SUBAWARD CONDITIONS

2 CFR §200.331(a)

- I. The contract meets the conditions of a Federal subaward and the Subcontractor is subject to the Subrecipient provisions in 2 CFR §200.
- II. Definitions:
 - A. CFR means Code of Federal Regulations
 - B. CFDA means Catalog of Federal Domestic Assistance
 - C. Subrecipient -- Title 2 CFR §200.93
Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.
 - D. Subaward -- Title 2 CFR §200.92
Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.
 - E. Pass-through Entity -- Title 2 CFR §200.74
Pass-through entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.
- III. The pass-through entity for purposes of this Subcontract is Rubicon Programs. Rubicon Programs receives the funding through the pass-through entity, Workforce Development Board of Contra Costa County.
- IV. The Subrecipient is **San Pablo Economic Development Corporation (SPEDC)**
- V. The Subrecipient's DUNS number is 0787859490000.
- VI. If applicable, the Federal Award Date is 7/1/2025.
- VII. If applicable, the Federal Award Identification Number {FAIN} is AA-28305-16-55-A-6.
- VIII. The Subaward Period of Performance is from 7-1-24 to 06-30-25.
- IX. The total amount of Federal Funds Obligated to the subrecipient in this Federal subaward award is **\$129,700**.
- X. The CFDA Number is 17.258 & 17.278.
- XI. The Federal Program Title is WIOA Adult & WIOA Dislocated Worker.
- XII. The Subrecipient's federally approved indirect cost rate agreement is incorporated by reference if the Subrecipient's budget submitted includes a federally approved indirect cost.
- XIII. The Subrecipient shall use the Federal award in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

-- ATTACH CONTRACT WITH COUNTY AND SELECTED ATTACHMENTS UPON WDBCCC APPROVAL

SAN PABLO EDC BOARD REPORT



DATE: August 27, 2025

TO: San Pablo EDC Board

[Back to Agenda](#)

FROM: Leslay Choy, Executive Director

SUBJECT: RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING JOINING A REGIONAL COALITION LED BY THE EAST BAY LEADERSHIP COUNCIL OPPOSING THE METROPOLITAN TRANSPORTATION COMMISSION'S PROPOSED TRANSIT-ORIENTED COMMUNITIES POLICY

RECOMMENDED ACTION

The Executive Director recommends the Board of Directors:

1. Approve resolution

BACKGROUND

It falls under the purview of the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) to authorize the organization's support or opposition of policies. Last week, a matter of some urgency raised by the East Bay Leadership Council (EBLC) of which San Pablo EDC is a member.

EBLC is actively forming a coalition due to grave regional economic development concerns regarding Metropolitan Transportation Commission's (MTC) proposed Transit-Oriented Communities (TOC) Policy. It is the first such regional coalition that the EBLC has put together, which reflects their level of concern. While San Pablo is not immediately impacted, given its dependence on a thriving regional economy, if policy locks into place that would have long-term, negative impacts, San Pablo has a vested interest in participating in the regional dialogue.

ANALYSIS

The proposed TOC Policy is actually a series of policies. It impacts funding and sets standards for regional housing supply, transportation infrastructure, and a competitive business environment.

There is an "all or nothing" approach where all policies (i.e., there are six for housing development) must be adopted in order for cities and projects to be eligible for One Bay Area Grant (OBAG) funding. This means while there can be some attractive policies contained within the ensemble, there are others that create barriers and impact the feasibility of achieving goals, and in some cases, favor the more inexpensive development opportunity, which will have detrimental effects. One of the primary examples is that the TOC housing supply policies deter investment in existing housing; it creates its own kind of disinvestment and blight. Another is the inflexibility of the policy to consider the community it is serving. For example, the low-income housing projects to be funded have significant parking reductions, meaning those living in multi-generational households will be more challenged coordinating transportation between childcare, work and eldercare. Seated in a city that is looking toward how it might attract more large employers to bolster its tax base, the lack of flexibility on diverse business support is concerning. Small business and nonprofits are important in terms of prioritization, but best thrive when there is a diversity of business types and sizes. The policy as proposed favors funding for the least expensive options, which will stifle diversification.

San Pablo EDC should be a part of the dialogue that explores potential impacts and flexibility within MTC's TOC Policy, and Executive Director Choy is requesting the Board's support to join the coalition.

This would include the organization's name on future letters.

The Board is asked for authorization to join a regional coalition led by the East Bay Leadership Council (EBLC) opposing the Metropolitan Transportation Commission's (MTC) proposed Transit-Oriented Communities Policy (TOC).

FISCAL IMPACT

There is no fiscal impact.

Attachments

1. Draft EBLC Letter

RESOLUTION SPEDC2025-0

RESOLUTION OF THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING JOINING A REGIONAL COALITION LED BY THE EAST BAY LEADERSHIP COUNCIL OPPOSING THE METROPOLITAN TRANSPORTATION COMMISSION'S PROPOSED TRANSIT-ORIENTED COMMUNITIES POLICY

WHEREAS, it falls under the purview of the San Pablo Economic Development Corporation (San Pablo EDC) Board of Directors (Board) to authorize the organization's support or opposition of policies; and

WHEREAS, the East Bay Leadership Council (EBLC) is actively forming a coalition due to grave regional economic development concerns regarding Metropolitan Transportation Commission's (MTC) proposed Transit-Oriented Communities (TOC) Policy; and

WHEREAS, while San Pablo is not immediately impacted, given its dependence on a thriving regional economy, if policy locks into place that would have long-term, negative impacts, San Pablo has a vested interest in participating in the regional dialogue; and

WHEREAS, the proposed TOC Policy is actually a series of policies that impact funding and set standards for regional housing supply, transportation infrastructure, and a competitive business environment; and

WHEREAS, there is an "all or nothing" approach where all policies (i.e., there are six for housing development) must be adopted in order for cities and projects to be eligible for One Bay Area Grant (OBAG) funding; while there are some attractive policies contained within the ensemble, there are others that create barriers and impact the feasibility of achieving goals, which will have detrimental effects; and

WHEREAS, San Pablo EDC should be a part of the dialogue that explores potential impacts and flexibility within MTC's TOC Policy, and Executive Director Choy is requesting the Board's support to join the coalition, which would include the organization's name on future letters; and

WHEREAS, there is no fiscal impact.

NOW, THEREFORE, BE IT RESOLVED by the San Pablo Economic Development Corporation Board of Directors, as follows:

- 1) Authorize joining a regional coalition led by the East Bay Leadership Council opposing the Metropolitan Transportation Commission's proposed Transit-Oriented Communities Policy.

ADOPTED this 27th day of August, 2025, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Saeid Babay Hosseini, Board Secretary

Genoveva Calloway, Board Chair

[LOGOS]

August 18, 2025

MTC Chair Sue Noack & MTC Commissioners
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

RE: OPPOSITION to the Metropolitan Transportation Commission's Transit-Oriented Communities Policy

Dear MTC Chair Noack & MTC Commissioners,

I'm writing on behalf of the East Bay Leadership Council and this broad coalition of business organizations, collectively representing hundreds of employers, to express our concerns with the Metropolitan Transportation Commission's Transit-Oriented Communities policy (TOC). While we commend MTC for their desire to improve housing affordability, we are concerned that the implementation of TOC will have the opposite effect, creating barriers to the development of desperately needed housing while also negatively impacting the region's transportation infrastructure and competitive business environment.

There are three major reasons we believe MTC's TOC policy poses a serious threat to the region. First, while we agree with many of the requirements that TOC includes, there are others we find inherently problematic. Second, we worry that the implementation framework will create a complex regulatory environment that will disincentivize development. Third, we are concerned about a funding scheme that withholds essential transportation funds based on MTC's determination of city compliance, rather than incentivizing progress or supporting cities making genuine efforts to improve.

1. TOC Includes Problematic Policies

Housing

We support many of the housing policy requirements included in TOC, such as zoning for higher minimum and maximum densities, streamlining permit approval processes, developing mobility hubs, and creating funding programs for the production and preservation of affordable housing.

However, by requiring cities to pass *six* affordable housing policies, we are concerned that this may increase the use of policies that conflict with housing production goals. These include, for example, rent control, just cause eviction, and a 15% inclusionary zoning mandate without any offset incentives. While

intended to protect tenants and expand affordability, these policies often instead deter investment in existing units, increase project risk, and render new developments financially infeasible, constraining both affordable and market-rate housing supply.

Since many of the policies MTC offers as options to fulfill the affordable housing component of the TOC requirements are funding programs (i.e. for the production of affordable housing, acquisition of public land, or tenant assistance), we are worried cities will be more likely to pass one of the problematic policies mentioned above because they will impose fewer costs.

This is especially true because MTC has determined funding tiers by jurisdiction and established minimum 4-year investment requirements for cities in each tier should they choose policies that require funding commitments. For example, if Walnut Creek chooses funding policies, the city would be required to allocate \$4 million towards affordable housing production policies, \$1.2 million towards affordable housing protection policies, and \$300,000 towards affordable housing preservation and anti-displacement policies. These are particularly large spending requirements in a time when many cities are experiencing major budget shortfalls.

On top of this, TOC also includes strict parking maximums, a requirement that not only risks deterring development because it limits a project's flexibility in meeting market demand and lender requirements, but is also inherently inequitable. One of TOC's primary goals is to create more affordable housing for low-income residents. Yet, restricting parking for these households undermines their ability to meet daily needs like work, childcare, and errands. Encouraging greater use of public transit is an important and worthwhile goal, but by tying strict parking limits to affordable housing, TOC pushes low-income residents to give up their cars instead of focusing that shift on residents who have the resources and flexibility to choose transit.

Business Competitiveness

Regarding the commercial stabilization policy that cities must implement under TOC, we are concerned about the small business and nonprofit preference policy option. As a coalition of business organizations representing employers of all sizes, we recognize the need to support and protect small businesses. However, determining the best way to do so requires nuance and flexibility, which TOC does not account for in its policy requirements.

Not all transit-rich areas are the same. Some are situated in more residential areas well-suited to small businesses while others are located in larger commercial zones. Prioritizing small businesses and nonprofits in prime commercial areas may deter larger companies from locating there, devastating a city's tax base.

While there are other commercial stabilization policies cities could adopt that we find less concerning, and may even support, we have similar apprehensions here as with the funding requirements for the housing policies noted above. Because prioritizing small businesses and nonprofits is objectively the least expensive option in terms of direct costs, we worry it will be the most likely choice, even if its indirect costs to the city could be substantial.

One of the key indicators of the economic vitality of a region is its ability to help businesses start, stay, and grow. If this policy is adopted in cities across the region, it could have a severe impact on the area's status as a competitive place for business.

2. The Complexity of TOC Implementation will Deter Development

In addition to the specific policies we find problematic, TOC itself is complex, subjective, and vulnerable to inconsistent implementation, which is likely to disincentivize developers from building.

TOC is voluntary because MTC cannot establish standardized requirements across a region the way state legislation can. Thus, cities may pass resolutions stating their intent to comply with TOC but then lack the funding or political will necessary to make it happen, which would leave developers wondering what requirements they will be expected to follow. Other cities may decide not to adopt TOC altogether, deciding they are willing to lose out on OBAG funding. This patchwork implementation will leave developers caught in uncertainty, establishing an environment that discourages the very progress TOC intends to foster.

Moreover, many TOC policy requirements are inconsistent with established state laws already governing certain housing policies. For example, in contrast to TOC's inclusionary zoning policy, California's Density Bonus Law does not require a certain percentage of developments to be earmarked for affordable units but rewards developers who make those allocations with a variety of incentives (i.e. density bonuses and reduced parking, setback, and minimum square footage requirements). Conversely, TOC states that a successful inclusionary zoning policy should include incentives, but it does not require them. Further, under the Density Bonus Law, developers qualify with a 10% affordable set-aside, and even the Builder's Remedy threshold is only 13%, both well below the 15% required for an inclusionary zoning policy to align with TOC.

Compelling cities to pass policies that conflict with state law will only add to the complexity, creating unnecessary confusion. Areas with clearly defined and consistent requirements and regulatory processes are far more attractive to developers.

3. TOC has a Counterproductive Funding Framework

Finally, we are concerned with the funding framework itself. In previous rounds of One Bay Area Grant (OBAG) funding, MTC rewarded cities making progress on transit-oriented development, housing production, and sustainable transportation investments. TOC marks a reversal by punishing cities that do not or can not comply. Further, MTC is also looking for approval to apply this framework to other discretionary funding, which means this could be an issue for future funding opportunities beyond OBAG.

We believe improving transportation infrastructure is a regional economic imperative, especially with threats to public transportation already looming. With this funding framework, many transportation centers stand to lose out on critical transportation dollars. Given that many East Bay cities are likely lagging behind in TOC compliance, our region could face a disproportionate share of funding losses.

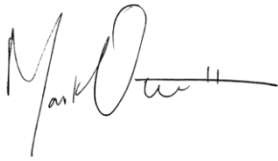
Next Steps

Addressing the region's housing availability and affordability crisis is imperative, and we appreciate that regional leaders like MTC recognize this pressing challenge and are working to identify solutions. The intent behind the TOC policy is commendable, but as outlined in our analysis, its current form risks creating barriers to development and eroding the region's infrastructure and economic competitiveness.

Our coalition calls on you to remove the TOC requirements and replace them with guidelines that truly incentivize cities to become more welcoming to affordable housing. These guidelines should build on sound, effective strategies and exclude the problematic policies outlined in this letter. By replacing the current requirements with a constructive, incentive-based framework, you can protect the region's transportation funding while advancing real solutions to the housing crisis.

Please do not hesitate to reach out to me (mark@ebclmail.org) or EBLC's Policy Director, Meg Stern (meg@ebclmail.org), to further discuss these concerns. Thank you for your commitment to serving our region.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Orcutt', with a stylized flourish at the end.

Mark Orcutt
President & CEO
East Bay Leadership Council