

# bae urban economics Table of Contents

Housing Action Plan (HAP): Demographic Trends and Market Conditions Update

Prepared for the City of Stockton

July 10, 2022



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# INTRODUCTION

Concurrent with preparation of the 2023-2031 Housing Element Update being completed by PlaceWorks, the City of Stockton commissioned BAE Urban Economics, inc., to prepare a complementary Housing Action Plan (HAP). Recognizing the long-term nature of the Housing Element, the HAP is structured as a toolkit that provides the City with a near-term strategy for facilitating increased housing production and addressing the City's most urgent needs, including implementation of new or improved housing policies, standards, incentives, and best practices, as well as means to administer them within a set timeframe. The Housing Element, by contrast, will provide a longer-term plan for addressing housing needs in Stockton.

This document is a technical background report that evaluates existing housing needs in Stockton by type, including the need for emergency and supportive housing, as well as the need for permanent rental and for-sale housing at different income levels (i.e., very low-, low-, moderate-, and above moderate-incomes). The analysis also touches briefly on special topics, including fair housing, access to opportunity, and homelessness. For an abbreviated summary of the analysis and highlights key findings, refer to the *Market and Needs* section of the HAP.

# DEMOGRAPHIC TRENDS AND MARKET CONDITIONS

As noted in the introduction, this HAP background evaluates existing housing needs in Stockton by type, including for emergency and supportive housing, as well as for permanent rental and for-sale housing at different income levels (i.e., very low, low, moderate, and above-moderate incomes). The analysis is abbreviated, recognizing that additional study will be conducted as part of the Housing Element Update process. Nonetheless, the analysis also touches briefly on special topics, including fair housing, access to opportunity, and homelessness. More information will be made available upon completion of the Gentrification and Displacement Risk Assessment being completed by Enterprise Community Partners.

## ***Geographic Definitions***

The following section summarizes socioeconomic and housing market data for the City of Stockton, as well as for two comparison geographies, San Joaquin County and the San Jose-San Francisco-Oakland Combined Statistical Area (CSA), also referred to herein as the “mega-region.” As defined by the U.S. Office of Management and Budget, the San Jose-San Francisco-Oakland CSA includes the counties of Alameda, Contra Costa, Marin, Merced, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus.<sup>1</sup> Please see Figures 1 and 2 for maps illustrating the study areas described above.

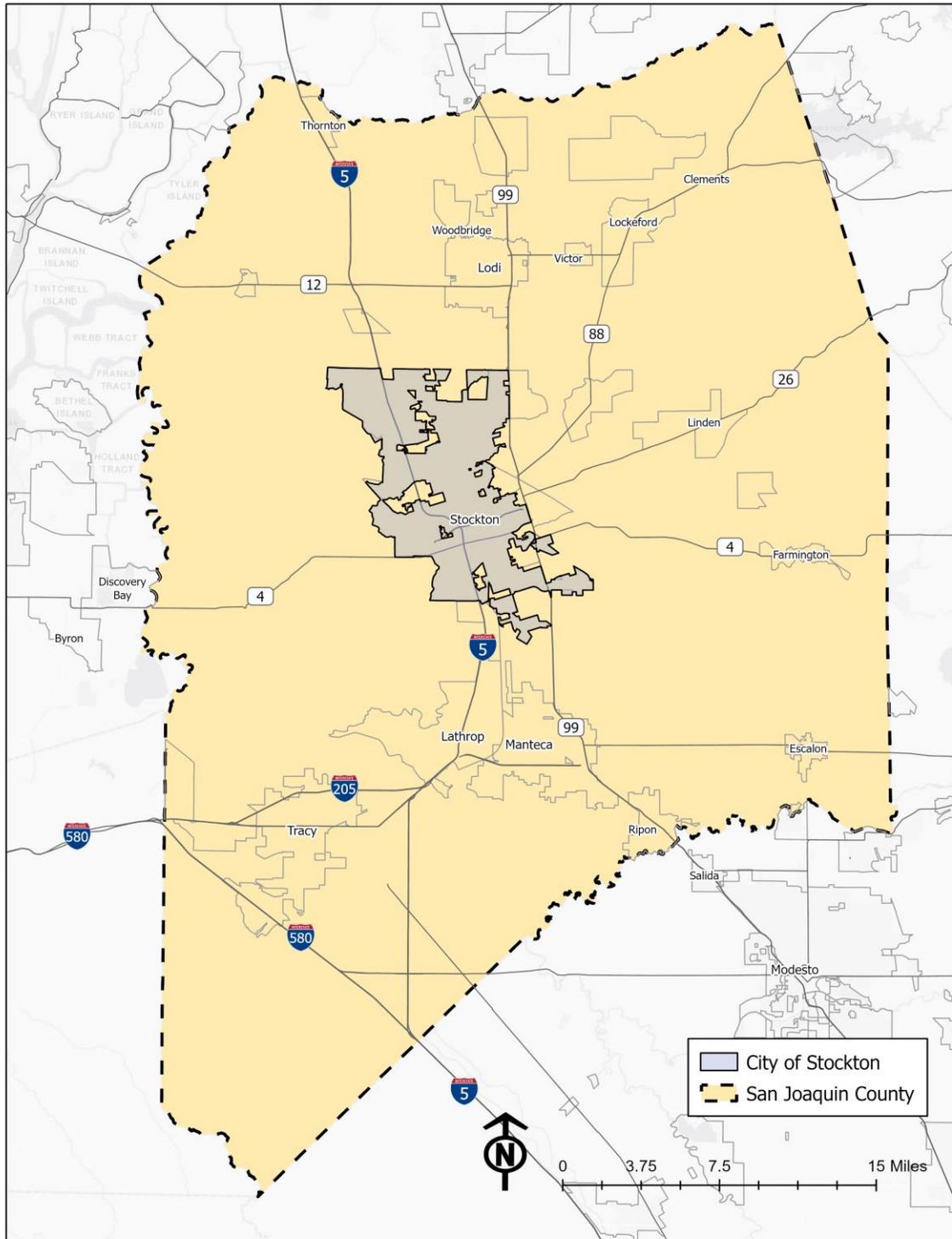
## ***Data Source Summary***

This socioeconomic and market demand assessment relies on data published by the U.S. Census Bureau, including data from the Decennial Census (Census), and the American Community Survey (ACS). Additional data is drawn from a variety of other governmental and semi-governmental agencies, including the U.S. Department of Housing and Urban Development (HUD), U.S. Bureau of Labor Statistics (BLS), the California Tax Credit Allocation Committee (CTCAC), California Housing and Community Development (HCD), the Housing Authority of the County of San Joaquin (Housing Authority), the San Joaquin County Continuum of Care (COC), and the University of the Pacific (UoP) Center for Business and Research Policy (CBPR). Housing market data were also collected from various private data vendors, including the CoStar Group, ListSource, and the Redfin Data Center.

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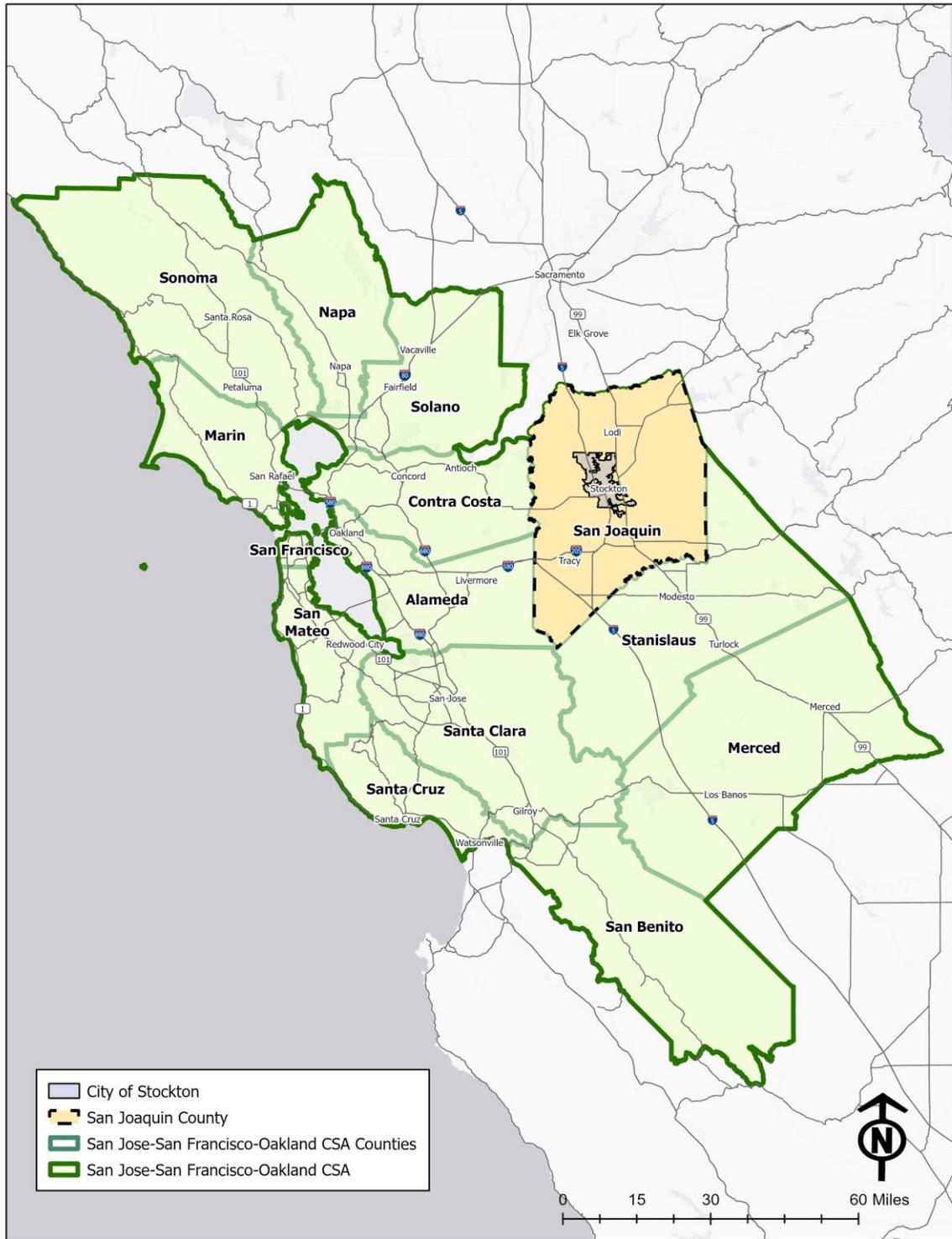
<sup>1</sup> U.S. Office of Management and Budget. (March 6, 2020). Revised Delineations of Metropolitan Statistical Areas, Micropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineation of These Areas. Available at: <https://www.whitehouse.gov/wp-content/uploads/2020/03/Bulletin-20-01.pdf>

**Figure 1: City of Stockton and San Joaquin County**



Sources: ESRI; U.S. Census Bureau, Census Tiger Files; BAE, 2022.

**Figure 2: San Jose-San Francisco-Oakland Combined Statistical Area (CSA)**



Sources: ESRI; U.S. Census Bureau, Census Tiger Files; BAE, 2022.

## Socioeconomic Characteristics and Trends

The following subsection summarizes characteristics associated with persons and households residing in Stockton, San Joaquin County, and the CSA, this information includes key drivers of housing demand including population and household growth, household size trends, age distribution, tenure, race and ethnicity, income, current employment, commute patterns, and homelessness. The discussion covers, where relevant, historical trends, current conditions, and future projections.

### *Population and Household Trends*

As shown in Table 1, Stockton added nearly 29,100 new residents between 2010 and 2020, reaching a total of 320,804 residents in 2020, which represents a notable slowdown in growth from the prior decade. More specifically, the City of Stockton grew by approximately 1.8 percent per year on average between 2000 and 2010, but the rate then decreased following the Great Recession and averaged closer to 1.0 percent per year between 2010 and 2020. Household growth in Stockton was consistently less than population growth, with an average annual household growth rate of 0.8 percent since 2010, reflecting roughly 7,130 new households over the decade.

**Table 1: Population and Households, 2000, 2010, and 2020**

| <b>Population</b>  | <b>2000</b> | <b>2010</b> | <b>2020</b> | <b>% Change<br/>2000-2010</b> | <b>% Change<br/>2010-2020</b> | <b>% Change<br/>2000-2020</b> |
|--------------------|-------------|-------------|-------------|-------------------------------|-------------------------------|-------------------------------|
| City of Stockton   | 243,771     | 291,707     | 320,804     | 19.7%                         | 10.0%                         | 31.6%                         |
| San Joaquin County | 563,598     | 685,306     | 779,233     | 21.6%                         | 13.7%                         | 38.3%                         |
| SJ-SF-Oakland (a)  | 8,313,745   | 8,923,942   | 9,714,023   | 7.3%                          | 8.9%                          | 16.8%                         |

| <b>Households</b>  | <b>2000</b> | <b>2010</b> | <b>2020</b> | <b>% Change<br/>2000-2010</b> | <b>% Change<br/>2010-2020</b> | <b>% Change<br/>2000-2020</b> |
|--------------------|-------------|-------------|-------------|-------------------------------|-------------------------------|-------------------------------|
| City of Stockton   | 78,556      | 90,605      | 97,736      | 15.3%                         | 7.9%                          | 24.4%                         |
| San Joaquin County | 181,629     | 215,007     | 241,119     | 18.4%                         | 12.1%                         | 32.8%                         |
| SJ-SF-Oakland (a)  | 2,963,633   | 3,175,012   | 3,410,592   | 7.1%                          | 7.4%                          | 15.1%                         |

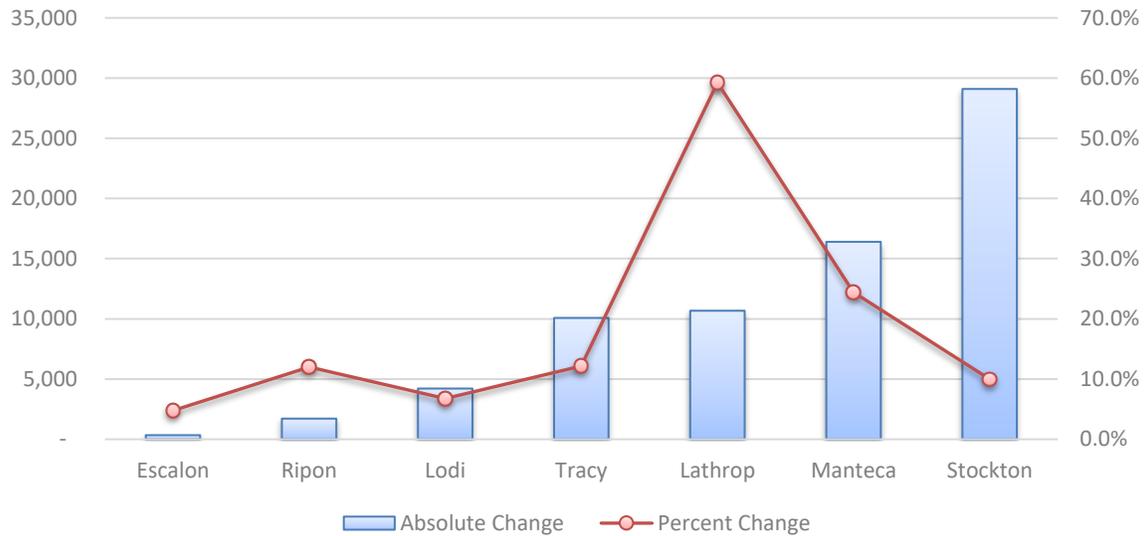
Note:

(a) The San Jose-San Francisco-Oakland CSA includes Alameda, Contra Costa, Marin, Merced, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Stanislaus counties.

Sources: U.S. Census Bureau, Decennial Census 2000, Table P001, P017, P026, P037, and H003; Decennial Census 2010, Table P5, P17, P42, and H3; Decennial Census 2020, Table P2, P5, and H1; BAE, 2022.

The City of Stockton grew more slowly on a proportionate basis than San Joaquin County overall; however, this was mainly a function of the City's relative size compared to other jurisdictions within the county. For example, Figure 3 illustrates that while Stockton had the third lowest proportionate growth of any incorporated jurisdiction within San Joaquin County at 10.0 percent from 2010 to 2020, the City had the highest absolute growth with roughly 29,100 new residents. The jurisdictions with the next highest absolute growth were Manteca, with more than 16,400 new residents, and Lathrop, with roughly 10,700 new residents.

**Figure 3: Population Growth by Jurisdiction, 2010-2020**



Sources: Census 2010 SF1 Table P1 and Census 2020 PL94--171; BAE, 2022.

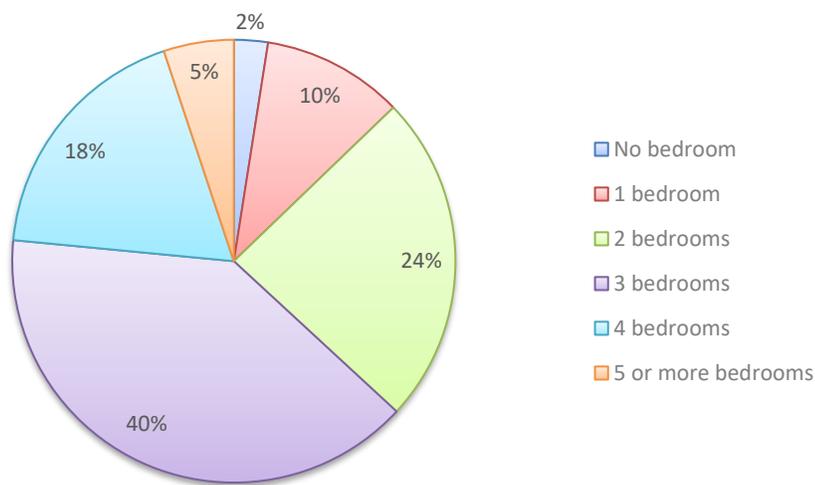
Stockton and San Joaquin County both grew more rapidly than the broader CSA. Where the City and County population grew by more than 30 percent in the 2010s, the broader region grew by only 17 percent. This suggests that both the City and County functioned as a significant destination for residential migration and growth within the region, likely due to the communities' greater affordability relative to the nearby San Francisco Bay Area and even the greater Sacramento metropolitan area, and due to the available land supply.

### ***Household Size***

Table 2 indicates that the average household sizes in both the City and County are notably higher than for the broader mega-region at around 3.2 persons per household compared to 2.8 in the mega-region. American Community Survey data indicate that for the 2016-2020 period, approximately 64 percent of all Stockton households had three or fewer members, with 48 percent having two or fewer. By comparison, similar data illustrated in Figure 4 indicate that only 37 percent of the housing stock is comprised of units with two or fewer bedrooms, which would be most appropriately sized for households with three or fewer members. This suggests a general undersupply of housing that is appropriately sized for smaller households and which, by nature of its smaller size, would also be naturally more affordable. This shortage is generally known to impact renter households more severely than owner households, which tend to be larger and often overconsume housing by preference; additional smaller ownership opportunities may be beneficial to younger households with fewer members that frequently struggle to enter the ownership market.



**Figure 4: Occupied Housing Units in Stockton by Number of Bedrooms, 2016-2020**



Sources: U.S. Census Bureau, 2020- 5-Year American Community Survey, Table B25042; BAE, 2022.

### ***Age Distribution***

The relative age of household members can be an important factor with regard to the sensitivity of a household to changes in housing costs. For example, households with children face additional childcare costs and healthcare expenses, while elderly households often have fixed incomes and above average healthcare costs.

Table 3 indicates that while the median age in Stockton is roughly similar to the countywide figure, and lower than the estimate for the CSA, the median age in Stockton has grown more rapidly than in the other two geographies. This corresponds with notable population growth in the 25-44 and 55 plus age cohorts, which roughly aligns with members of the Baby Boomer generation and their children, concentrated in the Millennial generation. While the County and the CSA show similar growth among the 55 and over age cohort, the City shows exceptional growth in the 25-44 age cohort. This cohort generally reflects newly formed households, many of whom are beginning to enter into the for-sale housing market.

Given regional housing market conditions and the decreasing affordability of the broader San Francisco Bay Area and Sacramento metro area, Stockton and the San Joaquin Valley more broadly, have become common destinations for newer family households and those aspiring to home ownership. This is also reflected in the regional commute flow, with 18 percent of all employed Stockton residents commuting outside of San Joaquin County for work.



that has not kept pace with housing costs, as well as more limited availability single family detached housing for owner-occupancy.

**Table 4: Household Tenure, 2010 Decennial Census & 2020 Five-Year Sample Data**

|   | 2010             |             | 2020             |             | Change, 2010-2020 |             |
|---|------------------|-------------|------------------|-------------|-------------------|-------------|
|   | Number           | Percent     | Number           | Percent     | Number            | Percent     |
| <b>City of Stockton</b>                       |                  |             |                  |             |                   |             |
| Owner-Occupied                                | 46,738           | 51.6%       | 47,481           | 49.9%       | 743               | 1.6%        |
| Renter-Occupied                               | 43,867           | 48.4%       | 47,755           | 50.1%       | 3,888             | 8.9%        |
| <b>Total Households</b>                       | <b>90,605</b>    | <b>100%</b> | <b>95,236</b>    | <b>100%</b> | <b>4,631</b>      | <b>5.1%</b> |
| <b>San Joaquin County</b>                     |                  |             |                  |             |                   |             |
| Owner-Occupied                                | 127,270          | 59.2%       | 133,381          | 57.7%       | 6,111             | 4.8%        |
| Renter-Occupied                               | 87,737           | 40.8%       | 97,711           | 42.3%       | 9,974             | 11.4%       |
| <b>Total Households</b>                       | <b>215,007</b>   | <b>100%</b> | <b>231,092</b>   | <b>100%</b> | <b>16,085</b>     | <b>7.5%</b> |
| <b>San Jose-San Francisco Oakland CSA (a)</b> |                  |             |                  |             |                   |             |
| Owner-Occupied                                | 1,798,348        | 56.6%       | 1,883,599        | 56.6%       | 85,251            | 4.7%        |
| Renter-Occupied                               | 1,376,664        | 43.4%       | 1,444,101        | 43.4%       | 67,437            | 4.9%        |
| <b>Total Households</b>                       | <b>3,175,012</b> | <b>100%</b> | <b>3,327,700</b> | <b>100%</b> | <b>152,688</b>    | <b>4.8%</b> |

Note:

(a) The San Jose-San Francisco-Oakland CSA includes Alameda, Contra Costa, Marin, Merced, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Stanislaus counties.

Sources: U.S. Census Bureau, Decennial Census 2010, Table H16; American Community Survey 2016-2020 five-year sample data, Table B25009; BAE, 2022.

### **Race and Ethnicity**

According to the Decennial Census, all three study areas experienced notable decreases (both in share and absolute terms) in their non-Hispanic White populations. Conversely, the share of the population who are members of minority groups has increased, though all three study areas were already ‘majority minority’ as of 2010.<sup>2</sup> The City of Stockton has the highest share of minority residents at 83 percent, compared to 73 percent in San Joaquin County as a whole and 65 percent for the mega-region. The largest proportionate racial and ethnic concentrations in Stockton include residents who are Hispanic/Latino (44.1 percent), non-Hispanic Asian (21.1 percent), non-Hispanic White (17.1 percent), and non-Hispanic Black/African American (11.9 percent). The racial and ethnic groups that experienced the most growth include residents who are Hispanic/Latino (24,011 new residents), non-Hispanic Asian (7,415 new residents), and non-Hispanic Black/African American (4,671 new residents). This increase in the Black/African American population ran counter to the mega-region, where this group saw a decline in numbers. The data also indicate a notable increase in the number of residents who identify as multiracial or as part of other racial and ethnic groups not specified in the table.

<sup>2</sup> The term “majority minority” refers to places where more than 50 percent of the population identify as something other than non-Hispanic White, including members of all other racial and/or ethnic groups. The majority share of the population may not be comprised of a single racial and/or ethnic group to be identified as “majority minority.” The majority may be comprised of a diversity of racial and/or ethnic groups.

**Table 5: Racial and Ethnic Distribution, 2010 and 2020**

|                                  | 2010             |              | 2020             |              | Change, 2010-2020 |              |
|----------------------------------|------------------|--------------|------------------|--------------|-------------------|--------------|
|                                  | Number           | Percent      | Number           | Percent      | Number            | Percent      |
| <b>City of Stockton</b>          |                  |              |                  |              |                   |              |
| <b>Hispanic/Latino (a)</b>       | <b>117,590</b>   | <b>40.3%</b> | <b>141,601</b>   | <b>44.1%</b> | <b>24,011</b>     | <b>20.4%</b> |
| <b>Not Hispanic/Latino</b>       | <b>174,117</b>   | <b>59.7%</b> | <b>179,203</b>   | <b>55.9%</b> | <b>5,086</b>      | <b>2.9%</b>  |
| White                            | 66,836           | 22.9%        | 54,765           | 17.1%        | (12,071)          | -18.1%       |
| Black/African American           | 33,507           | 11.5%        | 38,178           | 11.9%        | 4,671             | 13.9%        |
| Native American                  | 1,237            | 0.4%         | 1,237            | 0.4%         | 0                 | 0.0%         |
| Asian                            | 60,323           | 20.7%        | 67,738           | 21.1%        | 7,415             | 12.3%        |
| Native Hawaiian/Pacific Islander | 1,622            | 0.6%         | 2,440            | 0.8%         | 818               | 50.4%        |
| Other                            | 470              | 0.2%         | 1,608            | 0.5%         | 1,138             | 242.1%       |
| Two or More Races                | 10,122           | 3.5%         | 13,237           | 4.1%         | 3,115             | 30.8%        |
| <b>Total Population</b>          | <b>291,707</b>   | <b>100%</b>  | <b>320,804</b>   | <b>100%</b>  | <b>29,097</b>     | <b>10.0%</b> |
| <b>San Joaquin County</b>        |                  |              |                  |              |                   |              |
| <b>Hispanic/Latino (a)</b>       | <b>266,341</b>   | <b>38.9%</b> | <b>325,725</b>   | <b>41.8%</b> | <b>59,384</b>     | <b>22.3%</b> |
| <b>Not Hispanic/Latino</b>       | <b>418,965</b>   | <b>61.1%</b> | <b>453,508</b>   | <b>58.2%</b> | <b>34,543</b>     | <b>8.2%</b>  |
| White                            | 245,919          | 35.9%        | 215,530          | 27.7%        | (30,389)          | -12.4%       |
| Black/African American           | 48,540           | 7.1%         | 56,898           | 7.3%         | 8,358             | 17.2%        |
| Native American                  | 3,179            | 0.5%         | 3,135            | 0.4%         | (44)              | -1.4%        |
| Asian                            | 94,547           | 13.8%        | 134,684          | 17.3%        | 40,137            | 42.5%        |
| Native Hawaiian/Pacific Islander | 3,248            | 0.5%         | 4,977            | 0.6%         | 1,729             | 53.2%        |
| Other                            | 1,383            | 0.2%         | 4,192            | 0.5%         | 2,809             | 203.1%       |
| Two or More Races                | 22,149           | 3.2%         | 34,092           | 4.4%         | 11,943            | 53.9%        |
| <b>Total Population</b>          | <b>685,306</b>   | <b>100%</b>  | <b>779,233</b>   | <b>100%</b>  | <b>93,927</b>     | <b>13.7%</b> |
| <b>San Jose-San Francisco</b>    |                  |              |                  |              |                   |              |
| <b>Oakland CSA (b)</b>           |                  |              |                  |              |                   |              |
| <b>Hispanic/Latino (a)</b>       | <b>2,419,562</b> | <b>27.1%</b> | <b>2,791,085</b> | <b>28.7%</b> | <b>371,523</b>    | <b>15.4%</b> |
| <b>Not Hispanic/Latino</b>       | <b>6,504,380</b> | <b>72.9%</b> | <b>6,922,938</b> | <b>71.3%</b> | <b>418,558</b>    | <b>6.4%</b>  |
| White                            | 3,778,395        | 42.3%        | 3,441,092        | 35.4%        | (337,303)         | -8.9%        |
| Black/African American           | 533,227          | 6.0%         | 517,729          | 5.3%         | (15,498)          | -2.9%        |
| Native American                  | 29,075           | 0.3%         | 26,248           | 0.3%         | (2,827)           | -9.7%        |
| Asian                            | 1,795,270        | 20.1%        | 2,352,258        | 24.2%        | 556,988           | 31.0%        |
| Native Hawaiian/Pacific Islander | 48,100           | 0.5%         | 52,925           | 0.5%         | 4,825             | 10.0%        |
| Other                            | 23,367           | 0.3%         | 60,184           | 0.6%         | 36,817            | 157.6%       |
| Two or More Races                | 296,946          | 3.3%         | 472,502          | 4.9%         | 175,556           | 59.1%        |
| <b>Total Population</b>          | <b>8,923,942</b> | <b>100%</b>  | <b>9,714,023</b> | <b>100%</b>  | <b>790,081</b>    | <b>8.9%</b>  |

## Notes:

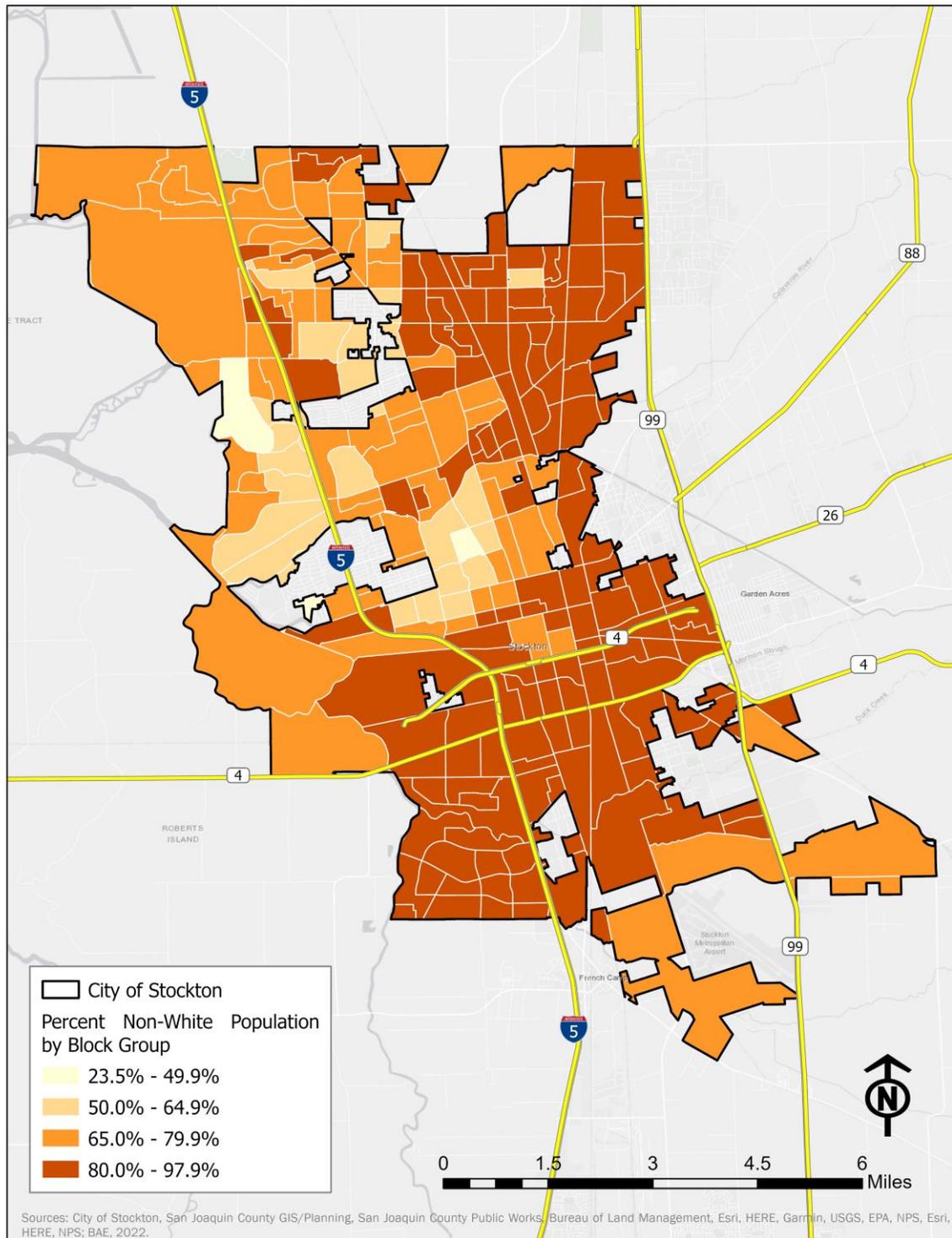
(a) Includes all races for those of Hispanic/Latino background.

(b) The San Jose-San Francisco-Oakland CSA includes Alameda, Contra Costa, Marin, Merced, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Stanislaus counties.

Sources: U.S. Census Bureau, Decennial Census 2010, Table P5; Decennial Census 2020 P.L. 94-171 Redistricting Data, Table P2; BAE, 2022.

Figure 5 illustrates the geographic distribution of residents by race and ethnicity for Census block groups located in the City of Stockton, as reported by the 2020 Decennial Census. It is important to recognize that the proportionate concentration of minority residents within each area is calculated based on estimates of the minority population residing within a given block group, divided by the estimated total population of that block group. If the resident population within a given block group is relatively small, even a small number of minority residents can result in a high proportionate minority concentration.

**Figure 5: Percent Non-White by Census Block Group, 2020 Decennial Census**



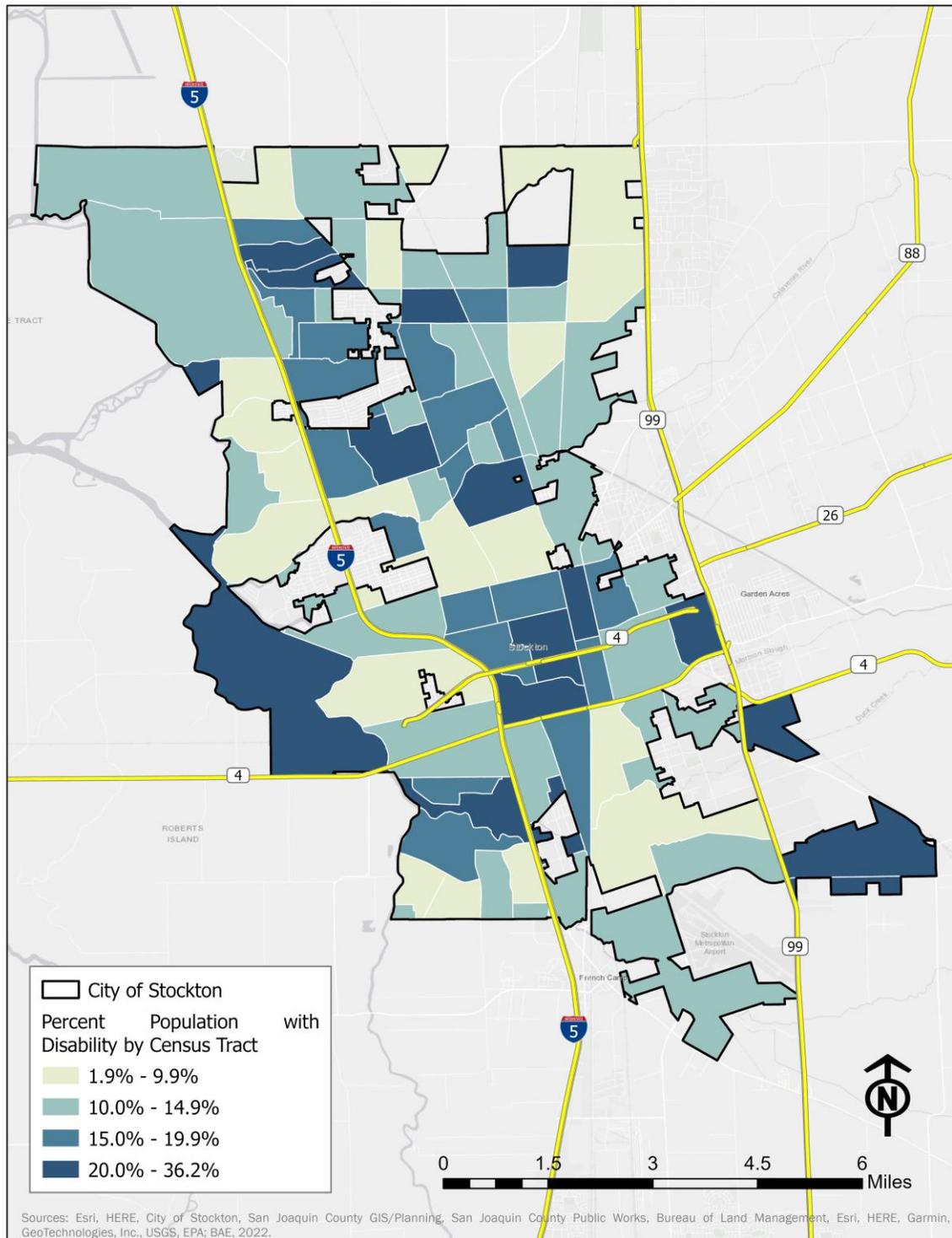
Sources: U.S. Census Bureau, 2020 Decennial Census P.L. 94-171 Redistricting Data, Table P2; BAE, 2022.

As illustrated in Figure 5, there are high concentrations of non-White residents throughout most of South Stockton (south of State Highway 4) including in areas near the Stockton Metropolitan Airport and the border with French Camp. There are also notable non-White concentrations along the City's eastern boundary towards Highway 99. There are a variety of block groups containing 80 percent or more non-White residents in north Stockton in the area extending from the Calaveras River northward toward East Morada Lane. This area expands to the railroad tracks near Holman Road, westward to North El Dorado Street, and Lower Sacramento Road. The data also indicate a smaller concentration of non-White residents located along Interstate 5 (I-5) near West Hammer Lane.

### ***Persons with Disabilities***

Persons living with disabilities are an important population with special needs with respect to housing. Such persons are often more likely to live in poverty, struggle to secure and maintain adequate employment, and sometimes require significant accommodations in housing. Figure 6 shows the geographic distribution of residents with disabilities by Census tract in the City of Stockton, as reported by the American Community Survey (ACS) 2016 to 2020 five-year sample data. Census tracts with the highest share of residents with at least one disability (i.e., 20.0 percent to 36.2 percent) are primarily located in Downtown Stockton, north of East Charter Way, along I-5 and North California Street. These areas, as well as key nodes for employment and public services, likely represent important target areas for public accessibility enhancements, as well as targeted fair housing outreach and assistance.

**Figure 6: Population with Disability by Census Tracts, 2020 Five-Year Sample Data**



Sources: U.S. Census Bureau, American Community Survey 2016-2020 five-year sample data, Table B18101; BAE, 2022.

### ***Household Income***

Income is a primary indicator of a household's standard of living and is a critical factor in determining the ability of that household to balance housing costs with other basic needs, such as food and transportation. As reported in Table 6, the median annual household income in Stockton was \$58,393 in 2020, which represents a nominal increase of more than \$10,000 since 2010.

The median income was notably lower than for the County as a whole and the mega-region, which had median incomes of \$68,628 and \$101,049, respectively. What is also significant about these figures is that while the median income in the mega-region increased in real terms (i.e., after adjusting for inflation), the median income for San Joaquin County remained roughly the same, while the median income for the City of Stockton actually decreased in terms of real purchasing power by nearly \$1,900 per year. This suggests that while housing availability and cost are vitally important concerns in Stockton, the City should also be actively pursuing economic development initiatives to improve the employment and wage prospects of Stockton residents to try and ensure that changes in the real purchasing power of Stockton households at least keep up with inflation.

Evaluation of data on households by Census income bracket, also shown in Table 6, indicates that 43 percent of Stockton households, including multiple income households, earn less than \$50,000 per year. Additional data reported in Table 28 and Table 29 indicate that the income necessary to afford the average market rent in Stockton is between \$50,000 and \$60,000 per year (which is Low-Income for a family of three or four, according to the California Department of Housing and Community Development, also known as HCD). This suggests that roughly half of Stockton households would struggle to afford average priced rental housing within the City. Similarly, the data indicate that only around 26 percent of Stockton households earn \$100,000 per year or more (which is generally considered to be an Above Moderate-Income for a family of three or four, according to HCD). Given industry standard affordability assumptions, this moderate-income level is insufficient to purchase a home in Stockton at the median price of \$425,000 at current interest rates (see Table 31).

Between 2010 and 2020, the number of households with incomes greater than \$100,000 grew by more than 9,100. This increase may include both existing households whose incomes have increased over the decade, in part due to inflation, as well as new households. The majority of these households are likely reasonably positioned to afford for-sale housing in the City. The City saw an increase of 1,800 in the number of households that earned between \$50,000 and \$99,999. These households are generally well positioned to afford market rate rental housing. Over this period, the number of households earning less than \$50,000 per year decreased by more than 6,000. This is likely due to relocation or increasing incomes, again due in part to inflation rather than a rise in real income. However, as shown in Table 7, more than 58 percent of all renter households earn less than \$50,000, with a median renter household income of only approximately \$41,000, indicating a significant existing need for

below market rate rental housing. Therefore, programs aimed at assisting households to secure below-market rate rental housing or more affordable ownership housing options could assist existing Stockton residents, as well as any new residents at lower income levels.



**Table 7: Household Income by Tenure, 2020**

| <b>City of Stockton</b>        | <b>Owner-Occupied</b> |                | <b>Renter-Occupied</b> |                | <b>All Households</b> |                |
|--------------------------------|-----------------------|----------------|------------------------|----------------|-----------------------|----------------|
|                                | <b>Number</b>         | <b>Percent</b> | <b>Number</b>          | <b>Percent</b> | <b>Number</b>         | <b>Percent</b> |
| Less than \$15,000             | 2,829                 | 6.0%           | 7,987                  | 16.7%          | 10,816                | 11.4%          |
| \$15,000 - \$24,999            | 2,428                 | 5.1%           | 6,295                  | 13.2%          | 8,723                 | 9.2%           |
| \$25,000 - \$34,999            | 3,146                 | 6.6%           | 6,245                  | 13.1%          | 9,391                 | 9.9%           |
| \$35,000 - \$49,999            | 4,663                 | 9.8%           | 7,248                  | 15.2%          | 11,911                | 12.5%          |
| \$50,000 - \$74,999            | 9,210                 | 19.4%          | 8,752                  | 18.3%          | 17,962                | 18.9%          |
| \$75,000 - \$99,999            | 7,392                 | 15.6%          | 4,574                  | 9.6%           | 11,966                | 12.6%          |
| \$100,000 - \$149,999          | 9,475                 | 20.0%          | 4,798                  | 10.0%          | 14,273                | 15.0%          |
| \$150,000 or greater           | 8,338                 | 17.6%          | 1,856                  | 3.9%           | 10,194                | 10.7%          |
| <b>Total Households</b>        | <b>47,481</b>         | <b>100%</b>    | <b>47,755</b>          | <b>100%</b>    | <b>95,236</b>         | <b>100%</b>    |
| <b>Median Household Income</b> | <b>\$77,969</b>       |                | <b>\$40,968</b>        |                | <b>\$58,393</b>       |                |

| <b>San Joaquin County</b>      | <b>Owner-Occupied</b> |                | <b>Renter-Occupied</b> |                | <b>All Households</b> |                |
|--------------------------------|-----------------------|----------------|------------------------|----------------|-----------------------|----------------|
|                                | <b>Number</b>         | <b>Percent</b> | <b>Number</b>          | <b>Percent</b> | <b>Number</b>         | <b>Percent</b> |
| Less than \$15,000             | 7,065                 | 5.3%           | 13,053                 | 13.4%          | 20,118                | 8.7%           |
| \$15,000 - \$24,999            | 6,617                 | 5.0%           | 11,874                 | 12.2%          | 18,491                | 8.0%           |
| \$25,000 - \$34,999            | 7,840                 | 5.9%           | 11,489                 | 11.8%          | 19,329                | 8.4%           |
| \$35,000 - \$49,999            | 11,058                | 8.3%           | 14,411                 | 14.7%          | 25,469                | 11.0%          |
| \$50,000 - \$74,999            | 22,200                | 16.6%          | 19,048                 | 19.5%          | 41,248                | 17.8%          |
| \$75,000 - \$99,999            | 19,478                | 14.6%          | 10,594                 | 10.8%          | 30,072                | 13.0%          |
| \$100,000 - \$149,999          | 27,845                | 20.9%          | 11,437                 | 11.7%          | 39,282                | 17.0%          |
| \$150,000 or greater           | 31,278                | 23.5%          | 5,805                  | 5.9%           | 37,083                | 16.0%          |
| <b>Total Households</b>        | <b>133,381</b>        | <b>100%</b>    | <b>97,711</b>          | <b>100%</b>    | <b>231,092</b>        | <b>100%</b>    |
| <b>Median Household Income</b> | <b>\$89,537</b>       |                | <b>\$47,919</b>        |                | <b>\$68,628</b>       |                |

| <b>San Jose-San Francisco<br/>Oakland CSA</b> | <b>Owner-Occupied</b> |                | <b>Renter-Occupied</b> |                | <b>All Households</b> |                |
|---|-----------------------|----------------|------------------------|----------------|-----------------------|----------------|
|   | <b>Number</b>         | <b>Percent</b> | <b>Number</b>          | <b>Percent</b> | <b>Number</b>         | <b>Percent</b> |
| Less than \$15,000                            | 69,534                | 3.7%           | 159,502                | 11.0%          | 229,036               | 6.9%           |
| \$15,000 - \$24,999                           | 66,801                | 3.5%           | 109,061                | 7.6%           | 175,862               | 5.3%           |
| \$25,000 - \$34,999                           | 74,897                | 4.0%           | 106,237                | 7.4%           | 181,134               | 5.4%           |
| \$35,000 - \$49,999                           | 117,400               | 6.2%           | 143,742                | 10.0%          | 261,142               | 7.8%           |
| \$50,000 - \$74,999                           | 209,625               | 11.1%          | 216,166                | 15.0%          | 425,791               | 12.8%          |
| \$75,000 - \$99,999                           | 205,452               | 10.9%          | 168,737                | 11.7%          | 374,189               | 11.2%          |
| \$100,000 - \$149,999                         | 353,825               | 18.8%          | 227,391                | 15.7%          | 581,216               | 17.5%          |
| \$150,000 or greater                          | 786,065               | 41.7%          | 313,265                | 21.7%          | 1,099,330             | 33.0%          |
| <b>Total Households</b>                       | <b>1,883,599</b>      | <b>100%</b>    | <b>1,444,101</b>       | <b>100%</b>    | <b>3,327,700</b>      | <b>100%</b>    |
| <b>Median Household Income</b>                | <b>\$125,846</b>      |                | <b>\$73,344</b>        |                | <b>\$101,049</b>      |                |

Sources: U.S. Census Bureau, American Community Survey 2016-2020 five-year sample data, Tables B25118 and B25119; BAE, 2022.

Figure 7 shows the geographic distribution of Census block groups by median income in the City of Stockton, as reported by the American Community Survey (ACS) 2016 to 2020 five-year sample data. Block groups where the median annual household income is less than \$40,000 are mainly concentrated Downtown and in South Stockton, with some block groups scattered throughout in north-central Stockton as well. Higher income households, including those earning more than the city's median household income, are heavily concentrated in the more newly developed areas of northwestern Stockton on either side of Interstate 5 (I-5) and just west of State Highway 99 (SR-99). There is also a newer subdivision in southwest Stockton called Weston Ranch, north of French Camp, which features higher income households.

### ***Racially and/or Ethnically Concentrated Areas of Poverty (R/ECAP)***

U.S. Department of Housing and Urban Development (HUD) developed a method for identifying disproportionate impacts of poverty on racial and ethnic minority groups which relies on a racial and ethnic concentration threshold, as well as a poverty test. The racial and ethnic concentration threshold requires that Racially Concentrated Areas of Poverty (RCAP) or Ethnically Concentrated Areas of Poverty (ECAP) have a non-White population of 50 percent or more. The poverty test defines areas of "extreme poverty" as those where 40 percent or more of the population lives at or below the federal poverty line, or those where the poverty rate is three times the average poverty rate in the metropolitan area, whichever is less. Figure 8 identifies the R/ECAP areas in Stockton by Census tracts,<sup>3</sup> based on the criteria delineated by HUD. Concentrations of R/ECAP tracts are located throughout Downtown Stockton and the areas immediate to the south of State Highway 4 (SR-4). The R/ECAP tract geographic distribution is very similar to that of lower income households with notable concentrations in Downtown and South Stockton.

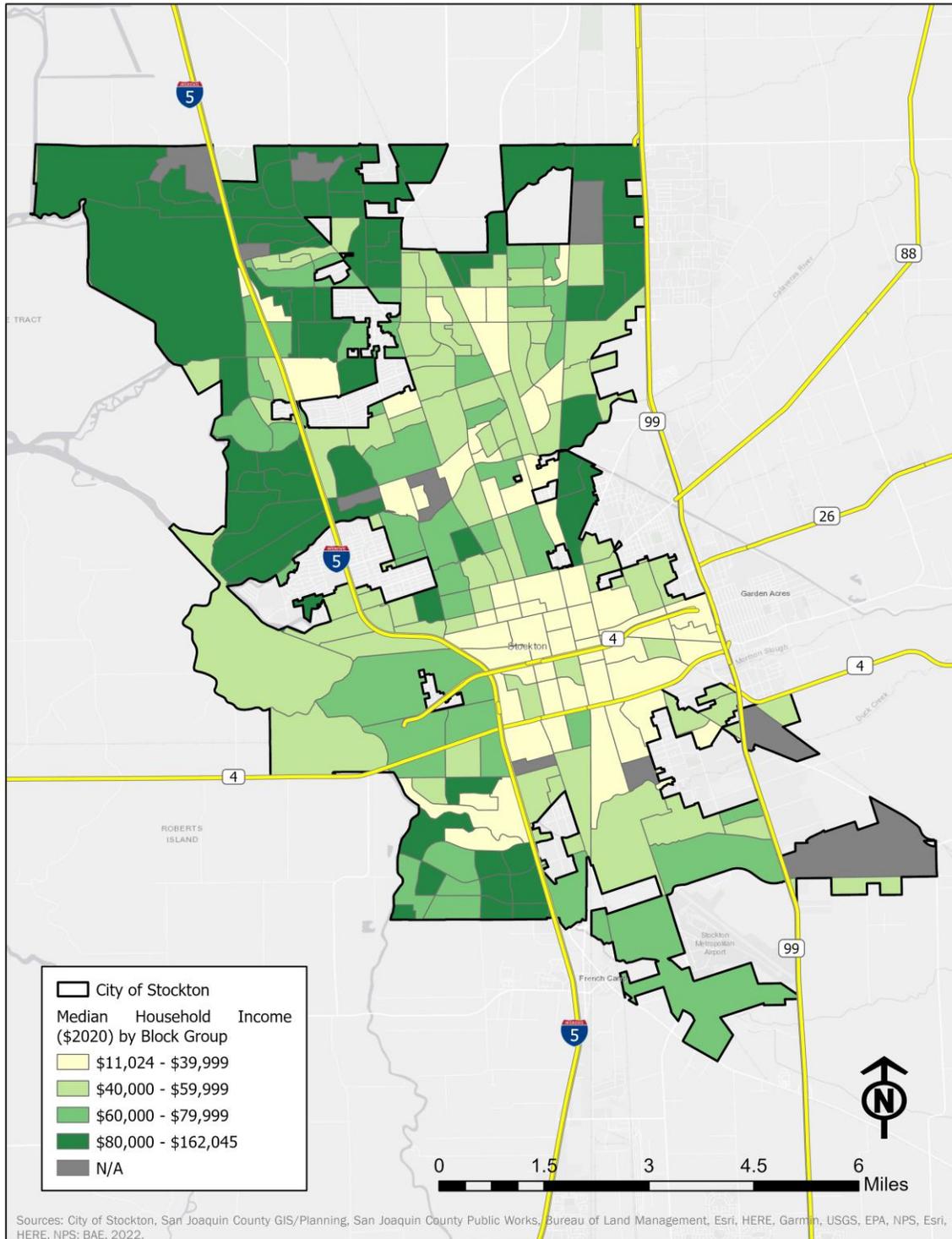
### ***Racially and/or Ethnically Concentrated Areas of Affluence***

Where the R/ECAP areas reflect concentrations of poverty, the California Department of Housing and Community Development (HCD) has developed an alternative metric focused on areas of racially and ethnically concentrated affluence (RCAAs). According to official data published as part of HCD's Affirmatively Furthering Fair Housing (AFFH) Data and Mapping Tool, there are very limited RCAA areas in Stockton, in northern and western parts of the city, reflecting the high minority population of most of Stockton as well as the limited affluence level relative to the Bay Area (see Figure 9).

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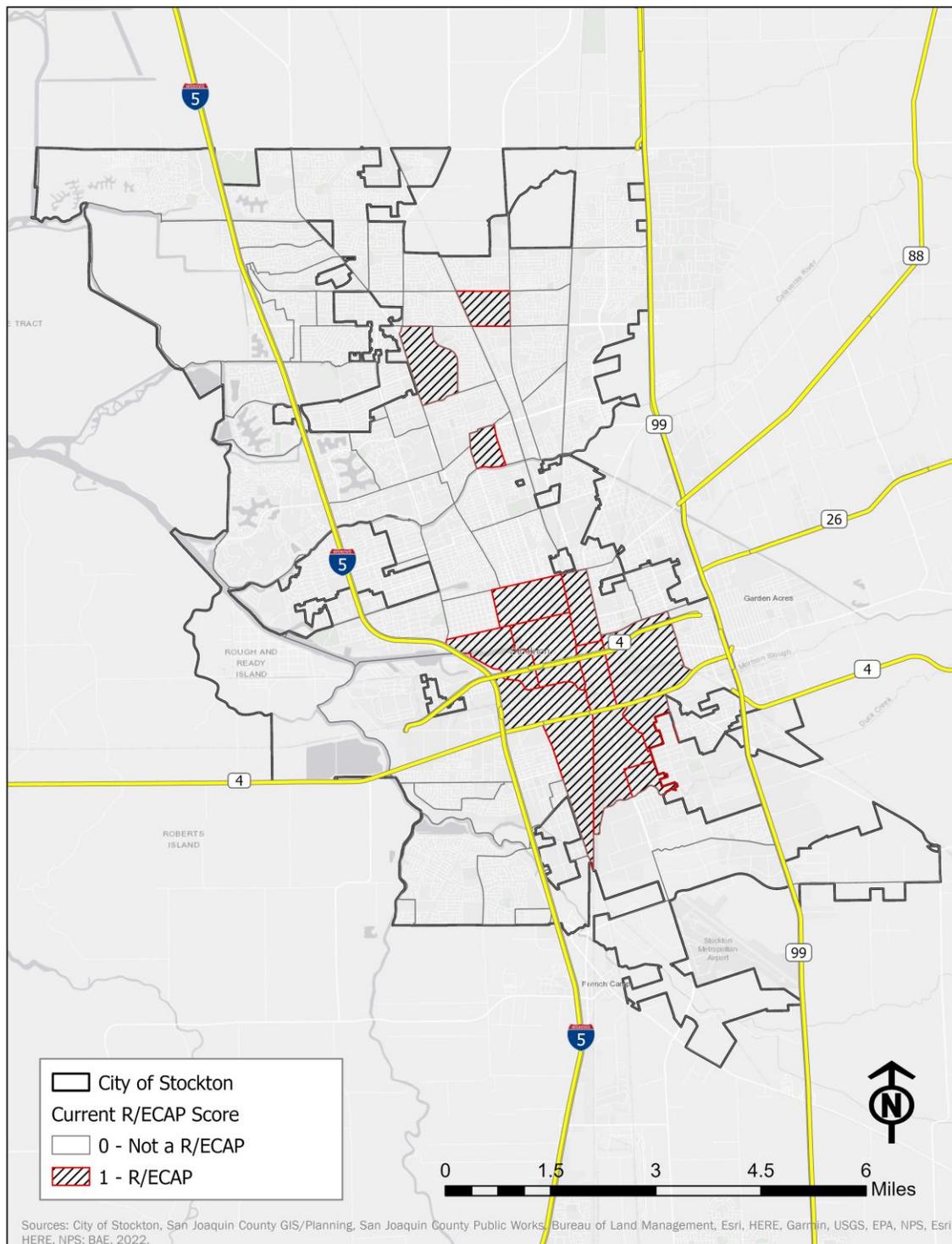
<sup>3</sup> Where Figures 7 and 8 provided data at the smaller block group level, HUD provides R/ECAP data only at the larger Census Tract level.

**Figure 7: Median Household Income by Census Block Group, 2020 Five-Year Sample Data**



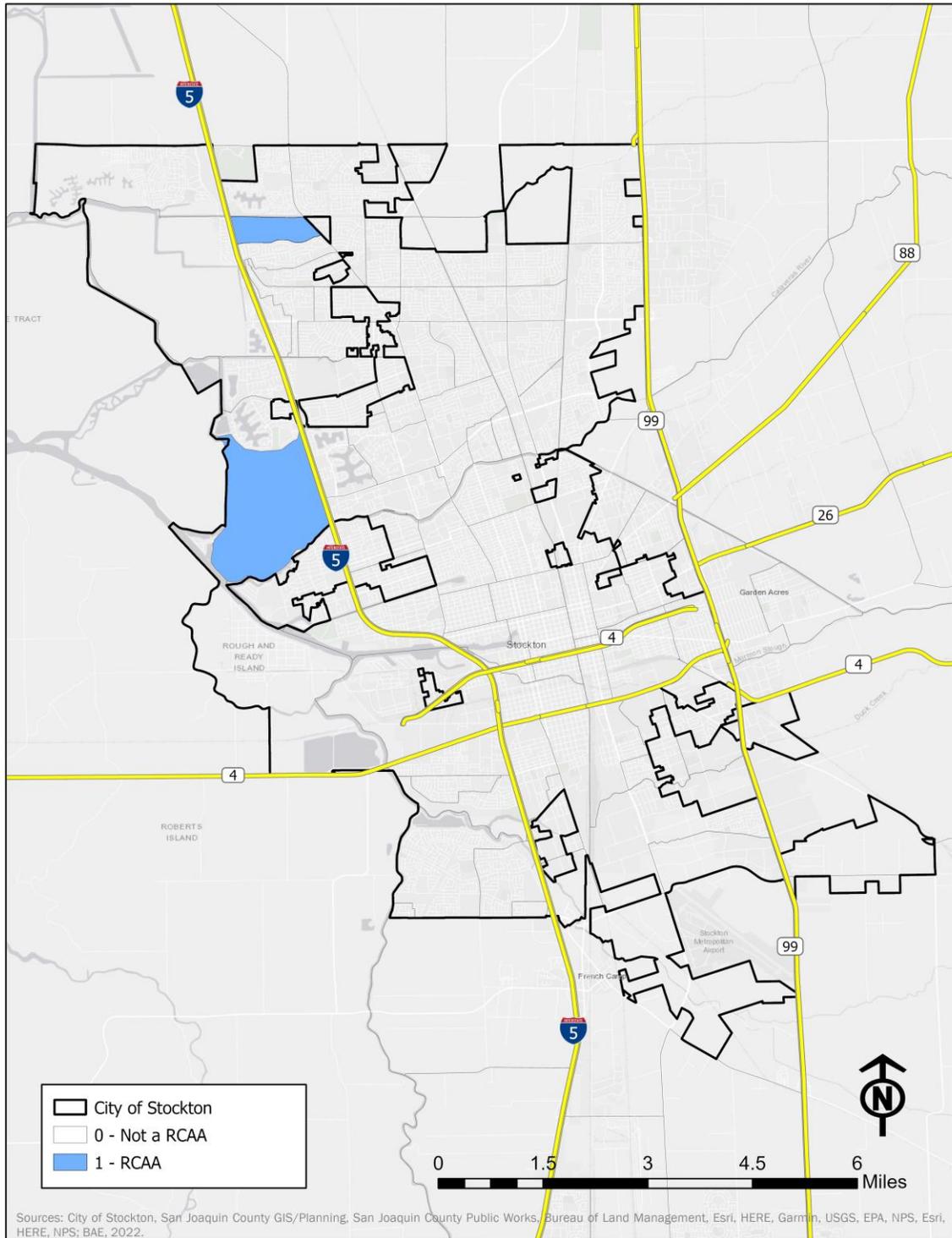
Sources: U.S. Census Bureau, American Community Survey 2016-2020 five-year sample data, Table B19013; BAE, 2022.

**Figure 8: Racially and/or Ethnically Concentrated Areas of Poverty by Census Tracts, 2018**



Sources: U.S. Census Bureau, American Community Survey, 2014-2018 five-year sample data; HUD; BAE, 2022.

**Figure 9: Racially and/or Ethnically Concentrated Areas of Affluence by Census Tract, 2015-2019**



Sources: HCD; BAE, 2022.

### ***TCAC/HCD Opportunity Scores***

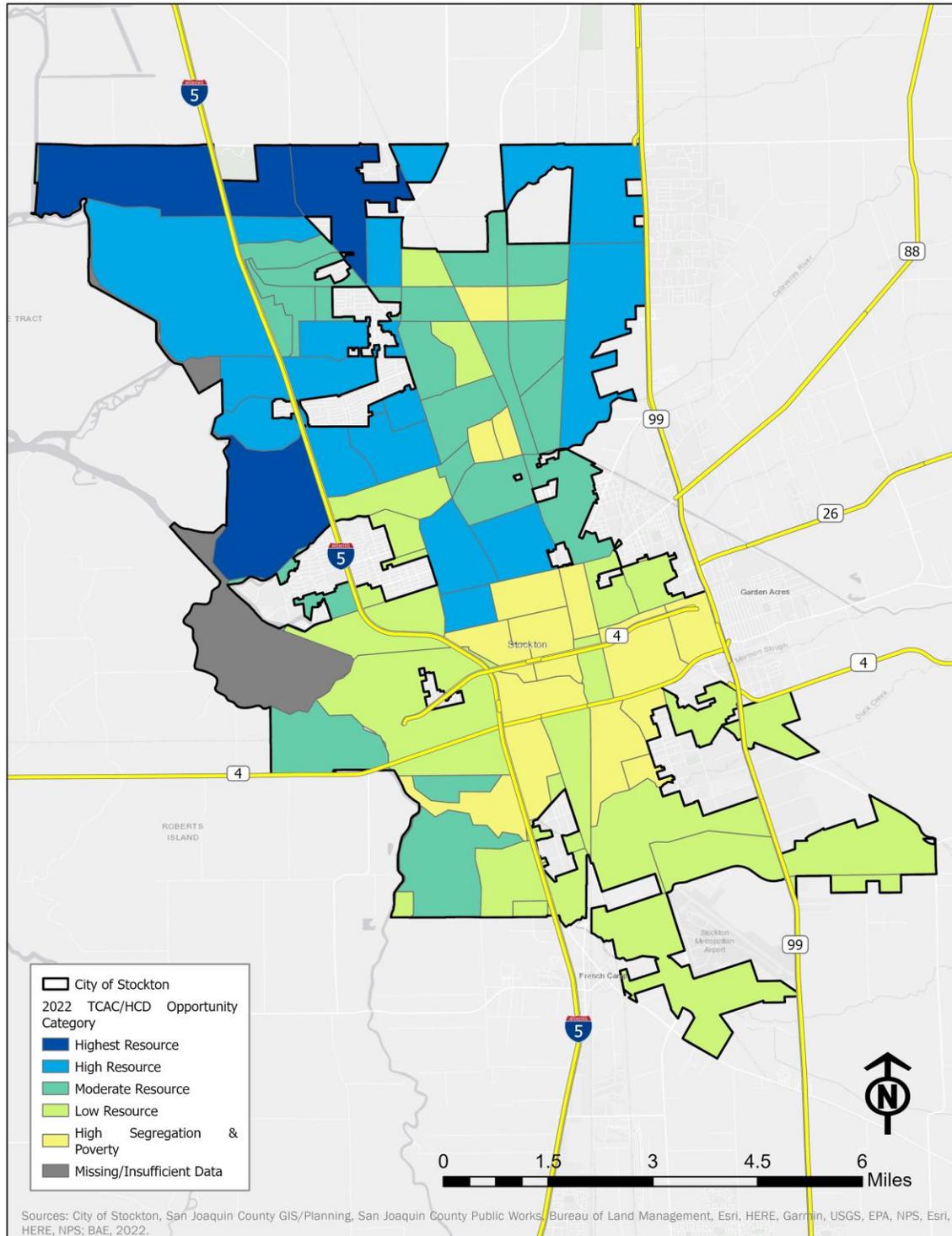
AB 686 requires the needs assessment of the Housing Element to include an analysis of access to opportunities. To facilitate this assessment, HCD and the State Tax Credit Allocation Committee (TCAC) convened an independent group of organizations and research institutions under the umbrella of the California Fair Housing Task Force, which produces an annual set of Opportunity Maps. The maps identify areas within every region of the state “whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families – particularly long-term outcomes for children. TCAC and HCD created these “Opportunity Maps,” using reliable and publicly available data sources to derive 21 indicators to calculate opportunity index scores for Census tracts in each region of California. The TCAC/HCD Opportunity Map categorizes Census tracts into five groups based on the opportunity index scores: Highest Resource, High Resource, Moderate Resource, Low Resource, and High Segregation & Poverty.

Before an area receives an opportunity index score, some Census tracts are filtered into the High Segregation & Poverty category. The filter identifies Census tracts where at least 30 percent of population is below the federal poverty line and there is a disproportionate share of households of color. After filtering out High Segregation and Poverty areas, the TCAC/HCD Opportunity Map allocates the 20 percent of tracts in each region with the highest relative opportunity index scores to the Highest Resource designation and the next 20 percent to the High Resource designation. The remaining non-filtered tracts are then evenly divided into Moderate Resource and Low Resource categories.

As illustrated in Figure 10, the higher resource tracts are largely concentrated in the northern part of the city. Tracts with High Segregation and Poverty are clustered in Downtown Stockton and correlate to the concentration of lower median household income block groups and the R/ECAPs discussed earlier. Also, most of the tracts located to the south of East Harding Way are identified as either High Segregation and Poverty or Low Resource. The exceptions are three Census tracts located near the western City Limits on either side of SR-4. By comparison, Low Resource Census tracts in northern Stockton tend to be more spread out and are often adjacent to Moderate and High Resource Census tracts.

As a point of policy, the Housing Element sites inventory and the Housing Action Plan priority sites inventory will need to strike a balance between the identification of sites located in High Segregation and Poverty and Low Resource Census tracts, where many existing households could benefit from improved housing options, and sites located in High and Highest Resource Census tracts which typically offer lower-income households greater access to opportunity.

**Figure 10: TCAC/HCD Opportunity Scores by Census Tracts, 2022**



Sources: California Tax Credit Allocation Committee, Opportunity Area Maps, 2022; BAE, 2022.

### ***Homeless Persons***

HUD generally defines homeless persons as those who lack a fixed, regular, and adequate nighttime residence, as well as those residing in shelters or places not designed as regular sleeping accommodations. Most individuals and families become homeless because they are unable to afford housing in a particular community. A local provider of housing in San Joaquin County for persons experiencing homelessness reports that many homeless persons are employed, many of them as farmworkers, while many others have issues with mental illness that prevent them from finding and keeping employment. Local housing providers also report community opposition to developing housing for homeless and formerly homeless individuals. Single adults typically comprise the majority of the homeless population, who enter and exit the social support network fairly quickly. The remainder include homeless adults and families who remain a part of the homeless assistance system over long periods of time, primarily residing in shelters and on the street. Though representing a minority of the overall homeless population, unaccompanied minors represent an important and vulnerable sub-population.

On the date of the San Joaquin County Continuum of Care (CoC) Point-in-Time (PIT) Count in January 2022, there were 2,319 homeless individuals located in the county. Of those, 1,355 were unsheltered, which represents a decrease nearly 15 percent from the 1,558 unsheltered homeless individuals identified in 2019. The survey identified 893 unsheltered individuals living in the City of Stockton in 2022,<sup>4</sup> which was equal to a decrease of three percent from 2019, when the CoC identified 921 unsheltered individuals living in Stockton. According to the CoC, this may represent a true decrease in the number of homeless individuals in San Joaquin County, but may also be due to extenuating circumstances, such as the impact of the Coronavirus pandemic on the number of volunteers that were available to carry out the 2022 PIT Count. The reduction in the number of volunteers also drove a reduced focus on outlying areas of the County that were more intensively surveyed in 2019 compared to 2022. The removal of some larger encampments may have also reduced the accuracy of the 2022 PIT Count and anecdotal evidence indicates that the Pandemic may have discouraged at least some homeless persons from seeking accommodations at shelters and in other congregate environments. Despite the observed decrease in the number of identified homeless persons in San Joaquin County, the magnitude of the issue remains significant. The CoC also indicates that chronic homelessness among the unsheltered population appears to be on the rise.

The numbers suggest that the County is providing shelter for roughly 42 percent of the documented homeless population. The survey identified only one unsheltered person under the age of 18. The CoC indicates that almost all homeless children are accompanied by an

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<sup>4</sup> This data indicates that while both San Joaquin County and the City of Stockton saw a decrease in the total number of individuals observed to be experiencing homelessness, the share of the countywide homeless population living in Stockton increased from 61 percent to 66 percent. This may be due, at least in part, to the fact that Stockton hosts a majority of the countywide inventory of homeless service providers and associated facilities. Nonetheless, new homeless shelters are under development in Lodi, Manteca, and Tracy, with a new acute care facility in French Camp.

adult caretaker. Among the sheltered population there were a total of 328 children, representing around 34 percent of the total sheltered population.

Broken down by ethnic identity, the majority of the homeless population is non-Hispanic/Latino, indicating that persons who identify as Hispanic/Latino are proportionately underrepresented compared to the broader population. In terms of racial identity, the majority of homeless persons are White, including among both sheltered and unsheltered persons. The next largest subgroup among both the sheltered and unsheltered populations is Black or African American persons. African Americans are comparatively overrepresented by a significant margin within the homeless population compared their proportionate distribution among the general population, while Whites are somewhat overrepresented.

The CoC indicates that homelessness disproportionately impacts single men, as well as female-headed families. While single men account for the majority of both sheltered and unsheltered homeless people, female headed households account for nearly 80 percent of all homeless families with children. Veterans are also disproportionately represented.

**Table 8: Sheltered and Unsheltered Homeless Population, San Joaquin County, 2022**

| <b>Age Group</b>                          | <b>Unsheltered</b> |                | <b>Sheltered</b> |                |                     |                |
|---|--------------------|----------------|------------------|----------------|---------------------|----------------|
|   | <b>Number</b>      | <b>Percent</b> | <b>Emergency</b> |                | <b>Transitional</b> |                |
|   |                    |                | <b>Number</b>    | <b>Percent</b> | <b>Number</b>       | <b>Percent</b> |
| Adults                                    | 1,354              | 99.9%          | 506              | 62.9%          | 130                 | 81.3%          |
| Children                                  | 1                  | 0.1%           | 298              | 37.1%          | 30                  | 18.8%          |
| <b>Total, All Ages</b>                    | <b>1,355</b>       | <b>100%</b>    | <b>804</b>       | <b>100%</b>    | <b>160</b>          | <b>100%</b>    |
| <b>Ethnic Group</b>                       |                    |                |                  |                |                     |                |
| Non-Hispanic/Latino                       | 944                | 69.7%          | 544              | 67.7%          | 105                 | 65.6%          |
| Hispanic/Latino                           | 411                | 30.3%          | 260              | 32.3%          | 55                  | 34.4%          |
| <b>Total, All Ethnic Groups</b>           | <b>1,355</b>       | <b>100%</b>    | <b>804</b>       | <b>100%</b>    | <b>160</b>          | <b>100%</b>    |
| <b>Racial Group</b>                       |                    |                |                  |                |                     |                |
| White                                     | 930                | 68.6%          | 425              | 52.9%          | 108                 | 67.5%          |
| Black or African-American                 | 271                | 20.0%          | 211              | 26.2%          | 37                  | 23.1%          |
| Asian                                     | 35                 | 2.6%           | 26               | 3.2%           | 5                   | 3.1%           |
| American Indian or Alaska Native          | 23                 | 1.7%           | 23               | 2.9%           | 3                   | 1.9%           |
| Native Hawaiian or Other Pacific Islander | 7                  | 0.5%           | 18               | 2.2%           | 1                   | 0.6%           |
| Multiple Race                             | 89                 | 6.6%           | 101              | 12.6%          | 6                   | 3.8%           |
| <b>Total, All Racial Groups</b>           | <b>1,355</b>       | <b>100%</b>    | <b>804</b>       | <b>100%</b>    | <b>160</b>          | <b>100%</b>    |

Sources: San Joaquin County Continuum of Care, Point-In-Time Count, 2022; BAE, 2022.

As an addendum to the 2022 County PIT, the CoC identified five key strategies necessary to further reduce the prevalence of homelessness within the community and to assist households in securing adequate and affordable housing:

- 1) **Expand Homelessness Prevention** – While not necessarily causal, the observed decline in homelessness coincides with significant investments in homelessness prevention, including significant increases in funding resulting from the Federal pandemic response. Homelessness prevention strategies are widely acknowledged to be cost effective at reducing and preventing homelessness and housing insecurity.
- 2) **Expand Emergency Shelter Resources** – Additional low-barrier shelter space is needed to accommodate the unsheltered homeless population indoors. To be effective, shelters must be attractive to persons experiencing homelessness and must meet their needs, including being community oriented and accommodating pets, partners, possessions, and the human need for privacy.
- 3) **Expand Permanent Housing Options** – A fundamental lack of adequate and affordable housing options is the cause of homelessness. Shelters and coordinated entry points are only effective if paired with an exit process that leads to long-term housing options.
- 4) **Long-Term Supportive Services** – Those who are homeless, particularly those who are chronically homeless, need long-term support to successfully remain housed, including extended case management and long-term rent subsidies.
- 5) **Address Disparities in Homelessness** – As noted above, single-men, female-headed families, Black and African Americans, and military veterans are disproportionately impacted by homelessness. Programs and investments should be tailored to address these disparities emphasizing equity, inclusion, cultural competency, and compassion.

### ***Resources for Homelessness***

The San Joaquin County Community Development Department is the lead agency for the San Joaquin County Continuum of Care (CoC), which represents a consortium of local government agencies and nonprofit organizations, encompassing all jurisdictions in San Joaquin County, including the City of Stockton. Per HUD regulations, the CoC documents the demographics and needs of homeless individuals and families, as well as the available shelter and supportive services. According to the HUD 2022 CoC Homeless Assistance Programs Housing Inventory County (HIC) report there were approximately 1,161 year-round emergency shelter beds and 317 year-round transitional housing beds within the San Joaquin CoC system, as well as 886 units of year-round permanent housing. For more details regarding this inventory, please see

Table 9 on the following page.

**Table 9: Continuum of Care Homeless Housing Inventory Count, San Joaquin County**

| Housing Type                                   | Family Units | Family Beds  | Adult-Only Beds | Child-Only Beds | Total Yr-Round Beds | Subset of Total |              |            |
|--|--------------|--------------|-----------------|-----------------|---------------------|-----------------|--------------|------------|
|  |              |              |                 |                 |                     | Chronic Beds    | Veteran Beds | Youth Beds |
| Emergency Shelter                              | 163          | 577          | 576             | 8               | 1,161               | 0               | 28           | 52         |
| Transitional Housing                           | 34           | 146          | 171             | 0               | 317                 | 0               | 0            | 8          |
| <b>Emergency, Safe Haven, and Transitional</b> | <b>197</b>   | <b>723</b>   | <b>747</b>      | <b>8</b>        | <b>1,478</b>        | <b>0</b>        | <b>28</b>    | <b>60</b>  |
| Permanent Supportive Housing                   | 91           | 272          | 450             | 0               | 722                 | 271             | 326          | 31         |
| Rapid Re-Housing                               | 69           | 235          | 55              | 0               | 290                 | 0               | 38           | 26         |
| Other Permanent Housing                        | 0            | 0            | 22              | 0               | 22                  | 0               | 0            | 0          |
| <b>Permanent Housing</b>                       | <b>160</b>   | <b>507</b>   | <b>527</b>      | <b>0</b>        | <b>1,034</b>        | <b>0</b>        | <b>364</b>   | <b>57</b>  |
| <b>Total, All</b>                              | <b>357</b>   | <b>1,230</b> | <b>1,274</b>    | <b>8</b>        | <b>2,512</b>        | <b>271</b>      | <b>392</b>   | <b>117</b> |

Sources: HUD, 2021 Continuum of Care Homeless Assistance Programs Housing Inventory County Report; BAE, 2022.

### **Resident Employment by Industry**

Recognizing the household income is typically a function of employment, Table 10 reports the number of local residents employed within different industry sectors.

The data show relatively high concentrations of resident employment within a variety of lower-wage industries, including Agriculture; Retail; and Transportation and Warehousing (i.e., logistics). Somewhat higher wage industries with above average concentrations of resident employment, compared to the CSA, include Construction and Public Administration. The City of Stockton generally has below average concentrations of resident employment in higher wage industries such as Information; Finance and Insurance; Real Estate and Leasing; Professional, Scientific, and Technical Services; and Management of Companies and Enterprises. Economic development focused on providing higher wage jobs and job training for city and county residents could lead to a better affordability fit between housing demand and the housing supply.

While the distribution of resident employment is generally similar between the City of Stockton and San Joaquin County, the City shows above average concentrations in some sectors, most notably Transportation and Warehousing, and Healthcare and Social Assistance.

**Table 10: Employed Residents by Industry, 2020 Five-Year Sample Data**

| <b>Industry</b>                               | <b>City of Stockton</b> |                | <b>San Joaquin County</b> |                | <b>San Jose-San Francisco<br/>Oakland CSA</b> |                |
|---|-------------------------|----------------|---------------------------|----------------|---|----------------|
|   | <b>Number</b>           | <b>Percent</b> | <b>Number</b>             | <b>Percent</b> | <b>Number</b>                                 | <b>Percent</b> |
| Agriculture, forestry, fishing and hunting    | 4,983                   | 3.9%           | 14,252                    | 4.5%           | 73,220  | 1.5%           |
| Mining, quarrying, and oil and gas extraction | 27                      | 0.0%           | 220                       | 0.1%           | 2,571   | 0.1%           |
| Construction                                  | 9,207                   | 7.1%           | 27,114                    | 8.5%           | 293,173                                       | 6.0%           |
| Manufacturing                                 | 10,425                  | 8.1%           | 30,223                    | 9.5%           | 485,281                                       | 10.0%          |
| Wholesale Trade                               | 3,679                   | 2.9%           | 9,655                     | 3.0%           | 111,028                                       | 2.3%           |
| Retail Trade                                  | 15,650                  | 12.1%          | 37,996                    | 11.9%          | 467,700                                       | 9.6%           |
| Transportation and warehousing                | 11,505                  | 8.9%           | 24,567                    | 7.7%           | 206,717                                       | 4.3%           |
| Utilities                                     | 837                     | 0.6%           | 2,609                     | 0.8%           | 32,540  | 0.7%           |
| Information                                   | 1,358                   | 1.1%           | 4,015                     | 1.3%           | 174,688                                       | 3.6%           |
| Finance and insurance                         | 3,723                   | 2.9%           | 8,976                     | 2.8%           | 191,640                                       | 3.9%           |
| Real estate and rental and leasing            | 1,967                   | 1.5%           | 5,603                     | 1.8%           | 101,359                                       | 2.1%           |
| Professional, scientific, and technical svcs  | 4,183                   | 3.2%           | 14,777                    | 4.6%           | 656,122                                       | 13.5%          |
| Management of companies and enterprises       | 71                      | 0.1%           | 221                       | 0.1%           | 8,013   | 0.2%           |
| Admin and support and waste mgmt svcs         | 6,693                   | 5.2%           | 15,879                    | 5.0%           | 206,328                                       | 4.2%           |
| Educational svcs                              | 10,427                  | 8.1%           | 25,391                    | 7.9%           | 414,145                                       | 8.5%           |
| Health care and social assistance             | 18,275                  | 14.2%          | 40,223                    | 12.6%          | 599,212                                       | 12.3%          |
| Arts, entertainment, and recreation           | 2,176                   | 1.7%           | 5,005                     | 1.6%           | 103,893                                       | 2.1%           |
| Accommodation and food svcs                   | 9,182                   | 7.1%           | 20,912                    | 6.5%           | 329,058                                       | 6.8%           |
| Other svcs, except public admin               | 7,090                   | 5.5%           | 15,573                    | 4.9%           | 223,850                                       | 4.6%           |
| Public admin                                  | 7,494                   | 5.8%           | 16,597                    | 5.2%           | 178,391                                       | 3.7%           |
| <b>Total Resident Employment</b>              | <b>128,952</b>          | <b>100%</b>    | <b>319,808</b>            | <b>100%</b>    | <b>4,858,929</b>                              | <b>100%</b>    |

Sources: U.S. Census Bureau, American Community Survey 2016-2020 five-year sample data, Table B23025 and S2403; BAE, 2022.

### **Resident Unemployment Trends**

Table 11 reports annualized labor force data from the U.S. Bureau of Labor Statistics (BLS) from 2010 to 2021. The data indicate that the unemployment rate in Stockton has

consistently remained around one percentage point higher than for the County as a whole. The data also illustrate the impacts of the economic recovery from the Great Recession in 2008-2009, with unemployment in Stockton not dropping below 10 percent until 2015. In the years just prior to the onset of the ongoing Coronavirus pandemic, the City of Stockton maintained an unemployment rate between 7.0 and 9.0 percent. With the start of the pandemic in 2020, the unemployment rate jumped to 13.2 percent. Monthly data from the BLS indicate that the seasonal unemployment rates in Stockton and San Joaquin County had dropped consistently over time to a low of only 5.0 and 4.3 percent respectively in May of 2022t.

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**Table 11: Resident Unemployment Trends, 2010-2021**

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**City of Stockton**

| <u>Year</u> | <u>Labor Force</u> | <u>Employment</u> | <u>Unemployment</u> | <u>Rate</u> |
|-------------|--------------------|-------------------|---------------------|-------------|
| 2021        | 132,126            | 118,873           | 13,253              | 10.0%       |
| 2020        | 132,591            | 115,089           | 17,502              | 13.2%       |
| 2019        | 129,669            | 120,629           | 9,040               | 7.0%        |
| 2018        | 129,473            | 120,279           | 9,194               | 7.1%        |
| 2017        | 130,075            | 119,579           | 10,496              | 8.1%        |
| 2016        | 128,752            | 117,011           | 11,741              | 9.1%        |
| 2015        | 127,563            | 115,241           | 12,322              | 9.7%        |
| 2014        | 127,080            | 112,476           | 14,604              | 11.5%       |
| 2013        | 127,726            | 110,595           | 17,131              | 13.4%       |
| 2012        | 127,866            | 107,830           | 20,036              | 15.7%       |
| 2011        | 128,218            | 105,586           | 22,632              | 17.7%       |
| 2010        | 128,923            | 105,544           | 23,379              | 18.1%       |

**San Joaquin County**

| <u>Year</u> | <u>Labor Force</u> | <u>Employment</u> | <u>Unemployment</u> | <u>Rate</u> |
|-------------|--------------------|-------------------|---------------------|-------------|
| 2021        | 334,250            | 305,278           | 28,972              | 8.7%        |
| 2020        | 334,292            | 295,559           | 38,733              | 11.6%       |
| 2019        | 327,089            | 307,458           | 19,631              | 6.0%        |
| 2018        | 324,146            | 304,226           | 19,920              | 6.1%        |
| 2017        | 322,951            | 300,205           | 22,746              | 7.0%        |
| 2016        | 318,316            | 292,367           | 25,949              | 8.2%        |
| 2015        | 314,401            | 286,281           | 28,120              | 8.9%        |
| 2014        | 311,543            | 278,342           | 33,201              | 10.7%       |
| 2013        | 312,140            | 273,256           | 38,884              | 12.5%       |
| 2012        | 311,393            | 265,990           | 45,403              | 14.6%       |
| 2011        | 311,159            | 259,969           | 51,190              | 16.5%       |
| 2010        | 312,104            | 259,334           | 52,770              | 16.9%       |

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Sources: Bureau of Labor Statistics (BLS), Local Unemployment Statistics; BAE, 2022.

## Jobs by Industry

Table 12 reports total jobs by industry,<sup>5</sup> as reported by the ACS. According to this data, the City of Stockton has above average concentrations of jobs compared to the CSA in Agriculture; Construction; Retail Trade; Transportation and Warehousing; Educational Services and Healthcare; and Public Administration. The distribution of jobs by industry in the City of Stockton is quite similar to the countywide distribution, except that the City has an above average concentration of jobs in Educational Services and Healthcare.

**Table 12: Jobs by Industry, 2020 Five-Year Sample Data**

| Industry  | City of Stockton |             | San Joaquin County |             | San Jose-San Francisco<br>Oakland CSA |             |
|---|------------------|-------------|--------------------|-------------|---------------------------------------|-------------|
|   | Number           | Percent     | Number             | Percent     | Number                                | Percent     |
| Agriculture, forestry, fishing/hunting & mining                         | 3,450            | 3.0%        | 14,557             | 5.4%        | 76,346                                | 1.6%        |
| Construction  | 8,141            | 7.1%        | 17,931             | 6.6%        | 290,675                               | 6.1%        |
| Manufacturing   | 7,551            | 6.6%        | 23,886             | 8.8%        | 476,881                               | 10.0%       |
| Wholesale trade   | 3,655            | 3.2%        | 8,990              | 3.3%        | 110,068                               | 2.3%        |
| Retail trade  | 14,634           | 12.7%       | 34,501             | 12.7%       | 455,316                               | 9.6%        |
| Transportation and warehousing, and utilities                           | 9,493            | 8.2%        | 26,895             | 9.9%        | 238,884                               | 5.0%        |
| Information   | 1,149            | 1.0%        | 2,807              | 1.0%        | 172,801                               | 3.6%        |
| Finance & insurance/real estate/rental/leasing                          | 5,593            | 4.9%        | 11,903             | 4.4%        | 287,747                               | 6.1%        |
| Professional, scientific, and mgmt, and admin<br>and waste mgmt svcs    | 10,134           | 8.8%        | 22,483             | 8.3%        | 846,478                               | 17.8%       |
| Educational svcs, and health care/social asst                           | 29,502           | 25.6%       | 57,502             | 21.2%       | 977,302                               | 20.6%       |
| Arts, entertainment, and recreation, and<br>accommodation and food svcs | 9,104            | 7.9%        | 21,657             | 8.0%        | 415,708                               | 8.8%        |
| Other svcs (except public administration)                               | 5,972            | 5.2%        | 13,168             | 4.8%        | 216,401                               | 4.6%        |
| Public administration   | 6,638            | 5.8%        | 15,166             | 5.6%        | 176,331                               | 3.7%        |
| Armed forces  | 75               | 0.1%        | 223                | 0.1%        | 9,865                                 | 0.2%        |
| <b>Total Workers</b>  | <b>115,091</b>   | <b>100%</b> | <b>271,669</b>     | <b>100%</b> | <b>4,750,803</b>                      | <b>100%</b> |

Sources: U.S. Census Bureau, American Community Survey 2016-2020 five-year sample data, Table B08526; BAE, 2022.

## Commute Flow

Table 13 presents the commute flows of Stockton and San Joaquin County employed residents and workers from the Census Transportation Planning Package (CTPP), based on a special compilation of American Community Survey data. The data indicate that Stockton has a substantial cross-commute among workers and residents. Forty-two percent of persons working in Stockton are non-residents commuting into the city for work, while 44 percent of Stockton's employed residents commute out of the city. Overall, 82 percent of the city's employed residents work in San Joaquin County, with the remaining 18 percent are commuting out of San Joaquin County, including ten percent of total employed residents commuting to a Bay Area County (equal to some 32,000 individuals), with the largest proportion (4.5 percent) working in Alameda County.

<sup>5</sup> The jobs data reported in Table 12 differ from those reported in Table 10 which reports employed residents. Jobs represent employment opportunities at a work site located within the study area, which may be held by persons who live either within the study area or outside of it. Employed residents, by comparison, are persons who live within the study area who are employed either within the study area or outside of it.

More than 80 percent of San Joaquin County workers also live within the county, with slightly less than half living in Stockton. Approximately 19 percent of county workers live outside of San Joaquin County, with the highest proportions living in Stanislaus, Sacramento, Calaveras, and Alameda Counties. Given the tight housing market in the Bay Area, household emigration to Central Valley counties such as San Joaquin County is increasingly popular due to the county's proximity to major employment centers; however, the majority of commutes to and from jobs are still within the county.

**Table 13: Commute Patterns, 2012-2016**

| <b>City of Stockton</b>            |                |                |                                   |                  |                |
|------------------------------------|----------------|----------------|-----------------------------------|------------------|----------------|
| <b>Persons Working in Stockton</b> |                |                | <b>Persons Living in Stockton</b> |                  |                |
| <b>Place of Residence</b>          | <b>Workers</b> |                | <b>Place of Work</b>              | <b>Residents</b> |                |
|                                    | <b>Number</b>  | <b>Percent</b> |                                   | <b>Number</b>    | <b>Percent</b> |
| San Joaquin County                 | 89,310         | 84.4%          | San Joaquin County                | 90,640           | 82.0%          |
| Stockton                           | 61,585         | 58.2%          | Stockton                          | 61,585           | 55.7%          |
| Sacramento County                  | 5,260          | 5.0%           | Alameda County                    | 4,970            | 4.5%           |
| Stanislaus County                  | 5,145          | 4.9%           | Sacramento County                 | 3,710            | 3.4%           |
| Calaveras County                   | 1,345          | 1.3%           | Santa Clara County                | 2,835            | 2.6%           |
| All Other Locations                | 4,751          | 4.5%           | Stanislaus County                 | 2,400            | 2.2%           |
| <b>Total Workers</b>               | <b>105,811</b> | <b>100%</b>    | Contra Costa County               | 1,520            | 1.4%           |
|                                    |                |                | All Other Locations               | 4,445            | 4.0%           |
|                                    |                |                | <b>Total Employed Residents</b>   | <b>110,520</b>   | <b>100%</b>    |

| <b>San Joaquin County</b>        |                |                |                                 |                  |                |
|----------------------------------|----------------|----------------|---------------------------------|------------------|----------------|
| <b>Persons Working in County</b> |                |                | <b>Persons Living in County</b> |                  |                |
| <b>Place of Residence</b>        | <b>Workers</b> |                | <b>Place of Work</b>            | <b>Residents</b> |                |
|                                  | <b>Number</b>  | <b>Percent</b> |                                 | <b>Number</b>    | <b>Percent</b> |
| San Joaquin County               | 199,980        | 80.9%          | San Joaquin County              | 199,980          | 72.0%          |
| Stockton                         | 90,640         | 36.7%          | Stockton                        | 89,310           | 32.2%          |
| Stanislaus County                | 21,400         | 8.7%           | Alameda County                  | 27,645           | 10.0%          |
| Sacramento County                | 11,270         | 4.6%           | Stanislaus County               | 11,825           | 4.3%           |
| Calaveras County                 | 2,615          | 1.1%           | Santa Clara County              | 11,105           | 4.0%           |
| Alameda County                   | 2,460          | 1.0%           | Sacramento County               | 8,740            | 3.1%           |
| All Other Locations              | 9,586          | 3.9%           | Contra Costa County             | 6,350            | 2.3%           |
| <b>Total Workers</b>             | <b>247,311</b> | <b>100%</b>    | All Other Locations             | 12,132           | 4.4%           |
|                                  |                |                | <b>Total Employed Residents</b> | <b>277,777</b>   | <b>100%</b>    |

Note: 2012-2016 is most recent data available from CTPP with this level of detail. Most recent data (2016-2020) from the ACS indicates little change in the proportions where comparisons can be made (e.g., how many Stockton residents work outside San Joaquin County).

Sources: Census Transportation Planning Package (CTPP), 2012-2016; BAE, 2022.

**Population, Household, and Employment Projections**

The average annual growth rate for population, household, and housing units in Stockton between 2020 and 2050 is projected to be lower than that of San Joaquin County. Depicted in Table 14, Stockton's population, household, and housing unit counts are projected to grow over that period at an average annual rate of 0.3 percent.

This is significantly slower than the 0.8 percent average annual rate projected for San Joaquin County. The city’s projected employment growth of 0.8 percent on annual average basis is notably higher than projected population, household, and housing growth and is relatively on par with the county’s rate of 0.7 percent. The forecasted rates project that Stockton will continue to be an employment hub for the local region, accounting for nearly half the jobs in the county, despite the city’s lagging population and household growth.

As of 2020, Stockton contains approximately 41 percent of the county’s population and 40 percent of the county’s households. However, the forecast also shows that between 2020 and 2050, Stockton will only capture about 17 percent of the countywide population growth and approximately 15 percent of the County’s household growth. The forecast also suggests that the City will capture 56 percent of the County’s employment growth between 2020 and 2050. While the city currently has a reasonable balanced between jobs and employed residents, if future employment growth greatly exceeds population growth as projected, the city may face a jobs/housing imbalance without additional new housing to meet working housing needs.

**Table 14: Population, Household, and Employment Forecast, 2020-2050**

| <u>City of Stockton</u> | <u>2020</u> | <u>2030</u> | <u>2040</u> | <u>2050</u> | <u>Change, 2020-2050</u> |                | <u>Avg. Annual</u> |
|-------------------------|-------------|-------------|-------------|-------------|--------------------------|----------------|--------------------|
|                         |             |             |             |             | <u>Number</u>            | <u>Percent</u> | <u>Change</u>      |
| Population              | 321,195     | 342,941     | 349,786     | 354,083     | 32,888                   | 10.2%          | 0.3%               |
| Household               | 97,365      | 103,527     | 105,075     | 105,987     | 8,622                    | 8.9%           | 0.3%               |
| Housing Units (a)       | 101,526     | 107,951     | 109,565     | 110,517     | 8,991                    | 8.9%           | 0.3%               |
| Employment              | 157,422     | 179,253     | 187,520     | 200,024     | 42,602                   | 27.1%          | 0.8%               |

| <u>San Joaquin County</u> | <u>2020</u> | <u>2030</u> | <u>2040</u> | <u>2050</u> | <u>Change, 2020-2050</u> |                | <u>Avg. Annual</u> |
|---------------------------|-------------|-------------|-------------|-------------|--------------------------|----------------|--------------------|
|                           |             |             |             |             | <u>Number</u>            | <u>Percent</u> | <u>Change</u>      |
| Population                | 780,723     | 868,694     | 924,999     | 979,433     | 198,710                  | 25.5%          | 0.8%               |
| Household                 | 241,351     | 267,660     | 283,865     | 299,803     | 58,452                   | 24.2%          | 0.7%               |
| Housing Units (a)         | 251,695     | 279,131     | 296,032     | 312,652     | 60,957                   | 24.2%          | 0.7%               |
| Employment                | 333,972     | 374,031     | 386,622     | 409,495     | 75,523                   | 22.6%          | 0.7%               |

Note:

(a) Assumes a 4.1 percent vacancy rate to calculate housing units, based on the 2020 Decennial Census vacancy rate for the City of Stockton and San Joaquin County.

Sources: University of the Pacific Center for Business & Policy Research, San Joaquin County Demographic and Employment Forecast, 2022; U.S. Census Bureau, Decennial Census 2020, Table H1; BAE, 2022.

As shown in the table above **Error! Reference source not found.**, between 2020 and 2050, there is a projected increase of 42,602 jobs in Stockton. Health care and education experience the fastest rate of sectoral growth in the 30-year period, increasing by 56.8 percent, accounting for over one-third of the city’s total employment growth. The forecast also projects that 31.4 percent of estimated job growth will occur in the combined financial activities, government, and professional and business services industries.

Roughly 13 percent of the city's job growth is projected for the transportation, warehousing, and utilities sector; this represents only 28 percent of the countywide employment growth in this sector (as noted above, overall Stockton is projected to account for 44 percent of employment growth). This lower estimated proportion of the city's transportation, warehousing, and utilities jobs of the county's transportation, warehousing, and utilities job growth suggests that the county's warehouse and logistics sector will continue to be focused outside of Stockton in the future. The city's government, healthcare and education, and professional and business services industries, however, are projected to capture a relatively large share of the county's growth in these sectors. More specifically, jobs in the professional and business services industries are estimated to capture 68 percent of the county's professional and business services growth. The city's government and healthcare and education industry growth is projected to account for 65 to 66 percent of the county's government and healthcare and education growth. As a result, Stockton will likely continue to be the San Joaquin County focus for the key sectors of government, healthcare, education, and professional services.

**Table 15: Employment by Industry Forecast, 2020-2050**

| <b>City of Stockton</b>              | <b>2020</b>    | <b>2030</b>    | <b>2040</b>    | <b>2050</b>    | <b>Change, 2020-2050</b> |                | <b>Avg. Annual</b>      |
|--------------------------------------|----------------|----------------|----------------|----------------|--------------------------|----------------|-------------------------|
|                                      |                |                |                |                | <b>Number</b>            | <b>Percent</b> | <b>Change 2020-2050</b> |
| Agriculture                          | 2,724          | 2,801          | 3,219          | 3,694          | 970                      | 35.6%          | 1.0%                    |
| Construction                         | 5,125          | 5,256          | 5,447          | 5,746          | 621                      | 12.1%          | 0.4%                    |
| Financial Activities                 | 12,427         | 13,599         | 14,397         | 15,385         | 2,958                    | 23.8%          | 0.7%                    |
| Government                           | 26,620         | 29,223         | 29,695         | 30,196         | 3,576                    | 13.4%          | 0.4%                    |
| Healthcare and Education             | 27,492         | 34,944         | 38,604         | 43,095         | 15,603                   | 56.8%          | 1.5%                    |
| Information                          | 1,131          | 985            | 809            | 717            | -414                     | -36.6%         | -1.5%                   |
| Leisure and Hospitality              | 10,606         | 12,811         | 12,933         | 13,103         | 2,497                    | 23.5%          | 0.7%                    |
| Manufacturing                        | 7,024          | 7,008          | 7,286          | 7,783          | 759                      | 10.8%          | 0.3%                    |
| Other Services                       | 9,171          | 10,174         | 10,279         | 10,523         | 1,352                    | 14.7%          | 0.5%                    |
| Professional and Business Service    | 19,105         | 22,279         | 23,739         | 25,963         | 6,858                    | 35.9%          | 1.0%                    |
| Retail Trade                         | 15,791         | 16,360         | 16,728         | 17,821         | 2,030                    | 12.9%          | 0.4%                    |
| Transportation, Warehousing, Utiliti | 15,176         | 18,724         | 19,297         | 20,763         | 5,587                    | 36.8%          | 1.1%                    |
| Wholesale                            | 5,030          | 5,089          | 5,087          | 5,235          | 205                      | 4.1%           | 0.1%                    |
| <b>Total Employment</b>              | <b>157,422</b> | <b>179,253</b> | <b>187,520</b> | <b>200,024</b> | <b>42,602</b>            | <b>27.1%</b>   | <b>0.8%</b>             |

| <b>San Joaquin County</b>            | <b>2020</b>    | <b>2030</b>    | <b>2040</b>    | <b>2050</b>    | <b>Change, 2020-2050</b> |                | <b>Avg. Annual</b>      |
|--------------------------------------|----------------|----------------|----------------|----------------|--------------------------|----------------|-------------------------|
|                                      |                |                |                |                | <b>Number</b>            | <b>Percent</b> | <b>Change 2020-2050</b> |
| Agriculture                          | 19,038         | 21,703         | 24,590         | 28,632         | 9,594                    | 50.4%          | 1.4%                    |
| Construction                         | 18,864         | 21,802         | 23,558         | 26,673         | 7,810                    | 41.4%          | 1.2%                    |
| Financial Activities                 | 24,059         | 30,069         | 33,470         | 38,713         | 14,653                   | 60.9%          | 1.6%                    |
| Government                           | 45,804         | 55,793         | 58,515         | 62,925         | 17,121                   | 37.4%          | 1.1%                    |
| Healthcare and Education             | 41,493         | 58,988         | 67,585         | 80,135         | 38,642                   | 93.1%          | 2.2%                    |
| Information                          | 2,002          | 1,889          | 1,514          | 1,361          | -641                     | -32.0%         | -1.3%                   |
| Leisure and Hospitality              | 21,613         | 34,062         | 35,837         | 38,860         | 17,247                   | 79.8%          | 2.0%                    |
| Manufacturing                        | 21,061         | 23,511         | 25,650         | 29,716         | 8,656                    | 41.1%          | 1.2%                    |
| Other Services                       | 17,530         | 22,438         | 23,500         | 25,636         | 8,106                    | 46.2%          | 1.3%                    |
| Professional and Business Service    | 32,631         | 41,658         | 45,671         | 52,521         | 19,891                   | 61.0%          | 1.6%                    |
| Retail Trade                         | 30,885         | 36,570         | 39,124         | 45,599         | 14,714                   | 47.6%          | 1.3%                    |
| Transportation, Warehousing, Utiliti | 45,853         | 65,866         | 70,408         | 81,043         | 35,190                   | 76.7%          | 1.9%                    |
| Wholesale                            | 13,140         | 14,966         | 15,458         | 17,057         | 3,917                    | 29.8%          | 0.9%                    |
| <b>Total Employment</b>              | <b>333,972</b> | <b>374,031</b> | <b>386,622</b> | <b>409,495</b> | <b>75,523</b>            | <b>22.6%</b>   | <b>0.7%</b>             |

Sources: University of the Pacific Center for Business & Policy Research, San Joaquin County Demographic and Employment Forecast, 2022; BAE, 2022.

## Housing Market Characteristics and Trends

This section summarizes key housing market characteristics relevant to this analysis.

### *Housing Units in Structure*

Sustaining a diverse mix of units is ideal in communities like Stockton as this will expand housing options to fit a range of household income levels. Multifamily properties, including smaller-sized properties such as duplexes, triplexes, and quadplexes, at times function as naturally occurring affordable housing (NOAH) units for low to moderate-income households. These market-rate units are generally older properties that are not as well-maintained, and command lower rents due to the property's age and more limited upkeep. The preservation of NOAH units in multifamily properties accommodates workforce and middle-class households that may not meet housing subsidy requirements but earn an insufficient income to avoid spending a high percentage of that income on housing costs. The city should prioritize the multifamily and NOAH units citywide in order to accommodate a range of household incomes and needs.

Stockton's and San Joaquin County's housing markets are dominated by single-family homes. Shown in Table 16, single-family homes comprise 73 percent of city units and 79 percent of county units. Of the single-family homes in the city and county, single-family detached units are by far the most prevalent; while single-family attached homes such as townhomes represent only a fraction of the city's and county's single-family housing stock.

### *Building Permit Trends*

Over the last two decades, the mix of new housing units has shifted toward multifamily units in Stockton and to a lesser extent, in San Joaquin County overall, as shown in Figure 11. The pace of new single-family construction slowed considerably from a peak in 2003 to low levels in 2008 and subsequent years as the subprime mortgage crisis and Great Recession took hold. In 2003, permits were issued for over 3,100 new single-family homes in Stockton, and nearly 7,000 in the county. Construction activity plunged to less than 100 single-family units in Stockton in 2012 and less than 800 single-family units countywide in 2009. In more recent years, the county has seen a gradual but only partial recovery in single-family construction, to approximately 3,700 units permitted in 2021. Stockton has seen a more limited recovery, to slightly less than 550 single-family units ~~units~~ in 2021.

Multifamily construction has been much more limited over the [past](#) two decades. Some years have seen no multifamily permits issued in either the city or the county, and the number permitted has never exceeded 400 units annually in Stockton and 900 units annually countywide. Nevertheless, the total number and the share of multifamily unit permits as a proportion of total permits has increased in recent years, especially in Stockton, where in 2021, over one-third of the city's residential building permits were for units in multifamily structures, indicating a shift toward construction of smaller units in multifamily developments.

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**Table 16: Units in Structure, 2020 Five-Year Sample Data**

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| <b>City of Stockton</b>            | <b>2020</b>    |                |
|------------------------------------|----------------|----------------|
|                                    | <b>Number</b>  | <b>Percent</b> |
| Single Family Detached             | 68,412         | 67.1%          |
| Single Family Attached             | 6,136          | 6.0%           |
| Multifamily 2-4 Units              | 8,180          | 8.0%           |
| Multifamily 5-19 Units             | 8,669          | 8.5%           |
| Multifamily 20-49 Units            | 3,438          | 3.4%           |
| Multifamily 50+                    | 5,936          | 5.8%           |
| Mobile Home/Other (a)              | 1,183          | 1.2%           |
| <b>Total Housing Units</b>         | <b>101,954</b> | <b>100%</b>    |
| <b>Single Family Housing Units</b> | <b>74,548</b>  | <b>73.1%</b>   |
| <b>Multifamily Housing Units</b>   | <b>26,223</b>  | <b>25.7%</b>   |

| <b>San Joaquin County</b>          | <b>2020</b>    |                |
|------------------------------------|----------------|----------------|
|                                    | <b>Number</b>  | <b>Percent</b> |
| Single Family Detached             | 181,875        | 74.2%          |
| Single Family Attached             | 10,990         | 4.5%           |
| Multifamily 2-4 Units              | 14,045         | 5.7%           |
| Multifamily 5-19 Units             | 15,509         | 6.3%           |
| Multifamily 20-49 Units            | 5,638          | 2.3%           |
| Multifamily 50+                    | 8,877          | 3.6%           |
| Mobile Home/Other (a)              | 8,258          | 3.4%           |
| <b>Total Housing Units</b>         | <b>245,192</b> | <b>100%</b>    |
| <b>Single Family Housing Units</b> | <b>192,865</b> | <b>78.7%</b>   |
| <b>Multifamily Housing Units</b>   | <b>44,069</b>  | <b>18.0%</b>   |

| <b>San Jose-San Francisco<br/>Oakland CSA (b)</b> | <b>2020</b>      |                |
|---|------------------|----------------|
|   | <b>Number</b>    | <b>Percent</b> |
| Single Family Detached                            | 2,002,641        | 56.6%          |
| Single Family Attached                            | 296,482          | 8.4%           |
| Multifamily 2-4 Units                             | 317,487          | 9.0%           |
| Multifamily 5-19 Units                            | 349,808          | 9.9%           |
| Multifamily 20-49 Units                           | 172,072          | 4.9%           |
| Multifamily 50+                                   | 312,771          | 8.8%           |
| Mobile Home/Other (a)                             | 88,205           | 2.5%           |
| <b>Total Housing Units</b>                        | <b>3,539,466</b> | <b>100%</b>    |
| <b>Single Family Housing Units</b>                | <b>2,299,123</b> | <b>65.0%</b>   |
| <b>Multifamily Housing Units</b>                  | <b>1,152,138</b> | <b>32.6%</b>   |

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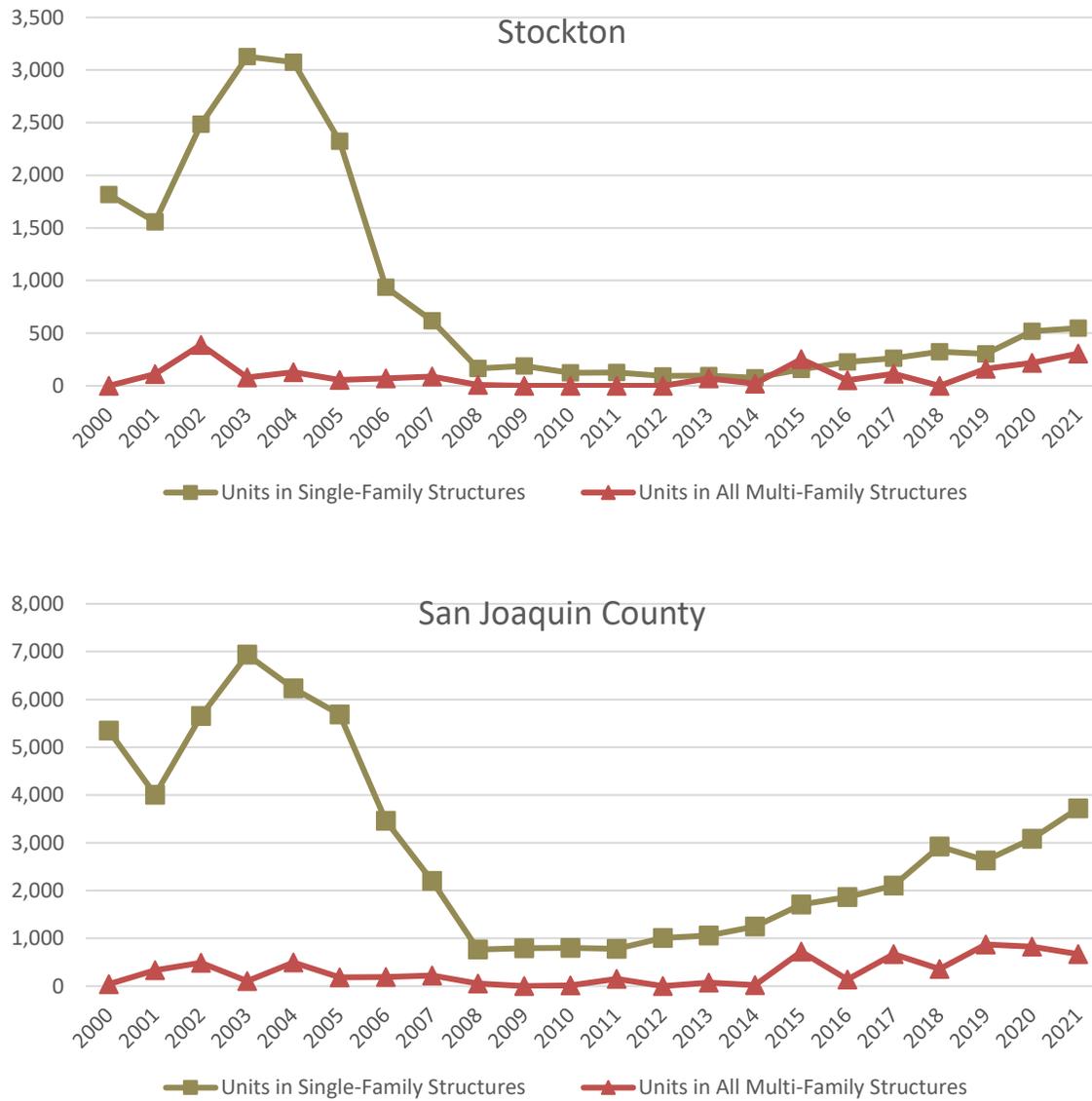
**Notes:**

(a) Includes boats, RVs, vans, or any other non-traditional residences.

(b) The San Jose-San Francisco-Oakland CSA includes Alameda, Contra Costa, Marin, Merced, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Stanislaus counties.

Sources: U.S. Census Bureau, American Community Survey 2016-2020 five-year sample data, Table B25024; BAE, 2022.

**Figure 11: Building Permit Trends, 2000-2021**



Sources: HUD State of the Cities Data Systems; US Census Bureau; BAE, 2022

**Units in Structure by Tenure**

Examining the mix of units by tenure and housing type provides insights into an area’s housing market. The unit mix can be described by the distribution of each unit type by tenure, i.e., what proportion of each unit type are owned, rented, or vacant. Alternatively, the unit mix can be described by the distribution of owner- and renter-occupied units by unit type. Table 17 provides a detailed picture of the mix of housing units by structure size/type and tenure in Stockton, San Joaquin County, and the mega-region based on ACS data, for the 2016 through 2020 period.

As noted previously, the housing stock in Stockton and San Joaquin County is characterized by a very high proportion of single-family detached homes in comparison to the broader CSA. Not surprisingly, ownership housing is even more dominated by this housing type, which constitutes over 90 percent of the owner housing in the city and the county, in contrast to only 80 percent for the CSA. However, while rental housing is generally perceived as dominated by apartments, single family detached homes make up 44 percent of all Stockton rental units and over half of the rental units in the county overall. For the CSA, only 28 percent of rental housing is single family detached units.

Just as single family detached houses make up a key part of the rental housing market, a significant percentage of single family detached homes are occupied by renters; in Stockton nearly a third of those units are rental housing, and in the county over one-quarter are rental housing. Only 20 percent of such units in the CSA are renter-occupied.

Additionally, trends in local or regional housing markets can be tracked based on changes in the unit mix by tenure over time. Table 18 provides the detailed units in structure by tenure data for the 2006 to 2010 period, offering a comparison to the more current conditions as shown in Table 17.

The trend data show that the proportion of single family detached homes in the rental market increased sharply over the decade for Stockton and San Joaquin County, as compared to the CSA. In Stockton, this single-family housing type grew from 34 percent of all renter-occupied units to 44 percent; in the county, it grew from 43 percent to 51 percent; in the CSA, the percentage was relatively unchanged at 27 percent in 2010 and 28 percent in 2020. Similarly, the proportion of single family detached homes that are rented increased from 22 percent to 32 percent in Stockton, 21 percent to 27 percent in the county, but only 18 percent to 20 percent in the CSA.

These findings are key to understanding the nature of the city's and the county's rental housing markets, and the substantial contribution of single family detached houses to both the owner and rental housing markets.

**Table 17: Housing Unit By Type of Structure By Tenure, 2020 5-Year Sample Data**

**Stockton**

|                          | Total          | % by Housing Unit Type |               |              | % by Tenure |        |        |           |
|--------------------------|----------------|------------------------|---------------|--------------|-------------|--------|--------|-----------|
|                          |                | Owner                  | Renter        | Vacant       | Owner       | Renter | Vacant | All Units |
| <b>Total Units</b>       |                | <b>47,481</b>          | <b>47,755</b> | <b>6,718</b> |             |        |        |           |
| Single Family Detached   | 68,412         | 65%                    | 31%           | 4%           | 93%         | 44%    | 45%    | 67%       |
| Single Family Attached   | 6,136          | 23%                    | 71%           | 7%           | 3%          | 9%     | 6%     | 6%        |
| Multifamily 2-4 Units    | 8,180          | 6%                     | 87%           | 7%           | 1%          | 15%    | 8%     | 8%        |
| Multifamily 5+ Units     | 18,043         | 2%                     | 83%           | 15%          | 1%          | 31%    | 40%    | 18%       |
| Mobile Homes & Other     | 1,183          | 66%                    | 28%           | 6%           | 2%          | 1%     | 1%     | 1%        |
| <b>All Housing Types</b> | <b>101,954</b> | <b>46.6%</b>           | <b>46.8%</b>  | <b>6.6%</b>  |             |        |        |           |

**San Joaquin County**

|                          | Total          | % by Housing Unit Type |               |               | % by Tenure |        |        |           |
|--------------------------|----------------|------------------------|---------------|---------------|-------------|--------|--------|-----------|
|                          |                | Owner                  | Renter        | Vacant        | Owner       | Renter | Vacant | All Units |
| <b>Total Units</b>       |                | <b>133,381</b>         | <b>97,711</b> | <b>14,100</b> |             |        |        |           |
| Single Family Detached   | 181,875        | 68%                    | 27%           | 4%            | 93%         | 51%    | 57%    | 74%       |
| Single Family Attached   | 10,990         | 26%                    | 67%           | 7%            | 2%          | 8%     | 5%     | 4%        |
| Multifamily 2-4 Units    | 14,045         | 6%                     | 87%           | 7%            | 1%          | 13%    | 7%     | 6%        |
| Multifamily 5+ Units     | 30,024         | 3%                     | 84%           | 13%           | 1%          | 26%    | 27%    | 12%       |
| Mobile Homes & Other     | 8,258          | 55%                    | 38%           | 7%            | 3%          | 3%     | 4%     | 3%        |
| <b>All Housing Types</b> | <b>245,192</b> | <b>54.4%</b>           | <b>39.9%</b>  | <b>5.8%</b>   |             |        |        |           |

**San Jose-San Francisco-Oakland CSA**

|                          | Total            | % by Housing Unit Type |                  |                | % by Tenure |        |        |           |
|--------------------------|------------------|------------------------|------------------|----------------|-------------|--------|--------|-----------|
|                          |                  | Owner                  | Renter           | Vacant         | Owner       | Renter | Vacant | All Units |
| <b>Total Units</b>       |                  | <b>1,883,599</b>       | <b>1,444,101</b> | <b>211,766</b> |             |        |        |           |
| Single Family Detached   | 2,002,641        | 75%                    | 20%              | 5%             | 80%         | 28%    | 45%    | 57%       |
| Single Family Attached   | 296,482          | 58%                    | 38%              | 4%             | 9%          | 8%     | 6%     | 8%        |
| Multifamily 2-4 Units    | 317,487          | 18%                    | 75%              | 8%             | 3%          | 16%    | 12%    | 9%        |
| Multifamily 5+ Units     | 834,651          | 10%                    | 81%              | 9%             | 5%          | 47%    | 35%    | 24%       |
| Mobile Homes & Other     | 88,205           | 70%                    | 23%              | 6%             | 3%          | 1%     | 3%     | 2%        |
| <b>All Housing Types</b> | <b>3,539,466</b> | <b>53%</b>             | <b>41%</b>       | <b>6%</b>      |             |        |        |           |

Sources: U.S. Census Bureau, American Community Survey 2016-2020 five-year sample data, Tables B25024 and B25032; BAE, 2022.

**Table 18: Housing Unit By Type of Structure By Tenure, 2010 5-Year Sample Data**

**Stockton**

|                          | Total         | % by Housing Unit Type |               |              | % by Tenure |        |        |           |
|--------------------------|---------------|------------------------|---------------|--------------|-------------|--------|--------|-----------|
|                          |               | Owner                  | Renter        | Vacant       | Owner       | Renter | Vacant | All Units |
| <b>Total Units</b>       |               | <b>49,038</b>          | <b>41,337</b> | <b>9,001</b> |             |        |        |           |
| Single Family Detached   | 64,318        | 71%                    | 22%           | 7%           | 93%         | 34%    | 49%    | 65%       |
| Single Family Attached   | 7,040         | 19%                    | 73%           | 8%           | 3%          | 12%    | 6%     | 7%        |
| Multifamily 2-4 Units    | 9,046         | 7%                     | 81%           | 12%          | 1%          | 18%    | 13%    | 9%        |
| Multifamily 5+ Units     | 17,867        | 3%                     | 82%           | 16%          | 1%          | 35%    | 31%    | 18%       |
| Mobile Homes & Other     | 1,105         | 72%                    | 19%           | 9%           | 2%          | 1%     | 1%     | 1%        |
| <b>All Housing Types</b> | <b>99,376</b> | <b>49%</b>             | <b>42%</b>    | <b>9%</b>    |             |        |        |           |

**San Joaquin County**

|                          | Total          | % by Housing Unit Type |               |               | % by Tenure |        |        |           |
|--------------------------|----------------|------------------------|---------------|---------------|-------------|--------|--------|-----------|
|                          |                | Owner                  | Renter        | Vacant        | Owner       | Renter | Vacant | All Units |
| <b>Total Units</b>       |                | <b>131,357</b>         | <b>81,548</b> | <b>18,209</b> |             |        |        |           |
| Single Family Detached   | 167,175        | 72%                    | 21%           | 7%            | 92%         | 43%    | 61%    | 72%       |
| Single Family Attached   | 12,137         | 23%                    | 69%           | 8%            | 2%          | 10%    | 5%     | 5%        |
| Multifamily 2-4 Units    | 14,746         | 7%                     | 82%           | 12%           | 1%          | 15%    | 10%    | 6%        |
| Multifamily 5+ Units     | 28,545         | 3%                     | 84%           | 13%           | 1%          | 29%    | 20%    | 12%       |
| Mobile Homes & Other     | 8,511          | 66%                    | 25%           | 8%            | 4%          | 3%     | 4%     | 4%        |
| <b>All Housing Types</b> | <b>231,114</b> | <b>57%</b>             | <b>35%</b>    | <b>8%</b>     |             |        |        |           |

**San Jose-San Francisco-Oakland CSA**

|                          | Total            | % by Housing Unit Type |                  |                | % by Tenure |        |        |           |
|--------------------------|------------------|------------------------|------------------|----------------|-------------|--------|--------|-----------|
|                          |                  | Owner                  | Renter           | Vacant         | Owner       | Renter | Vacant | All Units |
| <b>Total Units</b>       |                  | <b>1,829,613</b>       | <b>1,294,857</b> | <b>251,563</b> |             |        |        |           |
| Single Family Detached   | 1,922,332        | 76%                    | 18%              | 6%             | 80%         | 27%    | 45%    | 57%       |
| Single Family Attached   | 286,903          | 59%                    | 35%              | 6%             | 9%          | 8%     | 7%     | 8%        |
| Multifamily 2-4 Units    | 321,478          | 17%                    | 72%              | 11%            | 3%          | 18%    | 14%    | 10%       |
| Multifamily 5+ Units     | 755,712          | 10%                    | 79%              | 10%            | 4%          | 46%    | 31%    | 22%       |
| Mobile Homes & Other     | 89,608           | 72%                    | 20%              | 8%             | 4%          | 1%     | 3%     | 3%        |
| <b>All Housing Types</b> | <b>3,376,033</b> | <b>54%</b>             | <b>38%</b>       | <b>7%</b>      |             |        |        |           |

Sources: U.S. Census Bureau, American Community Survey 2016-2020 five-year sample data, Tables B25024 and B25032; BAE, 2022.

## Vacancy

### Vacancy Rate

Vacancy rates establish the relationship between housing supply and demand and are an indicator as to whether a jurisdiction has adequate housing supply to accommodate households needs. Across all three geographies, vacancy dropped between 2010 and 2020. Stockton’s vacancy rate decreased by over half, from 9.1 percent to 4.1 percent, as shown in Table 19. The County vacancy rate dropped from 8.0 percent to 4.1 percent. While the vacancy rate for the San Jose-San Francisco-Oakland CSA’s rate declined over the decade, it went from being lower than for the city or county in 2010 at 6.8 percent to being higher, at 5.4 percent in 2020.

The decrease in vacant units in Stockton indicates that over half the city’s growth in households was through absorption of vacant units rather than construction of new housing. Much of the household growth countywide was also linked to a decline in vacant units. However, given the current lower rates and “natural” vacancy rates related to turnover of units in a stabilized housing market, meeting the demand for future growth in the city may require an increased rate of construction of new units.

**Table 19: Overall Vacancy Rates, 2010 and 2020 Decennial Census**

|   | 2010             |             | 2020             |             | Change 2010-2020 |             |
|---|------------------|-------------|------------------|-------------|------------------|-------------|
|   | Number           | Percent     | Number           | Percent     | Number           | Percent     |
| <b>City of Stockton</b>                           |                  |             |                  |             |                  |             |
| Occupied units                                    | 90,605           | 90.9%       | 97,736           | 95.9%       | 7,131            | 7.9%        |
| Vacant units                                      | 9,032            | 9.1%        | 4,177            | 4.1%        | (4,855)          | -53.8%      |
| <b>Total Units</b>                                | <b>99,637</b>    | <b>100%</b> | <b>101,913</b>   | <b>100%</b> | <b>2,276</b>     | <b>2.3%</b> |
| <b>San Joaquin County</b>                         |                  |             |                  |             |                  |             |
| Occupied units                                    | 215,007          | 92.0%       | 241,119          | 95.9%       | 26,112           | 12.1%       |
| Vacant units                                      | 18,748           | 8.0%        | 10,334           | 4.1%        | (8,414)          | -44.9%      |
| <b>Total Units</b>                                | <b>233,755</b>   | <b>100%</b> | <b>251,453</b>   | <b>100%</b> | <b>17,698</b>    | <b>7.6%</b> |
| <b>San Jose-San Francisco<br/>Oakland CSA (a)</b> |                  |             |                  |             |                  |             |
| Occupied units                                    | 3,175,012        | 93.2%       | 3,410,592        | 94.6%       | 235,580          | 7.4%        |
| Vacant units                                      | 230,238          | 6.8%        | 196,141          | 5.4%        | (34,097)         | -14.8%      |
| <b>Total Units</b>                                | <b>3,405,250</b> | <b>100%</b> | <b>3,606,733</b> | <b>100%</b> | <b>201,483</b>   | <b>5.9%</b> |

Note:

(a) The San Jose-San Francisco-Oakland CSA includes Alameda, Contra Costa, Marin, Merced, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Stanislaus counties.

Sources: U.S. Census Bureau, Decennial Census 2010, table H3 and H5, and 2020 Census Redistricting Data (Public Law 94-171) Table H1; BAE, 2022.

### Vacancy by Tenure

As discussed below (see Table 22), many vacant housing units are not available for occupancy in the regular housing market, as they may be held for seasonal or occasional use, use by

migrant workers, or simply held off the market for other reasons (e.g., awaiting settlement of an estate, foreclosure, storage, needing repairs, or other personal reasons of the owner). Measuring vacancy rates by tenure while excluding units that are not occupied or are not available for rent or sale provides a more refined measure of market conditions relevant to those seeking a primary place of residence. Typically, the homeowner vacancy rate runs between one and two percent, and the rental vacancy rate runs around five percent; the rental rate is higher as renters move more frequently such that at any given time a higher proportion of units, which are often apartments, are between occupants and are thus vacant more often than for owner-occupied units, which in Stockton are largely single-family houses which turn over much less frequently.

Table 20 shows the effects of the subprime mortgage crisis and recession in 2010, with relatively high vacancy rates for both owner and rental housing for Stockton, the county, and the region. In Stockton, the homeowner vacancy rate in 2010 was 3.2 percent, and the rental vacancy rate was 9.4 percent. The subsequent recovery and high demand for housing is reflected in the steep decline in the city’s vacancy rates by tenure, to only 0.9 percent for homeowners and 4.9 percent for renters as reported by ACS for the 2016-2020 period. Countywide and regional vacancy rates were even lower, especially for renters, indicating a tight housing market through the Bay Area and surrounding counties. More recent market data presented in Table 28, while not directly comparable to the ACS/Census data, shows that the multifamily rental housing market in Stockton continues to see strong demand, as demonstrated by low vacancies along with increasing rents.

**Table 20: Vacancy Rate by Tenure**

|   | <b>2010</b>    | <b>2020</b>    | <b>Percent</b> |
|---|----------------|----------------|----------------|
|   | <b>Percent</b> | <b>Percent</b> | <b>Change</b>  |
| <b>City of Stockton</b>                           |                |                |                |
| Homeowner Vacancy Rate                            | 3.2%           | 0.9%           | -71.9%         |
| Rental Vacancy Rate                               | 9.4%           | 4.9%           | -47.7%         |
| <b>San Joaquin County</b>                         |                |                |                |
| Homeowner Vacancy Rate                            | 2.8%           | 0.9%           | -67.4%         |
| Rental Vacancy Rate                               | 8.1%           | 3.7%           | -54.3%         |
| <b>San Jose-San Francisco<br/>Oakland CSA (a)</b> |                |                |                |
| Homeowner Vacancy Rate                            | 1.9%           | 0.7%           | -63.9%         |
| Rental Vacancy Rate                               | 5.9%           | 3.6%           | -38.9%         |

**Note:**

Rates derived from the American Community Survey may vary from the Decennial Census due to different techniques and timing of data collection, sampling error, and other factors.

The San Jose-San Francisco-Oakland CSA includes Alameda, Contra Costa, Marin, Merced, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Stanislaus counties.

Sources: U.S. Census Bureau, Decennial Census 2010, table H16 and H5; American Community Survey 2016-2020 five-

**Table 21: Vacancy Rate by Units in Structure, 2010 and 2020 Five-Year Sample Data**

| City of Stockton           | 2010          |              | 2020           |              | Change, 2010-2020 |               |
|----------------------------|---------------|--------------|----------------|--------------|-------------------|---------------|
|                            | Number        | Percent      | Number         | Percent      | Number            | Percent       |
| <b>Occupied Units</b>      | <b>90,375</b> | <b>90.9%</b> | <b>95,236</b>  | <b>93.4%</b> | <b>4,861</b>      | <b>5.4%</b>   |
| <b>Vacant Units</b>        | <b>9,001</b>  | <b>9.1%</b>  | <b>6,718</b>   | <b>6.6%</b>  | <b>(2,283)</b>    | <b>-25.4%</b> |
| Single Family Detached     | 4,448         | 4.5%         | 2,992          | 2.9%         | (1,456)           | -32.7%        |
| Single Family Attached     | 548           | 0.6%         | 400            | 0.4%         | (148)             | -27.0%        |
| Multifamily 2-4 Units      | 1,127         | 1.1%         | 537            | 0.5%         | (590)             | -52.4%        |
| Multifamily 5-19 Units     | 1,685         | 1.7%         | 1,314          | 1.3%         | (371)             | -22.0%        |
| Multifamily 20-49 Units    | 537           | 0.5%         | 571            | 0.6%         | 34                | 6.3%          |
| Multifamily 50+            | 555           | 0.6%         | 828            | 0.8%         | 273               | 49.2%         |
| Mobile Home/Other (a)      | 101           | 0.1%         | 76             | 0.1%         | (25)              | -24.8%        |
| <b>Total Housing Units</b> | <b>99,376</b> | <b>100%</b>  | <b>101,954</b> | <b>100%</b>  | <b>2,578</b>      | <b>2.6%</b>   |

| San Joaquin County         | 2010           |              | 2020           |              | Change, 2010-2020 |               |
|----------------------------|----------------|--------------|----------------|--------------|-------------------|---------------|
|                            | Number         | Percent      | Number         | Percent      | Number            | Percent       |
| <b>Occupied Units</b>      | <b>212,905</b> | <b>92.1%</b> | <b>231,092</b> | <b>94.2%</b> | <b>18,187</b>     | <b>8.5%</b>   |
| <b>Vacant Units</b>        | <b>18,209</b>  | <b>7.9%</b>  | <b>14,100</b>  | <b>5.8%</b>  | <b>(4,109)</b>    | <b>-22.6%</b> |
| Single Family Detached     | 11,051         | 4.8%         | 8,026          | 3.3%         | (3,025)           | -27.4%        |
| Single Family Attached     | 979            | 0.4%         | 762            | 0.3%         | (217)             | -22.2%        |
| Multifamily 2-4 Units      | 1,742          | 0.8%         | 949            | 0.4%         | (793)             | -45.5%        |
| Multifamily 5-19 Units     | 2,175          | 0.9%         | 1,961          | 0.8%         | (214)             | -9.8%         |
| Multifamily 20-49 Units    | 670            | 0.3%         | 702            | 0.3%         | 32                | 4.8%          |
| Multifamily 50+            | 872            | 0.4%         | 1,114          | 0.5%         | 242               | 27.8%         |
| Mobile Home/Other (a)      | 720            | 0.3%         | 586            | 0.2%         | (134)             | -18.6%        |
| <b>Total Housing Units</b> | <b>231,114</b> | <b>100%</b>  | <b>245,192</b> | <b>100%</b>  | <b>14,078</b>     | <b>6.1%</b>   |

| San Jose-San Francisco<br>Oakland CSA (b) | 2010             |              | 2020             |              | Change, 2010-2020 |              |
|---|------------------|--------------|------------------|--------------|-------------------|--------------|
|   | Number           | Percent      | Number           | Percent      | Number            | Percent      |
| <b>Occupied Units</b>                     | <b>3,161,362</b> | <b>93.6%</b> | <b>3,327,700</b> | <b>94.0%</b> | <b>166,338</b>    | <b>5.3%</b>  |
| <b>Vacant Units</b>                       | <b>214,671</b>   | <b>6.4%</b>  | <b>211,766</b>   | <b>6.0%</b>  | <b>(2,905)</b>    | <b>-1.4%</b> |
| Single Family Detached                    | 78,754           | 2.3%         | 95,294           | 2.7%         | 16,540            | 21.0%        |
| Single Family Attached                    | 19,545           | 0.6%         | 12,211           | 0.3%         | (7,334)           | -37.5%       |
| Multifamily 2-4 Units                     | 34,782           | 1.0%         | 25,079           | 0.7%         | (9,703)           | -27.9%       |
| Multifamily 5-19 Units                    | 35,028           | 1.0%         | 26,124           | 0.7%         | (8,904)           | -25.4%       |
| Multifamily 20-49 Units                   | 16,688           | 0.5%         | 15,855           | 0.4%         | (833)             | -5.0%        |
| Multifamily 50+                           | 22,846           | 0.7%         | 31,525           | 0.9%         | 8,679             | 38.0%        |
| Mobile Home/Other (a)                     | 7,028            | 0.2%         | 5,678            | 0.2%         | (1,350)           | -19.2%       |
| <b>Total Housing Units</b>                | <b>3,376,033</b> | <b>100%</b>  | <b>3,539,466</b> | <b>100%</b>  | <b>163,433</b>    | <b>4.8%</b>  |

Notes:

(a) Includes boats, RVs, vans, or any other non-traditional residences.

(b) The San Jose-San Francisco-Oakland CSA includes Alameda, Contra Costa, Marin, Merced, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Stanislaus counties.

Sources: U.S. Census Bureau, American Community Survey 2006-2010 and 2016-2020 five-year sample data, Table B25024 and B25032; BAE, 2021.

year sample data, table B25002 and B25004; BAE, 2022.

Vacancy by Unit Type

During the ten-year period, the city and county experienced a sharp decline in vacant units in single-family and small multifamily buildings. The decrease in vacant single-family units in both the city and county suggests demand for homeownership continued, as the housing market recovered from the Great Recession and as households get priced out ownership opportunities in nearby Bay Area counties. Given Stockton's and San Joaquin County's proximity to employment centers such as the Silicon Valley and East Bay, the area is capturing

demand from households moving to the Central Valley because of the availability of more affordable housing. NOAH units, as mentioned in the prior section, are often in small structures and function as a more affordable option for lower-income households. While the city and county market is dominated by single family detached units, the decreasing vacancy rate among units in small buildings between 2010 and 2020 demonstrates continued demand for and value of NOAH units in the overall housing market in Stockton and San Joaquin County.

#### Vacancy Status

Table 22 depicts unoccupied units by their vacancy status. Although Stockton's overall vacancy rate is 6.6 percent, only 2.8 percent of the overall housing stock consists of available vacant units, meaning that approximately 3.8 percent of the city's units are off-market vacancies. "Other" vacant units account for 2.6 percent of the city's housing, and an additional 0.7 percent of units are rented or sold, but not yet occupied. According to the U.S. Census Bureau, the other vacant category includes vacant units which do not fit in any of the other categories; for example, they may be held for settlement of an estate, for repairs, and/or for personal reasons. Although having some amount of vacancy is considered healthy for a market, a notable share of vacant units categorized as other vacant can have negative impacts on the local housing market. A large number of other vacant units strains the housing supply as these units are held off the market and inaccessible for prospective renters or homeowners.

Since 2010, the number of for rent and for sale units decreased dramatically in Stockton, San Joaquin, and the San Jose-San Francisco-Oakland CSA. This again shows the recovery of the housing market locally and regionally since 2010. Other types of vacant units such as rented or sold, not occupied; seasonal; and units in the other vacant category have increased in number,

**Table 22: Vacancy Status, 2010 Decennial and 2020 Five-Year Sample Data**

| City of Stockton                     | 2010          |              | 2020           |              | Change 2010-2020 |               |
|--------------------------------------|---------------|--------------|----------------|--------------|------------------|---------------|
|                                      | Number        | Percent      | Number         | Percent      | Number           | Percent       |
| <b>Occupied units</b>                | <b>90,605</b> | <b>90.9%</b> | <b>95,236</b>  | <b>93.4%</b> | <b>4,631</b>     | <b>5.1%</b>   |
| <b>Vacant units</b>                  | <b>9,032</b>  | <b>9.1%</b>  | <b>6,718</b>   | <b>6.6%</b>  | <b>(2,314)</b>   | <b>-25.6%</b> |
| For rent                             | 4,556         | 4.6%         | 2,455          | 2.4%         | (2,101)          | -46.1%        |
| For sale only                        | 1,557         | 1.6%         | 411            | 0.4%         | (1,146)          | -73.6%        |
| Rented or sold, not occupied         | 409           | 0.4%         | 730            | 0.7%         | 321              | 78.5%         |
| For seasonal, rec, or occasional use | 228           | 0.2%         | 455            | 0.4%         | 227              | 99.6%         |
| For migrant workers                  | 3             | 0.0%         | 0              | 0.0%         | (3)              | -100.0%       |
| Other vacant                         | 2,279         | 2.3%         | 2,667          | 2.6%         | 388              | 17.0%         |
| <b>Total Units</b>                   | <b>99,637</b> | <b>100%</b>  | <b>101,954</b> | <b>100%</b>  | <b>2,317</b>     | <b>2.3%</b>   |

| San Joaquin County                   | 2010           |              | 2020           |              | Change 2010-2020 |               |
|--------------------------------------|----------------|--------------|----------------|--------------|------------------|---------------|
|                                      | Number         | Percent      | Number         | Percent      | Number           | Percent       |
| <b>Occupied units</b>                | <b>215,007</b> | <b>92.0%</b> | <b>231,092</b> | <b>94.2%</b> | <b>16,085</b>    | <b>7.5%</b>   |
| <b>Vacant units</b>                  | <b>18,748</b>  | <b>8.0%</b>  | <b>14,100</b>  | <b>5.8%</b>  | <b>(4,648)</b>   | <b>-24.8%</b> |
| For rent                             | 7,765          | 3.3%         | 3,792          | 1.5%         | (3,973)          | -51.2%        |
| For sale only                        | 3,632          | 1.6%         | 1,161          | 0.5%         | (2,471)          | -68.0%        |
| Rented or sold, not occupied         | 1,056          | 0.5%         | 1,960          | 0.8%         | 904              | 85.6%         |
| For seasonal, rec, or occasional use | 852            | 0.4%         | 1,535          | 0.6%         | 683              | 80.2%         |
| For migrant workers                  | 76             | 0.0%         | 117            | 0.0%         | 41               | 53.9%         |
| Other vacant                         | 5,367          | 2.3%         | 5,535          | 2.3%         | 168              | 3.1%          |
| <b>Total Units</b>                   | <b>233,755</b> | <b>100%</b>  | <b>245,192</b> | <b>100%</b>  | <b>11,437</b>    | <b>4.9%</b>   |

| San Jose-San Francisco<br>Oakland CSA (a) | 2010             |              | 2020             |              | Change 2010-2020 |              |
|---|------------------|--------------|------------------|--------------|------------------|--------------|
|   | Number           | Percent      | Number           | Percent      | Number           | Percent      |
| <b>Occupied units</b>                     | <b>3,175,012</b> | <b>93.2%</b> | <b>3,327,700</b> | <b>94.0%</b> | <b>152,688</b>   | <b>4.8%</b>  |
| <b>Vacant units</b>                       | <b>230,238</b>   | <b>6.8%</b>  | <b>211,766</b>   | <b>6.0%</b>  | <b>(18,472)</b>  | <b>-8.0%</b> |
| For rent                                  | 86,530           | 2.5%         | 54,539           | 1.5%         | (31,991)         | -37.0%       |
| For sale only                             | 35,684           | 1.0%         | 13,728           | 0.4%         | (21,956)         | -61.5%       |
| Rented or sold, not occupied              | 13,770           | 0.4%         | 27,275           | 0.8%         | 13,505           | 98.1%        |
| For seasonal, rec, or occasional use      | 37,224           | 1.1%         | 43,526           | 1.2%         | 6,302            | 16.9%        |
| For migrant workers                       | 607              | 0.0%         | 591              | 0.0%         | (16)             | -2.6%        |
| Other vacant                              | 56,423           | 1.7%         | 72,107           | 2.0%         | 15,684           | 27.8%        |
| <b>Total Units</b>                        | <b>3,405,250</b> | <b>100%</b>  | <b>3,539,466</b> | <b>100%</b>  | <b>134,216</b>   | <b>3.9%</b>  |

Note:

(a) The San Jose-San Francisco-Oakland CSA includes Alameda, Contra Costa, Marin, Merced, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Stanislaus counties.

Sources: U.S. Census Bureau, Decennial Census 2010, table H3 and H5; American Community Survey 2016-2020 five-year sample data, table B25002 and B25004; BAE, 2022.

### Overcrowding

The U.S. Census defines an overcrowded unit as one occupied by more than one person per room. Units with more than 1.5 persons per room are considered severely overcrowded. According to the U.S. Census's ACS 2020 five-year sample data, overcrowding is more prevalent in Stockton than in the County and the San Jose-San Francisco-Oakland CSA. Roughly 9.3 percent of city households are overcrowded and have more than one person per room, shown in Table 23. Overcrowding is more common among renter occupied than owner households across all three geographies. In Stockton, 6.2 percent of renter households are overcrowded compared to only 3.0 percent of owner households. For San Joaquin County, 5.0 percent of renter households and 2.8 percent of owner households are overcrowded, and for

the CSA, 5.0 percent of renter households and 1.9 percent of owner households are overcrowded.

Most noteworthy with respect to overcrowding is the increasing number of households reporting severe overcrowding conditions. This is true for both owners and renters for the city, the county, and the CSA, and is a sign that households are having difficulty finding affordable housing suitable for their size.

**Table 23: Persons per Room by Tenure, 2010 and 2020 Five-Year Sample Data**

|                                 | 2010             |              | 2020             |              | Change, 2010-2020 |              |
|---------------------------------|------------------|--------------|------------------|--------------|-------------------|--------------|
|                                 | Number           | Percent      | Number           | Percent      | Number            | Percent      |
| <b>City of Stockton</b>         |                  |              |                  |              |                   |              |
| <b>Owner-occupied</b>           | <b>49,038</b>    | <b>54.3%</b> | <b>47,481</b>    | <b>49.9%</b> | <b>(1,557)</b>    | <b>-3.2%</b> |
| 1.00 or less occupants per room | 46,354           | 51.3%        | 44,601           | 46.8%        | (1,753)           | -3.8%        |
| 1.01 to 1.50 occupants per room | 2,234            | 2.5%         | 2,058            | 2.2%         | (176)             | -7.9%        |
| 1.51 or more occupants per room | 450              | 0.5%         | 822              | 0.9%         | 372               | 82.7%        |
| <b>Renter-occupied</b>          | <b>41,337</b>    | <b>45.7%</b> | <b>47,755</b>    | <b>50.1%</b> | <b>6,418</b>      | <b>15.5%</b> |
| 0.50 or less occupants per room | 35,615           | 39.4%        | 41,814           | 43.9%        | 6,199             | 17.4%        |
| 1.01 to 1.50 occupants per room | 4,174            | 4.6%         | 4,270            | 4.5%         | 96                | 2.3%         |
| 1.51 to 2.00 occupants per room | 1,548            | 1.7%         | 1,671            | 1.8%         | 123               | 7.9%         |
| <b>Total Households</b>         | <b>90,375</b>    | <b>100%</b>  | <b>95,236</b>    | <b>100%</b>  | <b>4,861</b>      | <b>5.4%</b>  |
| <b>San Joaquin County</b>       |                  |              |                  |              |                   |              |
| <b>Owner-occupied</b>           | <b>131,357</b>   | <b>61.7%</b> | <b>133,381</b>   | <b>57.7%</b> | <b>2,024</b>      | <b>1.5%</b>  |
| 1.00 or less occupants per room | 125,390          | 58.9%        | 126,815          | 54.9%        | 1,425             | 1.1%         |
| 1.01 to 1.50 occupants per room | 4,898            | 2.3%         | 4,980            | 2.2%         | 82                | 1.7%         |
| 1.51 or more occupants per room | 1,069            | 0.5%         | 1,586            | 0.7%         | 517               | 48.4%        |
| <b>Renter-occupied</b>          | <b>81,548</b>    | <b>38.3%</b> | <b>97,711</b>    | <b>42.3%</b> | <b>16,163</b>     | <b>19.8%</b> |
| 0.50 or less occupants per room | 71,127           | 33.4%        | 86,044           | 37.2%        | 14,917            | 21.0%        |
| 1.01 to 1.50 occupants per room | 7,585            | 3.6%         | 8,098            | 3.5%         | 513               | 6.8%         |
| 1.51 to 2.00 occupants per room | 2,836            | 1.3%         | 3,569            | 1.5%         | 733               | 25.8%        |
| <b>Total Households</b>         | <b>212,905</b>   | <b>100%</b>  | <b>231,092</b>   | <b>100%</b>  | <b>18,187</b>     | <b>8.5%</b>  |
| <b>San Jose-San Francisco</b>   |                  |              |                  |              |                   |              |
| <b>Oakland CSA (a)</b>          |                  |              |                  |              |                   |              |
| <b>Owner-occupied</b>           | <b>1,829,613</b> | <b>58.6%</b> | <b>1,883,599</b> | <b>56.6%</b> | <b>53,986</b>     | <b>3.0%</b>  |
| 1.00 or less occupants per room | 1,773,769        | 56.8%        | 1,819,495        | 54.7%        | 45,726            | 2.6%         |
| 1.01 to 1.50 occupants per room | 43,889           | 1.4%         | 48,001           | 1.4%         | 4,112             | 9.4%         |
| 1.51 or more occupants per room | 11,955           | 0.4%         | 16,103           | 0.5%         | 4,148             | 34.7%        |
| <b>Renter-occupied</b>          | <b>1,294,857</b> | <b>41.4%</b> | <b>1,444,101</b> | <b>43.4%</b> | <b>149,244</b>    | <b>11.5%</b> |
| 0.50 or less occupants per room | 1,171,038        | 37.5%        | 1,276,544        | 38.4%        | 105,506           | 9.0%         |
| 1.01 to 1.50 occupants per room | 80,134           | 2.6%         | 97,836           | 2.9%         | 17,702            | 22.1%        |
| 1.51 to 2.00 occupants per room | 43,685           | 1.4%         | 69,721           | 2.1%         | 26,036            | 59.6%        |
| <b>Total Households</b>         | <b>3,124,470</b> | <b>100%</b>  | <b>3,327,700</b> | <b>100%</b>  | <b>203,230</b>    | <b>6.5%</b>  |

Note:

(a) The San Jose-San Francisco-Oakland CSA includes Alameda, Contra Costa, Marin, Merced, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Stanislaus counties.

Sources: U.S. Census Bureau, American Community Survey 2006-2010 and 2016-2020 five-year sample data, Table B25014; BAE, 2022.

### ***Housing Problems***

The housing problems analysis, shown in Table 24 and Table 25, identifies the number of households that earned up to the median income (less than or equal to 100 percent of household area median family income (HAMFI)<sup>6</sup> that reported experiencing at least one housing problem, by tenure and income category, based on HUD's Comprehensive Housing Affordability Strategy 2018 five-year sample data. The household income category is determined based on household size and the annually reported HUD HAMFI for the Stockton-Lodi MSA. HUD-defined income categories include above moderate, moderate, low, very low, and extremely low income. Households that earn less than or equal to 30 percent of HAMFI are classified as extremely low-income, whereas households with greater than 30 percent but less than or equal to 50 percent of HAMFI are considered very low-income. Low-income households earn greater than 50 percent but less than or equal to 80 percent of HAMFI. Households considered as moderate-income earn greater than 80 percent but less than or equal to 120 percent of HAMFI, while above moderate-income households earn 120 percent or more of HAMFI.<sup>7</sup> These income criteria are commonly used to determine a household's eligibility for government subsidized housing and other means-tested benefits. In 2022, the HAMFI for a family of four in the Stockton-Lodi MSA was \$85,000.

Under existing HUD regulations, housing problems are defined to include:

- Cost burden – Calculated as the proportion of a household's total gross income that is spent on housing. For renters, housing costs are assumed to include rent paid by the tenant to the property owner, plus applicable utilities. For owner households, housing costs include all mortgage payments, taxes, insurance, and associated utilities. A household's housing cost burden is considered to be excessive if applicable housing costs exceed 30 percent of gross income. Cost burden is considered to be severe if it exceeds 50 percent of gross income.
- Overcrowding – Defined as the condition of having more than one person residing per room in a residence, excluding bathrooms, porches, foyers, halls, or half-rooms. Severe overcrowding is defined as the condition of having more than 1.5 persons per room.
- Substandard housing conditions – When a housing unit lacks hot and cold piped water, and/or a flush toilet and a bathtub or shower; and/or kitchen facilities that lack a sink with piped water, and/or a range, stove, or refrigerator.

Note that due to rounding, and other methodological factors, the numbers shown here may differ from those reported elsewhere in this report. The tables list housing problems by their relative level of severity, with the most severe housing problems listed at the top of the table.

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<sup>6</sup> The terms "area median income (AMI)," "median family income" (MFI) and "HUD Area Median Family Income" (HAMFI) as used in this report are synonymous and are used interchangeably, based in part on usage in the original source data.

<sup>7</sup> These HAMFI/AMI levels may reflect adjustments by HUD and HCD due to high housing costs, low incomes, or other factors such that for a particular area, the published income limits do not match the percentages as referenced.

If a household had more than one housing problem, they were included in the count of households with the more severe housing problem. For example, if a household was both cost-burdened and lived in substandard housing, they were counted in the category of households living in substandard housing.

Table 24 shows the number of Stockton households experiencing at least one housing problem. The majority of lower-income households are experiencing at least one housing problem compared to only half of moderate-income households earning 80 percent to 100 percent of HAMFI. More specifically, most households earning up to 100 percent of HAMFI are experiencing a housing cost burden, representing approximately 53.5 percent of owner households and 63.9 percent of renter households. In Stockton, approximately 71.5 of extremely low-income owner households, 67.0 of very low-income owner households, 50.1 percent of low-income owner households, and 38.4 percent of moderate-income owner households have a housing cost burden. The share of cost burden is exceedingly higher for lower-income renters compared to owners as nearly 56 percent of low-income renter households and more than 70 percent of extremely low-income and very low-income renter households are experiencing cost burdens. There is, however, a lower share of cost-burdened median-income renter households than median-income owner households, suggesting that in Stockton, renting is somewhat more affordable than owning a home for median income households. The severity of cost burden is increasingly worse for lower income households as approximately half of low income owner households earning 51 percent to 80 percent HAMFI and more than 60 percent of extremely and very low-income households are experiencing housing cost burdens.

Additionally, roughly 7.3 percent of owner households and 11.4 percent of renter households earning up to median income are experiencing some form of overcrowding in Stockton. Substandard housing in the city is more prevalent among renter households than owner households. According to HUD, approximately 2.4 percent of renter households earning up to median income are living in substandard housing, either lacking complete plumbing or kitchen facilities, compared to 0.6 percent of owner households.

Table 25 shows the number of San Joaquin County households experiencing at least one housing problem. Much like Stockton, the majority of lower-income households are experiencing at least one housing problem. Households earning up to median income are primarily experiencing housing cost burden, with 53.4 percent of owner households and 61.4 percent of renter households cost burdened. Overcrowding is also a somewhat notable housing problem in the county, as 6.4 percent of owner households and 12.5 percent of renter households report experiencing overcrowding.

**Table 24: Housing Problems by Tenure and Income Level, City of Stockton, 2018 Five-Year Sample Data**

| Owner-Occupied Households ≤ 100% HAMFI (a)              |                 |              |              |              |              |              |               |              |                             |              |
|---|-----------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|-----------------------------|--------------|
| Housing Problems in Order of Severity (b)               | 0-30% HAMFI (b) |              | 31-50% HAMFI |              | 51-80% HAMFI |              | 81-100% HAMFI |              | All Households ≤ 100% HAMFI |              |
|   | Number          | Percent      | Number       | Percent      | Number       | Percent      | Number        | Percent      | Number                      | Percent      |
| Substandard Housing (c)                                 | 45              | 1.7%         | 15           | 0.5%         | 15           | 0.3%         | 20            | 0.4%         | 95                          | 0.6%         |
| Severely Overcrowded (d)                                | 70              | 2.6%         | 70           | 2.3%         | 110          | 1.9%         | 55            | 1.2%         | 305                         | 1.9%         |
| Overcrowded (e)   | 4               | 0.2%         | 65           | 2.1%         | 390          | 6.7%         | 415           | 9.1%         | 874                         | 5.4%         |
| Severe Housing Cost Burden (f)                          | 1,675           | 63.2%        | 1,425        | 46.6%        | 1,420        | 24.5%        | 475           | 10.4%        | 4,995                       | 31.1%        |
| Housing Cost Burden (g)                                 | 220             | 8.3%         | 625          | 20.4%        | 1,485        | 25.6%        | 1,280         | 28.0%        | 3,610                       | 22.5%        |
| Zero/Negative Income                                    | 380             | 14.3%        | 0            | 0.0%         | 0            | 0.0%         | 0             | 0.0%         | 380                         | 2.4%         |
| <b>Subtotal, Owner Households with Housing Problems</b> | <b>2,394</b>    | <b>90.4%</b> | <b>2,200</b> | <b>71.9%</b> | <b>3,420</b> | <b>59.0%</b> | <b>2,245</b>  | <b>49.2%</b> | <b>10,259</b>               | <b>63.8%</b> |
| <b>Total, Owner Households ≤ 100% HAMFI</b>             | <b>2,649</b>    |              | <b>3,060</b> |              | <b>5,800</b> |              | <b>4,565</b>  |              | <b>16,074</b>               |              |

| Renter-Occupied Households ≤ 100% HAMFI (a)              |                 |              |              |              |              |              |               |              |                             |              |
|--|-----------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|-----------------------------|--------------|
| Housing Problems in Order of Severity (b)                | 0-30% HAMFI (b) |              | 31-50% HAMFI |              | 51-80% HAMFI |              | 81-100% HAMFI |              | All Households ≤ 100% HAMFI |              |
|  | Number          | Percent      | Number       | Percent      | Number       | Percent      | Number        | Percent      | Number                      | Percent      |
| Substandard Housing (c)                                  | 355             | 3.3%         | 165          | 1.7%         | 270          | 2.8%         | 60            | 1.2%         | 850                         | 2.4%         |
| Severely Overcrowded (d)                                 | 230             | 2.2%         | 290          | 2.9%         | 385          | 3.9%         | 100           | 2.0%         | 1,005                       | 2.9%         |
| Overcrowded (e)  | 750             | 7.0%         | 885          | 9.0%         | 960          | 9.8%         | 425           | 8.6%         | 3,020                       | 8.6%         |
| Severe Housing Cost Burden (f)                           | 6,920           | 64.7%        | 4,695        | 47.7%        | 870          | 8.9%         | 160           | 3.2%         | 12,645                      | 35.9%        |
| Housing Cost Burden (g)                                  | 860             | 8.0%         | 2,930        | 29.8%        | 4,595        | 47.0%        | 1,495         | 30.2%        | 9,880                       | 28.0%        |
| Zero/Negative Income                                     | 870             | 8.1%         | 0            | 0.0%         | 0            | 0.0%         | 0             | 0.0%         | 870                         | 2.5%         |
| <b>Subtotal, Renter Households with Housing Problems</b> | <b>9,985</b>    | <b>93.4%</b> | <b>8,965</b> | <b>91.1%</b> | <b>7,080</b> | <b>72.4%</b> | <b>2,240</b>  | <b>45.3%</b> | <b>28,270</b>               | <b>80.2%</b> |
| <b>Total, Renter Households ≤ 100% HAMFI</b>             | <b>10,690</b>   |              | <b>9,845</b> |              | <b>9,780</b> |              | <b>4,945</b>  |              | <b>35,260</b>               |              |

Notes:

- (a) Housing problems are listed from most severe to least severe, as ordered by HUD. Households may have multiple housing problems, but, for the purposes of this table, they are counted under their most severe housing problem.
- (b) "HAMFI" is the HUD Area Median Family Income for Stockton-Lodi, CA MSA.
- (c) Lacking complete plumbing or kitchen facilities.
- (d) Greater than 1.5 persons per room.
- (e) 1.01 to 1.5 persons per room.
- (f) Housing costs greater than 50% of gross income.
- (g) Housing costs greater than 30% but less than 50% of gross income.

Sources: U.S. Department of Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2022.

**Table 25: Housing Problems by Tenure and Income Level, San Joaquin County, 2018 Five-Year Sample Data**

| Owner-Occupied Households ≤ 100% HAMFI (a)              |              |              |              |              |               |              |               |              |                             |              |
|---|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|-----------------------------|--------------|
| Housing Problems in Order of Severity (b)               | 0-30% HAMFI  |              | 31-50% HAMFI |              | 51-80% HAMFI  |              | 81-100% HAMFI |              | All Households ≤ 100% HAMFI |              |
|   | Number       | Percent      | Number       | Percent      | Number        | Percent      | Number        | Percent      | Number                      | Percent      |
| Substandard Housing (c)                                 | 70           | 1.1%         | 35           | 0.4%         | 75            | 0.5%         | 60            | 0.6%         | 240                         | 0.6%         |
| Severely Overcrowded (d)                                | 120          | 1.9%         | 105          | 1.3%         | 240           | 1.7%         | 105           | 1.0%         | 570                         | 1.4%         |
| Overcrowded (e)   | 85           | 1.3%         | 330          | 3.9%         | 810           | 5.7%         | 760           | 7.3%         | 1,985                       | 5.0%         |
| Severe Housing Cost Burden (f)                          | 4,125        | 63.9%        | 3,690        | 44.1%        | 3,125         | 22.1%        | 1,135         | 10.9%        | 12,075                      | 30.7%        |
| Housing Cost Burden (g)                                 | 605          | 9.4%         | 1,710        | 20.5%        | 3,710         | 26.2%        | 2,925         | 28.2%        | 8,950                       | 22.7%        |
| Zero/Negative Income                                    | 835          | 12.9%        | 0            | 0.0%         | 0             | 0.0%         | 0             | 0.0%         | 835                         | 2.1%         |
| <b>Subtotal, Owner Households with Housing Problems</b> | <b>5,840</b> | <b>90.5%</b> | <b>5,870</b> | <b>70.2%</b> | <b>7,960</b>  | <b>56.2%</b> | <b>4,985</b>  | <b>48.0%</b> | <b>24,655</b>               | <b>62.6%</b> |
| <b>Total, Owner Households ≤ 100% HAMFI</b>             | <b>6,455</b> |              | <b>8,360</b> |              | <b>14,165</b> |              | <b>10,380</b> |              | <b>39,360</b>               |              |

| Owner-Occupied Households ≤ 100% HAMFI (a)               |                 |              |               |              |               |              |               |              |                             |              |
|--|-----------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|-----------------------------|--------------|
| Housing Problems in Order of Severity (b)                | 0-30% HAMFI (b) |              | 31-50% HAMFI  |              | 51-80% HAMFI  |              | 81-100% HAMFI |              | All Households ≤ 100% HAMFI |              |
|  | Number          | Percent      | Number        | Percent      | Number        | Percent      | Number        | Percent      | Number                      | Percent      |
| Substandard Housing (c)                                  | 565             | 3.3%         | 420           | 2.4%         | 465           | 2.3%         | 180           | 1.7%         | 1,630                       | 2.5%         |
| Severely Overcrowded (d)                                 | 430             | 2.5%         | 635           | 3.6%         | 855           | 4.3%         | 395           | 3.8%         | 2,315                       | 3.6%         |
| Overcrowded (e)  | 1,240           | 7.3%         | 1,750         | 9.9%         | 1,955         | 9.8%         | 875           | 8.3%         | 5,820                       | 8.9%         |
| Severe Housing Cost Burden (f)                           | 10,735          | 63.3%        | 8,385         | 47.6%        | 2,685         | 13.4%        | 430           | 4.1%         | 22,235                      | 34.2%        |
| Housing Cost Burden (g)                                  | 1,055           | 6.2%         | 4,735         | 26.9%        | 8,680         | 43.3%        | 3,255         | 31.1%        | 17,725                      | 27.2%        |
| Zero/Negative Income                                     | 1,570           | 9.3%         | 0             | 0.0%         | 0             | 0.0%         | 0             | 0.0%         | 1,570                       | 2.4%         |
| <b>Subtotal, Renter Households with Housing Problems</b> | <b>15,595</b>   | <b>92.0%</b> | <b>15,925</b> | <b>90.4%</b> | <b>14,640</b> | <b>73.1%</b> | <b>5,135</b>  | <b>49.0%</b> | <b>51,295</b>               | <b>78.8%</b> |
| <b>Total, Renter Households ≤ 100% HAMFI</b>             | <b>16,950</b>   |              | <b>17,615</b> |              | <b>20,035</b> |              | <b>10,480</b> |              | <b>65,080</b>               |              |

Notes:

- (a) Housing problems are listed from most severe to least severe, as ordered by HUD. Households may have multiple housing problems, but, for the purposes of this table, they are counted under their most severe housing problem.
- (b) "HAMFI" is the HUD Area Median Family Income for Stockton-Lodi, CA MSA.
- (c) Lacking complete plumbing or kitchen facilities.
- (d) Greater than 1.5 persons per room.
- (e) 1.01 to 1.5 persons per room.
- (f) Housing costs greater than 50% of gross income.
- (g) Housing costs greater than 30% but less than 50% of gross income.

Sources: U.S. Department of Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy (CHAS) data; BAE, 2022.

## Housing Needs by Income and Housing Type

### *Regional Housing Needs Allocation*

Table 26 provides an overview of Stockton’s Regional Housing Needs Allocation (RHNA) from the previous cycle along with the city’s progress so far in reaching assigned housing goals for that 5<sup>th</sup> Cycle 2015 through 2023 period. As shown, the total allocation for that period was 11,824 units, of which 27 percent were very low income, 17 percent were low income, 18 percent were moderate income, and 39 percent were above-moderate income. Through 2021, permits were issued for 3,330 housing units, or only slightly more than one-fourth of the RHNA allocation. The city has been most successful in building moderate and above-moderate housing but has fallen short even for those categories. For the very low-income level, as of 2021, permit issuances have reached only 13 percent of the stated RHNA allocation.

**Table 26: RHNA Allocation Progress – Permits Issued by Affordability, 2015-2021**

| <u>Income Level</u>          | <u>RHNA<br/>Allocation by<br/>Income Level</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>Total Units<br/>to Date (all<br/>years)</u> | <u>Total<br/>Remaining<br/>RHNA by<br/>Income Level</u> |
|------------------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|---|
| <b>Very Low</b>              |  |             |             |             |             |             |             |             |  |   |
| Deed Restricted              | 3,157  | -           | -           | 164         | -           | 118         | 36          | 86          | 404  | 2,753   |
| Non-Deed Restricted          |  | -           | -           | -           | -           | -           | -           | -           |  |   |
| <b>Low</b>                   |  |             |             |             |             |             |             |             |  |   |
| Deed Restricted              | 2,004  | -           | -           | -           | -           | -           | 27          | 75          | 486  | 1,518   |
| Non-Deed Restricted          |  | 49          | 300         | -           | 4           | 4           | -           | 27          |  |   |
| <b>Moderate</b>              |  |             |             |             |             |             |             |             |  |   |
| Deed Restricted              | 2,103  | -           | -           | -           | -           | -           | -           | -           | 936  | 1,167   |
| Non-Deed Restricted          |  | 138         | 194         | 47          | 80          | 457         | 14          | 6           |  |   |
| <b>Above Moderate</b>        | <b>4,560</b>                                   | <b>-</b>    | <b>-</b>    | <b>175</b>  | <b>243</b>  | <b>-</b>    | <b>392</b>  | <b>694</b>  | <b>1,504</b>                                   | <b>3,056</b>  |
| <b>Total RHNA</b>            | <b>11,824</b>                                  |             |             |             |             |             |             |             |  |   |
| <b>Total Units Permitted</b> |  | <b>187</b>  | <b>494</b>  | <b>386</b>  | <b>327</b>  | <b>579</b>  | <b>469</b>  | <b>888</b>  | <b>3,330</b>                                   | <b>8,494</b>  |

Note: Units serving extremely low-income households are included in the very low-income permitted unit totals.

Sources: Housing Element Annual Progress Report, 2021; BAE, 2022.

Stockton’s RHNA Allocation for the upcoming 6<sup>th</sup> Cycle (2023 through 2031) is slightly above the previous cycle, at 12,673 housing units (vs. 11,824 in the 5<sup>th</sup> Cycle). The allocation for very low-income units has actually decreased from 3,157 to 2,465 units, and the allocation for low-income units has decreased from 2,004 to 1,548 units. Stockton’s overall RHNA allocation for the 6<sup>th</sup> Cycle is 24 percent of the total allocation for the county.

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**Table 27: Final 2023-2031 HCD RHNA Determination for Stockton**

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|                              | <b>Stockton</b> |                | <b>San Joaquin County Total</b> |                |
|------------------------------|-----------------|----------------|---------------------------------|----------------|
|                              | <b>Number</b>   | <b>Percent</b> | <b>Number</b>                   | <b>Percent</b> |
| Very-Low Income Units        | 2,465           | 19%            | 13,293                          | 25%            |
| Low Income Units             | 1,548           | 12%            | 8,344                           | 16%            |
| Moderate Income Units        | 2,572           | 20%            | 9,231                           | 18%            |
| Above-Moderate Income Units  | 6,088           | 48%            | 21,851                          | 41%            |
| <b>Total RHNA Allocation</b> | <b>12,673</b>   | <b>100%</b>    | <b>52,719</b>                   | <b>100%</b>    |

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Source: San Joaquin Council of Governments Regional Housing Needs Plan, 6th Cycle Regional Housing Needs Allocation 2023-2031; California Department of Housing and Community Development (HCD).

### ***Rental Market***

The following discussion covers current rental market conditions based on information from CoStar, a private vendor providing information more current than that available through the ACS. As of Q1 2022, CoStar reports 16,466 units in multifamily market-rate rental properties in Stockton; over 85 percent are one- and two-bedroom units. Two- and three-bedroom units exhibit the highest average asking rents, while studio and one-bedroom units have the highest rents per square-foot. Between Q1 2021 and Q1 2022, the average asking rent for multifamily market-rate units increased by over nine percent, with the largest rent increase occurring in one- and two-bedroom units. Overall, the vacancy rate of market-rate rental units for CoStar's inventory is 3.4 percent and is generally in line with the ACS-reported 2021 rental vacancy rate of 2.7 percent for Stockton.<sup>8</sup>

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<sup>8</sup> Note that the rate from CoStar is for larger multifamily apartment complexes whereas the ACS rate is for all rental housing, including single-family homes.

**Table 28: Multifamily Rental Summary by Unit Size, City of Stockton, Q1 2022**

| <b>Market-Rate Units</b>          |               |              |              |              |              |                       |
|-----------------------------------|---------------|--------------|--------------|--------------|--------------|-----------------------|
| <b>Multifamily Summary</b>        | <b>Studio</b> | <b>1 BR</b>  | <b>2 BR</b>  | <b>3 BR</b>  | <b>4+ BR</b> | <b>All Unit Types</b> |
| <b>Inventory, Q1 2022 (units)</b> | <b>1,419</b>  | <b>7,512</b> | <b>6,519</b> | <b>1,007</b> | <b>9</b>     | <b>16,466</b>         |
| % of Units                        | 8.6%          | 45.6%        | 39.6%        | 6.1%         | 0.1%         | 100.0%                |
| Occupied Units                    | 1,362         | 7,239        | 6,312        | 979          | 9            | 15,901                |
| Vacant Units                      | 57            | 273          | 207          | 28           | 0            | 565                   |
| Vacancy Rate                      | 4.0%          | 3.6%         | 3.2%         | 2.8%         | 3.1%         | 3.4%                  |
| Avg. Unit Size (sf)               | 516           | 634          | 925          | 1,220        | 1,232        | 784                   |
| <b>Avg. Asking Rents</b>          |               |              |              |              |              |                       |
| Avg. Asking Rent, Q1 2021         | \$1,004       | \$1,098      | \$1,425      | \$1,354      | \$1,341      | \$1,254               |
| Avg. Asking Rent, Q1 2022         | \$1,065       | \$1,221      | \$1,542      | \$1,452      | \$1,381      | \$1,370               |
| % Change Q1 2021 - Q1 2022        | 6.1%          | 11.2%        | 8.2%         | 7.2%         | 3.0%         | 9.3%                  |
| <b>Avg. Asking Rents psf</b>      |               |              |              |              |              |                       |
| Avg. Asking Rent psf, Q1 2021     | \$2.05        | \$1.76       | \$1.55       | \$1.10       | \$1.09       | \$1.60                |
| Avg. Asking Rent psf, Q1 2022     | \$2.20        | \$1.97       | \$1.68       | \$1.19       | \$1.12       | \$1.75                |
| % Change Q1 2021 - Q1 2022        | 7.3%          | 11.9%        | 8.4%         | 8.2%         | 2.8%         | 9.4%                  |

Sources: CoStar Group, 2022; BAE, 2022.

### Affordable Rent Analysis

BAE estimated affordable rents by household size and income category based on HCD's 2022 income limits and the Housing Authority of the County of San Joaquin's utility allowance. Affordable contract rents are equal to 30 percent of gross monthly income minus the utility allowance.<sup>9</sup> Comparing these the broader rental market shows which income levels face difficulty finding housing in the area without being burdened with excessive housing costs.

As Table 29 shows the range of affordable rents by income level; the maximum affordable rent in San Joaquin County is \$313 for a one-bedroom, one-person extremely low-income household, earning up to 30 percent of area median income (AMI),<sup>10</sup> while the maximum affordable rent in San Joaquin County is \$2,515 for a four-bedroom, five-person moderate income household (120 percent of AMI). Compared with CoStar's market-rate rents, units are, at minimum, affordable to low income two-to-four-person households. At the lowest level, an affordable rent for a one-bedroom, two-person low-income household is \$1,203 per month. This is similar to the average one-bedroom market-rate rate in Stockton of \$1,221 per month reported by CoStar in Table 28. An affordable three-bedroom unit for a low-income household ranges from \$1,293 to \$1,591 per month. The market-rate average three-bedroom rate of \$1,452 per month as reported in CoStar lies within this range.

<sup>9</sup> The utility allowance was published by the Housing Authority of the County of San Joaquin in 2021. Utility allowance estimates assume that all heating, cooking, and water heating would be done using electricity. Other electricity usage is also included, accounting for lighting, refrigeration, and small appliances.

<sup>10</sup> The terms "area median income (AMI)," "median family income" (MFI) and "HUD Area Median Family Income" (HAMFI) are synonymous and interchangeably in this report, based in part on usage in the original source data.

**Table 29: Affordable Rents, City of Stockton/San Joaquin County, 2022**

| <b>Median Family Income:</b>    |                 | <b>\$85,000</b>              |                 |                 |                 |  |
|---------------------------------|-----------------|------------------------------|-----------------|-----------------|-----------------|--|
|                                 |                 | <b>Persons Per Household</b> |                 |                 |                 |  |
| <b>2022 Income Limits (a)</b>   | <b>One</b>      | <b>Two</b>                   | <b>Three</b>    | <b>Four</b>     | <b>Five</b>     |  |
| Extremely Low-Income (30% MFI)  | \$17,400        | \$19,900                     | \$23,030        | \$27,750        | \$32,470        |  |
| Very Low-Income (50% MFI)       | \$29,000        | \$33,150                     | \$37,300        | \$41,400        | \$44,750        |  |
| Low-Income (80% MFI)            | \$46,350        | \$53,000                     | \$59,600        | \$66,200        | \$71,500        |  |
| <b>Median Income (100% MFI)</b> | <b>\$59,500</b> | <b>\$68,000</b>              | <b>\$76,500</b> | <b>\$85,000</b> | <b>\$91,800</b> |  |
| Moderate-Income (120% MFI)      | \$71,400        | \$81,600                     | \$91,800        | \$102,000       | \$110,150       |  |

|                             |               | <b>Unit Size</b> |                  |                  |                  |  |
|-----------------------------|---------------|------------------|------------------|------------------|------------------|--|
| <b>Affordable Rents (b)</b> | <b>Studio</b> | <b>1-Bedroom</b> | <b>2-Bedroom</b> | <b>3-Bedroom</b> | <b>4-Bedroom</b> |  |
| <b>Extremely Low Income</b> |               |                  |                  |                  |                  |  |
| 1-Person                    | \$333         | \$313            |                  |                  |                  |  |
| 2-Person                    |               | \$376            | \$340            |                  |                  |  |
| 3-Person                    |               |                  | \$418            | \$379            |                  |  |
| 4-Person                    |               |                  | \$536            | \$497            | \$455            |  |
| 5-Person                    |               |                  |                  | \$615            | \$573            |  |
| <b>Very Low Income</b>      |               |                  |                  |                  |                  |  |
| 1-Person                    | \$623         | \$603            |                  |                  |                  |  |
| 2-Person                    |               | \$707            | \$671            |                  |                  |  |
| 3-Person                    |               |                  | \$775            | \$736            |                  |  |
| 4-Person                    |               |                  | \$877            | \$838            | \$796            |  |
| 5-Person                    |               |                  |                  | \$922            | \$880            |  |
| <b>Low Income</b>           |               |                  |                  |                  |                  |  |
| 1-Person                    | \$1,057       | \$1,037          |                  |                  |                  |  |
| 2-Person                    |               | \$1,203          | \$1,167          |                  |                  |  |
| 3-Person                    |               |                  | \$1,332          | \$1,293          |                  |  |
| 4-Person                    |               |                  | \$1,497          | \$1,458          | \$1,416          |  |
| 5-Person                    |               |                  |                  | \$1,591          | \$1,549          |  |
| <b>Moderate Income</b>      |               |                  |                  |                  |                  |  |
| 1-Person                    | \$1,683       | \$1,663          |                  |                  |                  |  |
| 2-Person                    |               | \$1,918          | \$1,882          |                  |                  |  |
| 3-Person                    |               |                  | \$2,137          | \$2,098          |                  |  |
| 4-Person                    |               |                  | \$2,392          | \$2,353          | \$2,311          |  |
| 5-Person                    |               |                  |                  | \$2,557          | \$2,515          |  |

**Notes:**

(a) Income limits are based on the HCD-adjusted median family income of \$85,000 (\$2022).

(b) Affordable rents equal to 30 percent of gross monthly income, minus a utility allowance. The utility allowance is published by the Housing Authority in 2022. Utility allowance estimated assume that all heating, cooking, and water heating would be done using natural gas. Other electricity usage is also included, accounting for lighting, refrigeration, and small appliances.

Sources: HCD, 2022; Housing Authority County of San Joaquin, 2022; BAE, 2022.

**For-Sale Market**

Table 30 shows the home sale price distribution for single-family and condominium units in Stockton between November 2021 to April 2022. There were 1,705 single-family units sold in city during the time period, the majority of which were three or more bedroom units. The median home price for single-family home over the period in Stockton is reported at

\$425,000, while the bulk of units ranged from \$300,000 to \$600,000. During this same time period, there were 88 condominium units sold, the bulk of which were two bedroom units. Between November 2021 and April 2022, the majority of condominiums sold ranged from one to two bedrooms with an overall median sale price of \$195,000. Condominiums make up a small portion of the housing stock and comprise only 4.9 percent of the total units sold during this period.

**Table 30: Home Sale Distribution, City of Stockton, November 2021 to April 2022**

| <b>Single-Family Homes</b>    |                  |                  |                  |                  |                  |                         |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|
| <b>Sale Price Range</b>       | <b>1 BR</b>      | <b>2 BR</b>      | <b>3 BR</b>      | <b>4+ BR</b>     | <b>Total</b>     | <b>Percent of Total</b> |
| Less than \$300,000           | 9                | 112              | 61               | 22               | <b>204</b>       | 12.0%                   |
| \$300,000-\$399,999           | 2                | 191              | 259              | 34               | <b>486</b>       | 28.5%                   |
| \$400,000-\$499,999           | 1                | 28               | 337              | 141              | <b>507</b>       | 29.7%                   |
| \$500,000-\$599,999           | 0                | 9                | 121              | 197              | <b>327</b>       | 19.2%                   |
| \$600,000 or more             | 1                | 6                | 45               | 129              | <b>181</b>       | 10.6%                   |
| <b>Total Units Sold</b>       | <b>13</b>        | <b>346</b>       | <b>823</b>       | <b>523</b>       | <b>1,705</b>     | <b>100%</b>             |
| <b>Percent of Total</b>       | <b>0.8%</b>      | <b>20.3%</b>     | <b>48.3%</b>     | <b>30.7%</b>     | <b>100%</b>      |                         |
| <b>Median Sale Price</b>      | <b>\$259,000</b> | <b>\$325,000</b> | <b>\$420,000</b> | <b>\$520,000</b> | <b>\$425,000</b> |                         |
| <b>Average Sale Price</b>     | <b>\$294,577</b> | <b>\$345,650</b> | <b>\$435,941</b> | <b>\$541,069</b> | <b>\$448,788</b> |                         |
| <b>Average Unit Size (SF)</b> | <b>770</b>       | <b>1,061</b>     | <b>1,543</b>     | <b>2,278</b>     | <b>1,665</b>     |                         |
| <b>Median Price per SF</b>    | <b>\$372.83</b>  | <b>\$317.62</b>  | <b>\$288.54</b>  | <b>\$238.32</b>  | <b>\$278.51</b>  |                         |
| <b>Average Price per SF</b>   | <b>\$384.05</b>  | <b>\$337.50</b>  | <b>\$287.85</b>  | <b>\$240.99</b>  | <b>\$284.29</b>  |                         |
| <b>Condominium</b>            |                  |                  |                  |                  |                  |                         |
| <b>Sale Price Range</b>       | <b>1 BR</b>      | <b>2 BR</b>      | <b>3 BR</b>      | <b>4+ BR</b>     | <b>Total</b>     | <b>Percent of Total</b> |
| Less than \$150,000           | 11               | 11               | 0                | 0                | <b>22</b>        | 25.0%                   |
| \$150,000-\$199,999           | 7                | 17               | 2                | 0                | <b>26</b>        | 29.5%                   |
| \$200,000-\$249,999           | 1                | 11               | 1                | 0                | <b>13</b>        | 14.8%                   |
| \$250,000 or more             | 0                | 22               | 5                | 0                | <b>27</b>        | 30.7%                   |
| <b>Total Units Sold</b>       | <b>19</b>        | <b>61</b>        | <b>8</b>         | <b>0</b>         | <b>88</b>        | <b>100%</b>             |
| <b>Percent of Total</b>       | <b>21.6%</b>     | <b>69.3%</b>     | <b>9.1%</b>      | <b>0.0%</b>      | <b>100%</b>      |                         |
| <b>Median Sale Price</b>      | <b>\$145,000</b> | <b>\$215,000</b> | <b>\$260,000</b> | n.a.             | <b>\$195,000</b> |                         |
| <b>Average Sale Price</b>     | <b>\$224,926</b> | <b>\$224,926</b> | <b>\$224,926</b> | n.a.             | <b>\$211,648</b> |                         |
| <b>Average Unit Size (SF)</b> | <b>595</b>       | <b>991</b>       | <b>1,255</b>     | n.a.             | <b>929</b>       |                         |
| <b>Median Price per SF</b>    | <b>\$236.93</b>  | <b>\$235.65</b>  | <b>\$219.62</b>  | n.a.             | <b>\$235.71</b>  |                         |
| <b>Average Price per SF</b>   | <b>\$224.11</b>  | <b>\$224.11</b>  | <b>\$224.11</b>  | n.a.             | <b>\$227.94</b>  |                         |

Note:

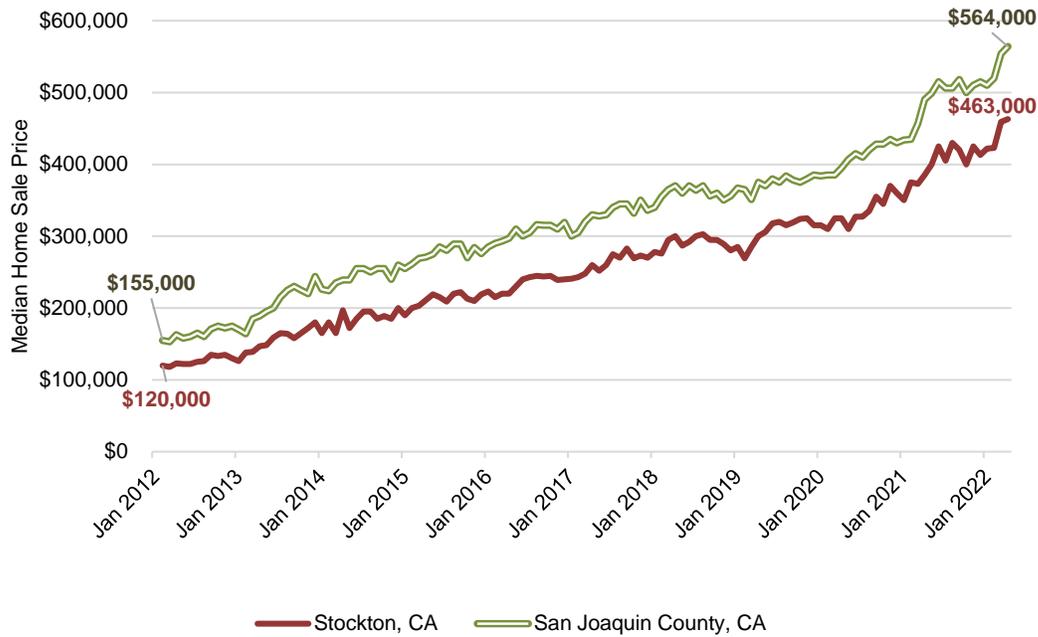
Data reflect full and verified sales from November 1, 2021 to April 30, 2022. No townhome sales were recorded during this period.

Sources: ListSource, 2022; BAE, 2022.

Figure 12 illustrates the historical median home sale price trends for Stockton and San Joaquin County from February 2012 through April 2022. Both the city and the county have seen a dramatic price increase over that period; the County's median home sale price grew by 264 percent, while the City's grew by 286 percent. However, the median for the city continues to lag the countywide median, at \$463,000 as compared to \$564,000 in April 2022. These

prices outpace income growth, tending to put housing costs beyond the means of more households over time.

**Figure 12: Median Home Sale Price, All Unit Types, February 2012 to April 2022**



Sources: Redfin Data Center, 2022; BAE, 2022.

*Affordable For-Sale Housing Price*

The median sale price for a single-family home of \$425,000 as noted above would be unaffordable to one-to-four-person moderate-and lower income households (earning up to 120 percent of AMI) without those households becoming cost-burdened (i.e., spending greater than 31 percent of gross monthly income on housing costs<sup>11</sup>). Table 31 shows HCD’s 2021 income limits for San Joaquin County, which serves as the basis for determining eligibility for affordable housing. BAE used this information to calculate the maximum affordable sales price to households, by size, earning up to 120 percent of the income. The analysis reveals that a four-person household earning up to 120 percent of AMI could only afford a maximum home sale price of \$353,630 and would incur an excessive housing cost burden based on the median single-family home sale price of \$425,000 in Stockton. The maximum affordable home for a low-income household of three in Stockton is \$206,675 and for a household of four is \$229,490. This maximum affordable home sale price to accommodate a three and four-person household is significantly lower than the median home sale price for a two

<sup>11</sup> Housing costs include a down payment of 3.5 percent of the home value, a 3.48 fixed-rate 30-year mortgage, mortgage insurance, homeowners insurance, and property tax. Together, these costs equal 31 percent of gross monthly income.

bedroom single-family home at \$325,000 or a three bedroom single-family home at \$420,000.

Single-family attached homes, such as condominiums, are more affordable to low-income households of two persons or greater. For a low-income household, the maximum affordable home price ranges from \$183,726 for a two-person household to \$247,876 for a five-person household. Low income households could afford a smaller condominium unit in Stockton as median condominium sales of one and two -bedroom units are within this range. However, the limited rate of sales over time may indicate a constrained supply and limited availability of these affordable units.

In order to increase and promote sustainable homeownership for the full range of household incomes and needs, Stockton should focus on infill housing development to encourage development of underutilized properties and maximize the production of units in order to serve the growing number of residents and their households. Given the large number of households earning the median household income or less and facing a housing cost burden, the production of condominiums, townhomes, and other smaller ownership units, especially in more urbanized areas in infill development projects with a mix of market-rate and affordable units, could alleviate supply constraints in the housing market. More importantly, infill housing projects producing single-family attached homes are relatively affordable to low-income households in the city and would expand the opportunities of homeownership to a broader range of households.

**Table 31: Affordable For-Sale Housing Price, San Joaquin County, 2022**

| <b>Median Family Income:</b>    |                 | <b>\$85,000</b>              |                 |                 |                 |  |  |  |
|---------------------------------|-----------------|------------------------------|-----------------|-----------------|-----------------|--|--|--|
|                                 |                 | <b>Persons Per Household</b> |                 |                 |                 |  |  |  |
| <b>2022 Income Limits (a)</b>   | <b>One</b>      | <b>Two</b>                   | <b>Three</b>    | <b>Four</b>     | <b>Five</b>     |  |  |  |
| Acutely Low-Income (15% MFI)    | \$8,950         | \$10,200                     | \$11,500        | \$12,750        | \$13,750        |  |  |  |
| Extremely Low-Income (30% MFI)  | \$17,400        | \$19,900                     | \$23,030        | \$27,750        | \$32,470        |  |  |  |
| Very Low-Income (50% MFI)       | \$29,000        | \$33,150                     | \$37,300        | \$41,400        | \$44,750        |  |  |  |
| Low-Income (80% MFI)            | \$46,350        | \$53,000                     | \$59,600        | \$66,200        | \$71,500        |  |  |  |
| <b>Median Income (100% MFI)</b> | <b>\$59,500</b> | <b>\$68,000</b>              | <b>\$76,500</b> | <b>\$85,000</b> | <b>\$91,800</b> |  |  |  |
| Moderate-Income (120% MFI)      | \$71,400        | \$81,600                     | \$91,800        | \$102,000       | \$134,037       |  |  |  |

|                                | <b>Amount Avail. for Housing</b> | <b>Principal &amp; Interest</b> | <b>Property Insurance</b> | <b>Property Taxes</b> | <b>Mortgage Insurance</b> | <b>Total Monthly Payment</b> | <b>Down-Payment</b> | <b>Affordable Home Price</b> |
|--------------------------------|----------------------------------|---------------------------------|---------------------------|-----------------------|---------------------------|------------------------------|---------------------|------------------------------|
| <b>1-Person Household</b>      |                                  |                                 |                           |                       |                           |                              |                     |                              |
| Acutely Low-Income (15% MFI)   | \$231                            | \$170                           | \$9                       | \$31                  | \$21                      | \$231                        | \$1,628             | \$31,001                     |
| Extremely Low-Income (30% MFI) | \$450                            | \$332                           | \$17                      | \$61                  | \$41                      | \$450                        | \$3,171             | \$60,392                     |
| Very Low-Income (50% MFI)      | \$749                            | \$552                           | \$28                      | \$101                 | \$67                      | \$749                        | \$5,277             | \$100,519                    |
| Low-Income (80% MFI)           | \$1,197                          | \$882                           | \$45                      | \$162                 | \$108                     | \$1,197                      | \$8,434             | \$160,643                    |
| Moderate-Income (120% MFI)     | \$1,845                          | \$1,360                         | \$70                      | \$249                 | \$166                     | \$1,845                      | \$12,999            | \$247,608                    |
| <b>2-Person Household</b>      |                                  |                                 |                           |                       |                           |                              |                     |                              |
| Acutely Low-Income (15% MFI)   | \$264                            | \$195                           | \$10                      | \$36                  | \$24                      | \$264                        | \$1,860             | \$35,430                     |
| Extremely Low-Income (30% MFI) | \$514                            | \$379                           | \$19                      | \$69                  | \$46                      | \$514                        | \$3,622             | \$68,981                     |
| Very Low-Income (50% MFI)      | \$856                            | \$631                           | \$32                      | \$116                 | \$77                      | \$856                        | \$6,031             | \$114,879                    |
| Low-Income (80% MFI)           | \$1,369                          | \$1,009                         | \$52                      | \$185                 | \$123                     | \$1,369                      | \$9,646             | \$183,726                    |
| Moderate-Income (120% MFI)     | \$2,108                          | \$1,553                         | \$80                      | \$285                 | \$190                     | \$2,108                      | \$14,852            | \$282,904                    |
| <b>3-Person Household</b>      |                                  |                                 |                           |                       |                           |                              |                     |                              |
| Acutely Low-Income (15% MFI)   | \$297                            | \$219                           | \$11                      | \$40                  | \$27                      | \$297                        | \$2,093             | \$39,859                     |
| Extremely Low-Income (30% MFI) | \$595                            | \$438                           | \$23                      | \$80                  | \$54                      | \$595                        | \$4,192             | \$79,852                     |
| Very Low-Income (50% MFI)      | \$964                            | \$710                           | \$37                      | \$130                 | \$87                      | \$964                        | \$6,792             | \$129,373                    |
| Low-Income (80% MFI)           | \$1,540                          | \$1,135                         | \$58                      | \$208                 | \$139                     | \$1,540                      | \$10,850            | \$206,675                    |
| Moderate-Income (120% MFI)     | \$2,372                          | \$1,748                         | \$90                      | \$321                 | \$214                     | \$2,372                      | \$16,713            | \$318,334                    |
| <b>4-Person Household</b>      |                                  |                                 |                           |                       |                           |                              |                     |                              |
| Acutely Low-Income (15% MFI)   | \$329                            | \$242                           | \$12                      | \$44                  | \$30                      | \$329                        | \$2,318             | \$44,153                     |
| Extremely Low-Income (30% MFI) | \$717                            | \$528                           | \$27                      | \$97                  | \$65                      | \$717                        | \$5,052             | \$96,225                     |
| Very Low-Income (50% MFI)      | \$1,070                          | \$788                           | \$41                      | \$145                 | \$96                      | \$1,070                      | \$7,539             | \$143,599                    |
| Low-Income (80% MFI)           | \$1,710                          | \$1,260                         | \$65                      | \$231                 | \$154                     | \$1,710                      | \$12,048            | \$229,490                    |
| Moderate-Income (120% MFI)     | \$2,635                          | \$1,942                         | \$100                     | \$356                 | \$237                     | \$2,635                      | \$18,566            | \$353,630                    |

Continued on following page.

**Table 311: Affordable For-Sale Housing Price, San Joaquin County, 2022**

| <b>5-Person Household</b>      | <b>Amount Avail.<br/>for Housing</b> | <b>Principal &amp;<br/>Interest</b> | <b>Property<br/>Insurance</b> | <b>Property<br/>Taxes</b> | <b>Mortgage<br/>Insurance</b> | <b>Total Monthly<br/>Payment</b> | <b>Down-<br/>Payment</b> | <b>Affordable<br/>Home Price</b> |
|--------------------------------|--------------------------------------|-------------------------------------|-------------------------------|---------------------------|-------------------------------|----------------------------------|--------------------------|----------------------------------|
| Acutely Low-Income (15% MFI)   | \$355                                | \$262                               | \$13                          | \$48                      | \$32                          | \$355                            | \$2,501                  | \$47,643                         |
| Extremely Low-Income (30% MFI) | \$839                                | \$618                               | \$32                          | \$113                     | \$76                          | \$839                            | \$5,911                  | \$112,598                        |
| Very Low-Income (50% MFI)      | \$1,156                              | \$852                               | \$44                          | \$156                     | \$104                         | \$1,156                          | \$8,145                  | \$155,141                        |
| Low-Income (80% MFI)           | \$1,847                              | \$1,361                             | \$70                          | \$250                     | \$166                         | \$1,847                          | \$13,014                 | \$247,876                        |
| Moderate-Income (120% MFI)     | \$3,463                              | \$2,552                             | \$131                         | \$468                     | \$312                         | \$3,463                          | \$24,399                 | \$464,751                        |

**Ownership Cost Assumptions**

|                                 |                            |
|---------------------------------|----------------------------|
| % of Income for Housing Costs   | 31% of gross annual income |
| <b>Mortgage Terms</b>           |                            |
| Down payment                    | 3.50% of home value        |
| Annual interest rate (b)        | 5.69% fixed                |
| Loan term                       | 30 years                   |
| Upfront mortgage insurance      | 1.75% of home value        |
| Annual mortgage insurance       | 0.85% of mortgage          |
| Annual property tax rate (c)    | 1.21% of home value        |
| Annual homeowners insurance (d) | 0.34% of home value        |

**Notes:**

(a) Income limits are based on the HCD-adjusted median family income of \$85,000 (\$2022).

(b) Based on an average interest rate from June 2021 to May 2022.

(c) Based on the tax rate area 003-000.

(d) Based on an average of quoted insurance premiums from the Homeowners Premium Survey, published by the California Department of Insurance, for a 16-25 year old home valued at \$400,000 with a \$1,000 annual deductible in the City of Stockton, San Joaquin County.

Sources: HCD, 2022; California Department of Insurance, Homeowners Premium Survey, 2022; San Joaquin County Auditor-Controller's Office, 2022; Freddie Mac, 2022; BAE, 2022.

## Summary of Socioeconomic and Housing Characteristics and Trends

Stockton has a need for housing for a variety of households and individuals. Housing costs have risen faster than incomes due to inadequate production resulting in a significant decrease in functional vacancy, making housing unaffordable for many households at moderate incomes and below. Among those with housing needs are the following:

- **Younger and Family households.** Stockton's population growth is concentrated in the 25-44 years age category, which corresponds to young person households and families with young children. These households often lack the resources to enter into the for-sale housing market. The lack of multifamily rental housing pushes many into the single-family rental market, sometimes leading to the overconsumption of housing and overpayment, which further delays homeownership. Stockton also lacks a robust inventory of smaller for-sale homeownership opportunities. Focusing on multifamily rental and missing middle housing prototypes will help close this market gap.
- **Moderate- and lower-income households.** Stockton's housing unit mix is dominated by single-family detached homes but purchasing one of these homes today is out of reach for many moderate and most lower-income households. Additional smaller unit types such as -plex units, townhomes, and condominiums could provide a more affordable pathway to home ownership for young families and others. In addition, there is likely significant unmet demand for multifamily rental housing; the lack of which is likely contributing to excessive housing cost burdens due to the overconsumption of housing among some renter households.
- **Cost burdened households.** Many current residents of Stockton face inordinately high housing costs, as evidenced by the large number spending 30 percent or more of their income for housing, possibly leaving them unable to afford other necessities of daily living, such as education, health care, or transportation. Many households, particularly those with very low-incomes, are even severely cost burdened, spending more than half of their income on housing. This makes them particularly at-risk for displacement and contributes to housing insecurity and homelessness.
- **Overcrowded Households.** Stockton has subpopulation of lower-income households that are overcrowded, likely due to the inability to find or afford suitably sized housing. Stockton has a need for additional large and affordable rental units, since most rental apartments are too small to serve this population, and the numerous single-family detached rental homes in the city are likely too expensive. Nonetheless, Stockton also has a need for more moderately sized multifamily rental units that are affordable.
- **Homeless Individuals and Families.** The most recent point-in-time count of the homeless in San Joaquin County enumerated over 2,300 homeless individuals, many of them children in families. Over 40 percent of these were unsheltered, with the remainder in emergency and transitional housing. Many of these individuals are employed but cannot afford shelter. The City of Stockton specifically had 893

unsheltered homeless. The Continuum of Care calls for expansion of the existing emergency shelter system in San Joaquin County, as well as the creation of more transitional housing and permanent supportive housing opportunities.

- **Access to Opportunity.** While Stockton and San Joaquin County are “majority minority” communities, the community shows a number of racially and ethnically concentrated areas of poverty, as well as racially and ethnically concentrated areas of affluence, due in part to historical (and ongoing) discrimination in housing.

The City should consider policies that facilitate the creation of housing opportunities for moderate- and lower-income households in areas of higher opportunity, mainly in north and eastern Stockton, as well as opportunities for development of higher-end market rate housing in areas of lower opportunity and concentrated poverty, such as Downtown. This should be coupled with appropriate anti-gentrification and displacement policies and tools to ensure such actions benefit existing residents.

Stockton should also pursue processes to identify community development needs in lower opportunity areas and commit to substantial investments in community services, education, and employment that can bring opportunity residents in underserved areas.

- **Improved Code Enforcement.** Interviews with community stakeholders indicate that additional resources should be focused on enhanced code enforcement to discourage displacement and unsafe housing conditions within the existing multifamily housing stock. Particular focus should be put on properties in the Downtown and South Stockton. Enhanced code enforcement should also be coupled with renovation assistance (both technical and monetary) for property owners acting in good faith.
- **Naturally Occurring Affordable Housing.** Stockton features an existing supply of smaller, older housing units that function as naturally occurring affordable housing (HOAH). Strategies that facilitate the preservation of these units will be critical to preventing displacement and gentrification in underserved neighborhoods.
- **Economic Development Initiatives.** One fundamental driver of the housing crisis in Stockton is long-term wage stagnation, coupled with an undersupply of new housing and a mismatch between the characteristics of the existing housing stock with workforce housing needs. While supply side approaches will be critical to addressing current and anticipated future needs, Stockton should pursue aggressive strategies to recruit and generate higher wage employment opportunities in Stockton and San Joaquin County. These efforts should be coupled with approaches to upskilling the existing Stockton workforce so that it is competitive for new higher wage opportunities. To the extent possible, Stockton should also leverage available tools, like labor agreements, to ensure that the benefits of higher wage employment opportunities accrue to existing Stockton residents.