

## RESOLUTION NO. 21-45

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, APPROVING RESIDENTIAL AFFORDABLE HOUSING IN-LIEU FEES

#### A. Recitals

1. The decision in *California Building Industry Association v. City of San Jose* (California Supreme Court Case No. S212072, June 15, 2015) affirmed the ability of cities to implement inclusionary requirements as a development standard for the interest of the public welfare by promoting affordable housing development; and
2. The City wants to provide a mechanism to impose residential affordable housing in-lieu fees to be paid by residential developers who choose not to adhere to the City's development standards and General Plan/Coastal Land Use Plan provisions set forth in Housing Element subpolicy HE 2.5 for the provision of on-site or off-site affordable housing units; and
3. All projects for new residential development within the City are responsible for providing affordable housing and, if the development does not provide the housing, contribute an amount in lieu of providing the housing ("in-lieu fee"); and
4. The City contracted with Keyser Marston Associates to prepare an in-lieu fee study to help establish an in-lieu fee amount; and
5. In August 2021, Keyser Marston Associates completed a *Residential Affordable Housing Fee In-Lieu Fee Report* for the City of Goleta, California, that recommends formal adoption of affordable housing development in-lieu fees; and
6. The *Residential Affordable Housing In-Lieu Fee Report* ("In-Lieu Fee Report"), has been available for public review and comment; and
7. The City Council desires to adopt this fee as a development standard in order to implement Housing Element subpolicy HE 2.5 of the General Plan/Coastal Land Use Plan; and
8. Following public release of the In-Lieu Fee Report, the City held a public hearing on October 5, 2021, to consider the In-Lieu Fee Report and proposed fees; and

9. The City Council now desires to adopt new residential in-lieu fees in accordance with the recommendations in the In-Lieu Fee Report.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOLETA AS FOLLOWS:**

**SECTION 1. Recitals**

The City Council hereby finds and determines that the foregoing recitals, which are incorporated herein by reference, are true and correct.

**SECTION 2. Findings**

The City Council hereby finds that in compliance with sub-policy HE 2.5, Inclusionary Housing, to the extent permitted by law, the City shall require all residential developments, including but not limited to, single-family housing, multifamily housing, condominiums, townhouses, stock cooperatives, and land subdivision, to provide on-site affordable housing units, or to acquire and rehabilitate existing off-site units as a part of the project. Alternatively, to satisfy the requirement to provide housing units, a developer may, at the discretion of the City, include payment of an affordable housing in-lieu fee. The Residential Affordable Housing In-Lieu Fee Report, prepared by Keyser Marston Associates and dated August 2021, is included as Exhibit 1 to this Resolution and is incorporated herein by reference. The report provides the details by which the development standards for the in-lieu fees are based.

**SECTION 3. Affordable Housing In-Lieu Fee Program**

The following in-lieu fees shall be applicable to total aggregate floor area of all living space within the development if the housing units required pursuant to Chapter 17.28 (Inclusionary Housing) of the Goleta Municipal Code are not being constructed either on site or off site. Where the required housing units under Chapter 17.28 within a particular income category are being constructed on site or off site, the in-lieu fee applicable to that income category shall not apply.

1. **For-Sale Projects** – The following in-lieu fees shall apply to for-sale projects as provided below for each income level.

<b>Income Category</b>	<b>Fee (per square foot)</b>
Above Moderate	\$ 2.60
Moderate	\$ 5.80
Low	\$ 9.00
Very Low	\$ 5.10
Extremely Low	\$ 5.60

2. **Rental Projects** – The following in-lieu fees shall apply to rental projects as provided below for each income level.

<b>Income Category</b>	<b>Fee (per square foot)</b>
------------------------	------------------------------

Above Moderate	\$ 0.00
Moderate	\$ 6.20
Low	\$10.00
Very Low	\$ 5.30
Extremely Low	\$ 5.90

3. **Two- to Four-Unit Projects** – An in-lieu fee of \$16.00 per square foot shall apply to two- to- four-unit projects.

Automatic adjustments of these fees will occur on July 1st of each fiscal year, by a percentage equal to the appropriate Construction Cost Index (CCI) as published by Engineering News Record, or its successor publication, for the preceding 12 months for which the CCI is available and such CCI shall be specific to California or the nearest region.

**SECTION 4. Environmental Assessment**

The adoption of an in-lieu fee for affordable housing on residential development is not subject to California Environmental Quality Act (CEQA) pursuant to Section 15267 of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations), which specifically provides that CEQA does not apply to actions taken to provide financial assistance for the development and construction of residential housing for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

Furthermore, an important component of the City’s Affordable Housing Fee Program will be the collection of affordable housing fees. These fees are specifically intended to provide financial assistance for creating new residential housing affordable to persons and families of extremely low, very low, low and/or moderate incomes. This component of the affordable housing fee program not only falls outside of the definition of a “project” and thus not subject to CEQA but has also been specifically granted a statutory exemption by the State, as stated above.

**SECTION 5. Documents**

The documents and other materials which constitute the record of proceedings upon which this decision is based, are in the custody of the City Clerk, City of Goleta, 130 Cremona Drive, Suite B, Goleta, California, 93117.

**SECTION 6. Effective Date**

In accordance with California Government Code section 66017(a), this Resolution and associated Ordinance implementing the fees shall be in full force and effect ninety (90) days after its adoption.

**SECTION 7. Certification**

The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

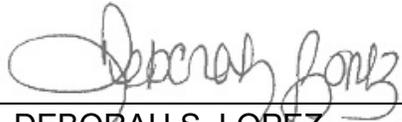
**PASSED, APPROVED, AND ADOPTED** this 5<sup>th</sup> day of October, 2021.



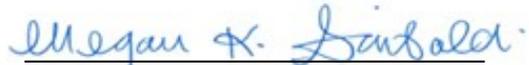
PAULA PEROTTE  
MAYOR

ATTEST:

APPROVED AS TO FORM:



DEBORAH S. LOPEZ  
CITY CLERK



MEGAN GARIBALDI  
CITY ATTORNEY

STATE OF CALIFORNIA            )  
COUNTY OF SANTA BARBARA )     ss.  
CITY OF GOLETA                )

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 21-45 was duly adopted by the City Council of the City of Goleta at a regular meeting held on the 5<sup>th</sup> day of October, 2021, by the following roll call vote of the City Council:

AYES:                    MAYOR PEROTTE, MAYOR PRO TEMPORE KYRIACO,  
                              COUNCILMEMBERS ACEVES, KASDIN AND RICHARDS

NOES:                    NONE

ABSENT:                 NONE

ABSTENTIONS:         NONE

(SEAL)



---

DEBORAH S. LOPEZ  
CITY CLERK



# KEYSER MARSTON ASSOCIATES

**DRAFT**

## **RESIDENTIAL AFFORDABLE HOUSING IN-LIEU FEE ANALYSIS AND RECOMMENDATIONS**

*Prepared for:*  
**City of Goleta**

*Prepared by:*  
**Keyser Marston Associates, Inc.**

**August 2021**

## TABLE OF CONTENTS

<b>1.0 EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>2.0 INTRODUCTION.....</b>	<b>3</b>
2.1 Household Income Limits .....	4
<b>3.0 SUMMARY OF ANALYSIS FINDINGS AND RECOMMENDATIONS.....</b>	<b>6</b>
3.1 Summary of Analyses.....	6
3.2 Recommendations.....	10
<b>4.0 RESIDENTIAL MARKET CONTEXT AND PROTOTYPE PROJECTS.....</b>	<b>15</b>
4.1 Residential Market Context.....	15
4.2 Residential Development Prototypes for Goleta .....	17
4.3 Affordability of Existing For-Sale Market Rate Units.....	18
4.4 Affordability of New Market Rate For-Sale Units.....	19
4.5 Affordability of Market Rate Rental Units .....	20
<b>5.0 DEVELOPER STAKEHOLDER INTERVIEWS .....</b>	<b>22</b>
<b>6.0 IN-LIEU FEE ANALYSIS .....</b>	<b>24</b>
6.1 Cost to Provide On-Site Units .....	24
6.2 Cost to Provide Off-Site Rental Units Using Low Income Housing Tax Credits.....	27
6.3 Historic Compliance Costs.....	29
6.4 In-Lieu Fee Rate Used for Past Projects.....	30
6.5 Affordability Gap Based on Existing Unit Sales.....	31
<b>7.0 NEXUS ANALYSIS FINDINGS.....</b>	<b>33</b>
<b>8.0 RESIDENTIAL AFFORDABLE HOUSING REQUIREMENTS IN OTHER JURISDICTIONS .....</b>	<b>34</b>
8.1 On-Site Requirements and Affordability Level .....	34
8.2 Project Size Thresholds.....	35
8.3 Fee Levels.....	35

**List of Tables**

Table 2-1. Income Categories Applicable to Inclusionary Units .....	3
Table 2-2. Household Income Categories for Santa Barbara County, 2021 .....	5
Table 3-1. Affordability of Market Rate Units .....	6
Table 3-2. Summary of Potential Benchmarks for In-Lieu Fee (\$/SF in Development).....	9
Table 3-3. Fee Recommendation, For-Sale Projects .....	11
Table 3-4. In-Lieu Fee Recommendation, Supporting Calculation .....	12
Table 3-5. Rental In-Lieu Fee, Recommended Approach .....	13
Table 4-1. Residential Development Prototype Units .....	17
Table 4-2. Affordability Level Applicable to Prototypical Newly Built For-Sale Residential Units .....	20
Table 4-3. Affordability of Market Rate Rental Units.....	21
Table 6-1. Summary of Compliance Cost Analysis with On-Site For-Sale Affordable Units .....	26
Table 6-2. Summary of Compliance Cost Analysis with On-Site Affordable Units, Rental Projects .....	27
Table 6-3. Summary of Compliance Cost Analysis with Off-Site Affordable Rental Units .....	29
Table 6-4. Estimated Compliance Costs for Recent Projects.....	30
Table 6-5. Illustration of \$80,645 In-lieu Fee Applied to Prototype Projects.....	30
Table 6-6. Affordability Gap Based on Existing Unit Resales.....	31
Table 6-7. Summary of Analysis with In-Lieu Fee Based on Existing Market Rate Units .....	31
Table 6-8. Summary of In-Lieu Fee Analysis.....	32
Table 7-1. Nexus Analysis Findings – Cost of Mitigating Affordable Housing Impacts .....	33
Table 8-1. Inclusionary Program Affordable Unit Set-aside Requirements .....	34
Table 8-2. Inclusionary Program Project Size Thresholds.....	35
Table 8-3. In-Lieu Fees in Other Jurisdictions .....	36
Table 8-4. In-Lieu Fees in Other Jurisdictions Expressed Per Market Rate Unit or Per Square Foot .....	37

**Appendix A – Supporting Technical Tables**

Table A-1 – Affordability of Existing Unit Resales Data
Table A-2 – Compliance Cost Estimate for New For-Sale Units
Table A-3 – Compliance Cost Estimates for New Rental Projects
Table A-4 – On-site Affordability Gaps: For-Sale Projects
Table A-5 – On-site Affordability Gaps: Rental Units, Without Tax Credits
Table A-5a – On-site Affordability Gaps: Rental Units Consistent with Hollister Village Unit Size
Table A-6 – Compliance Cost Estimates for Recent Projects
Table A-7 - Affordable Sales Price Estimate
Table A-8 – Affordability Gaps: Existing Attached Units
Table A-9 – Affordability Gap for Off-Site LIHTC Project
Table A-10 – Development Costs for Recent LIHTC Affordable Projects, Without Prevailing Wage
Table A-11 – Comparison of Affordable Housing Requirements

**Appendix B – Residential Affordable Housing Nexus Analysis**

## 1.0 EXECUTIVE SUMMARY

The City of Goleta (City) has an inclusionary housing program requiring inclusion of 20% affordable units within new residential development. On-site affordable units are strongly preferred; however, an in-lieu payment option is available to small residential projects with two to four units and to projects with five or more units with a finding by the City Council that providing affordable units on-site is infeasible. The City has been implementing the in-lieu payment option on a case-by-case basis and does not yet have a formal in-lieu fee schedule. This Residential Affordable Housing In-Lieu Fee Analysis and Recommendations report (“In-Lieu Fee Report”) provides analysis and recommendations regarding establishment of an in-lieu fee schedule for the City’s inclusionary housing program.

This In-Lieu Fee Report identifies a series of benchmarks to guide formulation of an in-lieu fee schedule. These benchmarks include an analysis of fees estimated to be equivalent in cost to delivering affordable units on-site, or in a separate stand-alone building financed with Low Income Housing Tax Credits (LIHTC). In addition, the report identifies estimated compliance costs for past residential projects, nexus findings regarding the cost of mitigating affordable housing impacts of new development, and in-lieu fees for eight comparison jurisdictions. Section 3.1 summarizes the various benchmarks evaluated and Sections 4 through 8 provide the supporting analysis.

Recommendations for establishment of in-lieu fees, based on the results of the analyses and the standard in the City’s inclusionary ordinance requiring that in-lieu payments provide “equal value” to inclusion of affordable units on-site, are as follows. While recommendations identify precise figures, the intent is to provide a guide to magnitude. The City is free to deviate from the precise figures identified or to take other considerations into account in determining in-lieu fees.

- **In-Lieu Fees for For-Sale Projects** – An in-lieu fee of \$28.10 per square foot (psf) is recommended for for-sale projects. Of this total, an \$18.60 psf portion is in-lieu of Moderate and Above Moderate Income on-site units and reflects the cost of including these units on-site. The remaining \$9.50 psf is in-lieu of providing Extremely Low, Very Low and Low Income units within the development and reflects the estimated financial gap for delivery of these units in a stand-alone rental development receiving LIHTC, consistent with the approach used by the only prior market rate residential project identified that provided on-site inclusionary units for these income categories. In conformance with the policy preference for on-site units established in the City’s inclusionary ordinance, in-lieu fees for Moderate and Above Moderate should continue to be allowed only with a finding that on-site units are not feasible. For Extremely Low, Very Low and Low Income, it is recommended that all projects be allowed to pay the in-lieu fee, consistent with how past projects have typically complied with requirements for these income categories.

- **In-Lieu Fees for Rental Projects** – An in-lieu fee of \$27.40 psf is recommended for rental projects. This rate reflects the estimated subsidy required to deliver the units in a stand-alone affordable project that receives LIHTC financing. As an in-lieu fee of \$27.40 is estimated to be less costly than providing units on-site in a mixed income format, continuing to require approval for use of the in-lieu payment option would be helpful if the City prefers to see units included on-site. The City could also consider allowing a mixed compliance approach to ensure some units are provided on-site, while allowing flexibility to use in-lieu fees for a portion of the obligation.
  
- **In-Lieu Fees for Smaller Two- to Four-Unit Projects** – An in-lieu fee of up to \$16 psf is recommended for two- to four-unit projects. A Residential Nexus Analysis, included in Appendix B, was prepared to provide an additional support measure for fees that apply to such smaller projects for which including units on-site may be more challenging and in-lieu payment the only practical alternative. Accordingly, it is recommended that in-lieu fees for these smaller projects be set within the \$16 per square foot fee level supported by the nexus. Fees for small projects could also be tiered based on project size, with two-unit projects subject to the lowest rate and stepped in as project size increases as a potential approach for encouraging smaller infill developments.

As rates for for-sale and rental are approximately the same, if preferred, the City could apply the same rate to both. An expanded discussion of recommendations is provided in Section 3.2.

## 2.0 INTRODUCTION

This Residential Affordable Housing In-Lieu Fee Analysis and Recommendations report (“In-Lieu Fee Report”) provides materials to inform adoption of an in-lieu fee schedule in connection with the City of Goleta’s (“City”) inclusionary housing requirements. This report has been prepared by Keyser Marston Associates, Inc. (“KMA”) on behalf of the City.

The City’s inclusionary housing requirements are codified in Goleta Municipal Code Chapter 17.28 (referred to for purposes of this report as the Inclusionary Housing Ordinance or “IHO”). The IHO was adopted in 2020 and applies to residential developments with two or more units. Though the IHO was recently adopted, the City’s inclusionary requirements have been in place much longer, dating to Goleta’s incorporation as a city, and were established by a policy in the City’s General Plan Housing Element, Policy HE 2.5. The IHO implements this Housing Element policy.

The IHO provides that residential developments with five or more units must include 20% affordable units. Projects that provide a public benefit, such as provision of parks or open space that exceeds code requirements, are eligible for a reduced inclusionary requirement of 15%. Affordable units have below-market-rate rents or sales prices set at a level that households within the income categories addressed by the IHO can afford. Table 2-1 summarizes the percentage of units required within each of the five income categories addressed by the IHO, including Extremely Low, Very Low, Low, Moderate and Above Moderate income. These income categories are described in Section 2.1.

<b>Table 2-1. Income Categories Applicable to Inclusionary Units</b>		
	<b>With 20% Requirement</b>	<b>With 15% Requirement (requires public benefit)</b>
Extremely Low (up to 30% AMI)	2.5%	1%
Very Low (up to 50% AMI)	2.5%	1%
Low (up to 80% AMI)	5%	5%
Moderate (up to 120% AMI)	5%	4%
Above Moderate (up to 200% AMI)	5%	4%
Total	20%	15%

Source: City of Goleta Municipal Code, Chapter 17.28 and General Plan Policy HE 2.5  
AMI = Area Median Income.

The IHO provides for an in-lieu payment as an alternative to providing affordable units within the development. This in-lieu payment alternative is available only to projects that meet certain criteria, including:

- Small residential projects that are two to four units in size;
- When inclusionary percentage requirements result in a fraction of an inclusionary unit; and
- Residential projects with five or more units that are not able to provide inclusionary units on-site, offsite, or through land dedication.

The IHO also identifies certain findings that are required to be made in connection with approval of compliance through in-lieu payment by projects that have five or more units, including:

- Development of on-site units is infeasible; and
- The in-lieu payment is of equal value to the provision of affordable units on-site.

In practice, the City has approved in-lieu payment on a case-by-case basis in many of the recent residential development projects subject to the City's inclusionary requirements. The past practice has been to use an in-lieu fee rate of \$80,645 per affordable unit, although this rate is not formally established and appears to have remained the same since at least 2006.

This In-Lieu Fee Report presents a range of materials designed to assist the City with decision-making regarding establishment of a formal in-lieu fee schedule under the IHO. Establishment of an in-lieu fee schedule would replace the current case-by-case implementation, allow for an update to the informal rate applied previously, and help to clarify the City's requirements. The materials presented in this report address a range of factors that the City may wish to consider in selecting an in-lieu fee, which include:

1. Housing market conditions and residential development activity (Section 4);
2. Input provided as part of development community stakeholder interviews (Section 5);
3. Analysis of five potential benchmarks relevant to selecting in-lieu fees (Section 6);
4. Residential Affordable Housing Nexus Analysis ("Residential Nexus Analysis") quantifying affordable housing impacts of new residential development and the cost of mitigating those impacts (summary in Section 7, full report attached as Appendix B); and
5. Summary of inclusionary housing requirements and in-lieu fees in eight comparison jurisdictions (Section 8).

A summary of the analysis findings and recommendations is provided in Section 3.

## **2.1 Household Income Limits**

The In-Lieu Fee Report references the following five income or affordability categories that are currently addressed by the IHO:

- Extremely Low Income: households earning up to 30% Area Median Income (AMI);
- Very Low Income: households earning over 30% AMI up to 50% AMI;
- Low Income: households earning over 50% AMI up to 80% of AMI;
- Moderate Income: households earning over 80% AMI up to 120% of AMI; and
- Above Moderate Income: households earning over 120% AMI up to 200% of AMI.

Households are identified by income category based on income limits published by the California Department of Housing and Community Development ("HCD"). For reference, the

2021 median income for a family of four in Santa Barbara County is \$90,100. Table 2-2 identifies income limits for all applicable income categories and household sizes.

<b>Table 2-2. Household Income Categories for Santa Barbara County, 2021</b>						
	<b>Household Size (Persons)</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6 +</b>
Extremely Low (Under 30% AMI)	\$26,250	\$30,000	\$33,750	\$37,450	\$40,450	\$43,450
Very Low (30%-50% AMI)	\$43,750	\$50,000	\$56,250	\$62,450	\$67,450	\$72,450
Low (50%-80% AMI)	\$70,050	\$80,050	\$90,050	\$100,050	\$108,100	\$116,100
Moderate (80%-120% AMI)	\$75,650	\$86,500	\$97,300	\$108,100	\$116,750	\$125,400
Above Moderate (120%-200% AMI)	\$126,100	\$144,200	\$162,200	\$180,200	\$194,600	\$209,000
Median (100% of Median)	\$63,050	\$72,100	\$81,100	\$90,100	\$97,300	\$104,500

Source: California Department of Housing and Community Development, 2021 Income Limits.

### 3.0 SUMMARY OF ANALYSIS FINDINGS AND RECOMMENDATIONS

This section provides a summary of the analyses presented in Sections 4 to 8 followed by recommendations for in-lieu fees.

#### 3.1 Summary of Analyses

1. **Residential Development Activity in Goleta** – An average of approximately 160 units per year were developed in Goleta from 2013 through 2019 with approximately 90% consisting of attached<sup>1</sup> and multi-family units and 10% single-family<sup>2</sup>. Starting in 2014, Goleta Water District introduced a temporary moratorium on new water service connections, except for projects with historical water credits. The Goleta Water District recently announced another one-year extension of the moratorium, which is likely to continue to limit new residential development in the near term.
2. **Affordability of Market Rate Units** – KMA estimated the household income necessary to afford existing and new market rate units in Goleta to inform an understanding of how market rate prices and rents compare to the income categories addressed by the IHO. The results are summarized in Table 3-1, below.

Table 3-1. Affordability of Market Rate Units	
Type of Market Rate Unit	Estimated Affordability of Market Rate Units
Existing For-Sale Units (resales)	~38% of existing units affordable at Above Moderate ~62% of existing units priced above 200% of AMI.
New For-Sale Units	Income over 200% AMI estimated to be required for buyers with a 5% down payment; for buyers with a 20% down payment, income of approximately 150% AMI needed to afford new attached units
Existing Rentals Units	Income of ~130% AMI estimated to be needed to afford the average rent for existing market rate rentals.
Newly Built Rental Units	Income of 174% AMI estimated to be needed to afford higher rents applicable to new market rate apartments with modern amenities.

3. **In-Lieu Fee Analysis** – The in-lieu fee analysis, presented in Section 6 of this report, provides five separate benchmarks for the City to use in conjunction with the other materials presented in this report to identify an in-lieu fee. The analysis is conducted on five prototypical market rate projects that reflect the types of residential development that has occurred or is likely to occur in Goleta in the coming years (See Section 4-2 of this report). Results are expressed in terms of dollars per net residential square foot in the development and are summarized below and in Table 3-1.

<sup>1</sup> Attached units have at least one common wall with another unit.

<sup>2</sup> Based on data from the Construction Industry Research Board

- a. *Affordable Units On-site.* Providing all affordable units on-site consistent with the City's inclusionary requirements represents the highest cost among the five benchmarks evaluated. An in-lieu fee of approximately \$71, \$62, and \$69 per square foot is estimated to be equivalent to the cost of including all units on-site in single-family, townhome and apartment projects, respectively. Findings broken down between the five income categories applicable to the City's program are provided in Appendix A Tables A-2 and A-3. Costs to include units on-site are high due to the 20% set-aside and depth of affordability addressed by the IHO.
- b. *Affordable Units in Standalone Affordable Projects.* Providing affordable units in a standalone project that receives Low Income Housing Tax Credits (LIHTCs) to offset costs is an option that can reduce the cost of delivering affordable units. This is mostly an option for larger developments with the necessary scale. The Village at Los Carneros development is the only prior project in Goleta identified as having delivered affordable units in a standalone project financed with LIHTCs. An in-lieu fee of \$12, \$16, and \$27 per square foot for single-family, townhomes, and apartments, respectively, is estimated to be equivalent to the cost of this compliance option.
- c. *Compliance Method for Prior Projects.* Recent residential development projects in Goleta have complied with the City's inclusionary requirements through a combination of on-site affordable units and in-lieu payment. KMA estimated the approximate cost associated with the compliance method used by recent for-sale projects at between \$1 and \$12 per square foot, depending on the project. The Village at Los Carneros represents the low end of the range and had the lowest costs because the on-site affordable project was able to leverage outside funding. Most recent rental projects have been exempted from the inclusionary requirements as the projects were approved prior to the expansion of the inclusionary requirement to rentals in late 2019, as permitted under AB 1505.
- d. *In-lieu Fee Rate Applied to Prior Projects.* Pending adoption of an in-lieu fee, a rate of \$80,645 per affordable unit has been applied to several previously approved residential and non-residential projects. This rate converts to an equivalent amount of \$7, \$10, and \$17 per square foot, for the prototype single-family, townhomes, and apartments, respectively.
- e. *In-lieu Fee Based on Existing Unit Resales.* Some inclusionary programs establish and regularly update their in-lieu fees based upon an affordability gap calculation that is based on market prices for resale of existing units. An in-lieu fee calculated using this approach resulted in a rate of \$29, \$40, and \$67 per square foot for single-family, townhomes, and apartments, respectively.

**4. Nexus Study Results** – While a nexus analysis is not a requirement to implement a residential in-lieu fee, a nexus study was conducted to provide information regarding the cost to mitigate affordable housing impacts of new residential developments. Mitigation

costs range from \$16.40 per square foot for single-family dwellings up to \$27.20 for multifamily apartments.

- 5. *Development Community Contacts*** – KMA conducted interviews with developers and property owners who have been active within the City to gain a better understanding of local market conditions and any unique considerations pertinent to the design of in-lieu fees. Interview participants noted that while there is market support for new residential development in Goleta, the complexity of the local entitlement process and the temporary moratorium on new water service connections represent significant barriers to new projects. Some stakeholders acknowledged the value of including affordable housing as part of new developments and expressed an overall positive view of inclusionary policies in broad terms. One stakeholder indicated a preference to include affordable units in the Moderate or Above Moderate income categories on-site in their projects unless the in-lieu fee were made more favorable economically. Requiring Extremely Low and Very Low income units on-site in a for-sale project was cited as very challenging for reasons including meeting credit standards to qualify for a mortgage.
- 6. *Other Jurisdictions*** – As context for consideration of in-lieu fees, inclusionary requirements and in-lieu fees in eight nearby jurisdictions are summarized and include the cities of Santa Barbara, Carpinteria, Ventura, San Luis Obispo (“SLO”), Oxnard, Arroyo Grande, and Pismo Beach, and also includes the unincorporated areas of Santa Barbara County. Fees are expressed in terms of an equivalent amount per square foot to facilitate comparison. Table 3-2 summarizes the high and low range of in-lieu fees for these programs. See Section 8 of this report for more information.
- a. *Projects Allowed to Pay Fees* – Around half of the surveyed jurisdictions allow in-lieu fee payment “by right” for all projects and half limit the payment of fees to certain situations, such as for smaller projects or only when fee payment is approved by the city council, similar to Goleta.
  - b. *For-Sale Project In-Lieu Fees* – SLO, Pismo Beach, and Arroyo Grande represent the low end of the range of cities with in-lieu fees and are equivalent to approximately \$7 to \$8 per square foot. Santa Barbara County represents the high end with in-lieu fees that equate to an estimated \$34 and \$46 per square foot for single-family and townhomes, respectively (County fees reflect South Coast rates).
  - c. *Rental In-Lieu Fees* – The County of Santa Barbara and the City of Carpinteria exempt rental units from inclusionary requirements. The cities of Oxnard and Santa Barbara represent the high end of the range of in-lieu fees for rentals with rates equivalent to \$29 and \$25 per square foot, respectively.
  - d. *Smaller Two- to Four-Unit Projects* – For smaller two- to four-unit projects, the project size permitted to pay an in-lieu fee “by right” under Goleta’s IHO, six of the eight other jurisdictions surveyed do not apply inclusionary requirements to projects of this size at all. The City of Santa Barbara applies a reduced in-lieu fee to smaller

for-sale projects that equates to \$7-\$9 per square foot for a four-unit project but exempts for-rent projects of this size. The City of Arroyo Grande applies its standard rate, estimated to equate to \$7-\$12 per square foot, depending on project type.

<b>Table 3-2. Summary of Potential Benchmarks for In-Lieu Fee (\$/SF in Development)</b>			
<b>Benchmarks for In-lieu Fee</b>	<b>For-Sale Projects <sup>(2)</sup></b>		<b>Rental Projects</b>
	<b>Single-Family</b>	<b>Townhomes</b>	<b>Apartments</b>
	<i>\$/Net Square Feet in Project</i>	<i>\$/Net Square Feet in Project</i>	<i>\$/Net Square Feet in Project</i>
<b>1. In-Lieu Fee Equivalent To (w/20% req.) <sup>(1)</sup></b>			
a. Affordable Units On-Site	\$71	\$62	\$69
b. Affordable Units receiving Low Income Housing Tax Credits	\$12	\$16	\$27
c. Compliance approach used by prior residential projects in Goleta	\$1 (Village at Los Carneros) to \$12 (Winslowe)		Few recent projects have been subject (pre-AB1505)
d. In-lieu fee rate applied to past projects (\$80,645 / aff. unit)	\$7	\$10	\$17
e. In-lieu fee calculated based on gap between recent market sales and affordable prices	\$29	\$40	\$67
<b>2. Nexus Analysis</b>			
<b>Nexus Analysis Mitigation Cost</b>	\$16	\$17	\$27
<b>3. Other Jurisdiction In-Lieu Fees (Expressed as Cost PSF) <sup>(4)</sup></b>			
a. Low	\$7: SLO, Pismo Beach, Arroyo Grande	\$8: SLO, Pismo Beach, Arroyo Grande	Exempt: County of Santa Barbara, Carpinteria
b. High	\$34: County of Santa Barbara. <sup>(3)</sup>	\$46: County of Santa Barbara. <sup>(3)</sup>	\$29: Oxnard
c. Rate that would apply to a small four-unit project	\$7 in Santa Barbara (fee reduced for projects under 10 units) and Arroyo Grande; All others: exempt based on 4-unit size	\$9 in Santa Barbara (fee reduced for projects under 10 units), \$8 in Arroyo Grande; All others: exempt based on 4-unit size	\$12 in Arroyo Grande; All others: exempt

(1) The focus of this summary is on the primary 20% requirement. Section 6 and Appendix A provide additional findings with the 15% requirement available to projects providing a public benefit.

(2) Summary focuses on Single-Family, Townhomes and Apartments which are the more common residential development types for Goleta. The subsequent sections also provide findings for larger lot single-family and stacked condominiums.

(3) Uses Santa Barbara County's South Coast rate schedule as the most pertinent to Goleta.

(4) Jurisdictions surveyed include City of Santa Barbara, County of Santa Barbara, Carpinteria, City of San Luis Obispo, Oxnard, Arroyo Grande, Pismo Beach.

### 3.2 Recommendations

The following are KMA's recommendations for the City to consider in regard to the establishment of in-lieu fees under the City's inclusionary program. Recommendations reflect consideration of the analyses and context materials presented in this report. Some recommendations address provisions beyond in-lieu fees, which are offered in the event the City will be considering additional changes.

1. ***Use of Per Square Foot Fees*** – It is recommended that in-lieu fees use a per square foot (psf) format. Per square foot in-lieu fees are simple and fair in that larger units pay larger fees, consistent with impacts and the cost of providing on-site units. Applying in-lieu fees on a per square foot basis also avoids creating a disincentive for projects with smaller housing units, which are inherently more affordable.
2. ***In-Lieu Fees Applicable to For-Sale Projects*** – Recommendations for in-lieu fees applicable to for-sale projects are as follows:
  - a. ***Equal Value Standard Under IHO*** – Recommendations for establishing in-lieu fees are based upon the standard established in the City's IHO that in-lieu fees provide "equal value" to providing affordable units on-site. This "equal value" standard points to in-lieu fees that reflect the cost that would otherwise be incurred in including units on-site. Accordingly, for Moderate and Above Moderate, recommended fees reflect the estimated cost incurred in setting aside units on-site. For Extremely Low, Very Low and Low, just one prior example in Goleta was found of a for-sale project in which on-site units were delivered to these lower income categories. In this project (Village at Los Carneros), the units were delivered in a stand-alone affordable rental project that received LIHTC financing. This indicates that the "equal value" standard with respect to Extremely Low, Very Low and Low income is likely best represented by the cost of delivering units in stand-alone LIHTC-financed affordable projects. The cost per affordable unit identified in the supporting Residential Nexus Analysis, which reflects the City's estimated cost for delivery of affordable units through assistance to stand-alone affordable projects, is applied as the basis for calculating in-lieu fee amounts for the Extremely Low, Very Low and Low Income categories.
  - b. ***For-Sale In-Lieu Fee Recommendation*** – Recommended fees applicable to for-sale projects are summarized below in Table 3-3 and reflect applying the IHO's "equal value" standard as described above, which yields a rate of \$18.60 per square foot for Moderate and Above Moderate income categories and \$9.50 per square foot for Extremely Low, Very Low and Low. When combined, the total in-lieu fee rate comes to \$28.10 per square foot of net residential building area. The recommended in-lieu fees are somewhat below the City of Santa Barbara and the County of Santa Barbara, somewhat above Oxnard and Carpinteria, and well above San Luis Obispo, Pismo Beach, and Arroyo Grande. Although figures are precise, in-lieu fee recommendations can be drawn upon as a guide to magnitude and need not be adopted at these exact figures.

<b>Table 3-3. Fee Recommendation, For-Sale Projects</b>			
Income Category	Fee Recommendation \$/Net Square Foot (NSF)	Basis	Projects Permitted to Use In-Lieu Fee Compliance
Moderate & Above Moderate	Approximately \$18.60 / NSF	Cost of on-site unit	Only with Council Approval, subject to findings required by 17.28.050 (D)(3)(c)
Extremely Low, Very Low, Low	Approximately \$9.50 / NSF	Cost of units in stand- alone tax credit project assisted by City.	All For-Sale Projects may pay an in-lieu fee for this portion of the requirement.
Total	Approximately <b>\$28.10</b> <b>/ NSF</b>		

- c. *Projects Permitted to Use In-Lieu Fees* – Consistent with the priority established in the IHO for on-site units, for Moderate and Above Moderate income categories, it is recommended that the City retain the existing policy that requires units be provided on-site unless certain findings are made.

For Extremely Low, Very Low and Low income categories, the limited examples of successfully providing units at these income levels under the City's inclusionary program, KMA's experience with other programs, and feedback from stakeholder interviews indicates greater challenges in delivering units on-site within for-sale projects. As the IHO permits in-lieu fee payment where on-site units are infeasible and given greater challenges in delivering on-site units in the Extremely Low, Very Low, and Low Income categories in for-sale projects, making the in-lieu fee payment a by-right option is suggested for these lower-income categories.

Table 3-4, below, provides the supporting calculation for the for-sale in-lieu fees. Attached townhomes are used as the basis as this has been the more prevalent type of for-sale development in Goleta in recent years.

<b>Table 3-4. In-Lieu Fee Recommendation, Supporting Calculation</b>					
	<b>A.</b>	<b>B.</b>	<b>C.</b>	<b>D.</b>	<b>E.</b>
	Cost Per Affordable Unit	Cost Basis for Affordable Units	Percent Req'mt	Cost Per Unit in Project	Fee Per Net Square Foot in Project
				=A. X C.	=D./1,600 SF Townhome unit size
Above Moderate	\$184,600	on-site affordable unit cost for townhomes	5%	\$9,230	\$5.80
Moderate	\$409,300	(Appendix A Table A-4)	5%	\$20,465	\$12.80
<b>Subtotal Mod &amp; Above Mod</b>			<b>10%</b>	<b>\$29,695</b>	<b>\$18.60</b>
Low	\$103,000	Cost Per Unit from	5%	\$5,150	\$3.20
Very Low	\$152,000	Residential Nexus Analysis (Appendix B, Table 4-2)	2.5%	\$3,800	\$2.40
Extremely Low	\$250,000		2.5%	\$6,250	\$3.90
<b>Subtotal ELI to Low</b>			<b>10%</b>	<b>\$15,200</b>	<b>\$9.50</b>
<b>Combined Total</b>			<b>20%</b>		<b>\$28.10</b>

- 3. In-Lieu Fees Applicable to Rental Projects** – For rental projects, application of similar methodology to that described with for-sale projects yields a fee of \$27.40 per square foot. This rate assumes the “equal value” standard under the IHO is satisfied through a fee that is adequate to offset the subsidy required for delivering the units in a stand-alone affordable project assisted by the City. The calculations for the fee amount are shown below in Table 3-5. Treatment of Above Moderate in the in-lieu fee calculation reflects the fact that market rate rentals are affordable to this income category. Further recommendations particular to the Above Moderate income category are described below in subsection 6. Since the result is close to the for-sale fee, if preferred, the City could simply apply the same rate to both. An in-lieu fee of \$27.40 is slightly above the recently adopted rental fee in the City of Santa Barbara and slightly below Oxnard’s fee. As with for-sale, although figures are precise, recommendations can be drawn upon more as a guide to magnitude and need not be adopted at these exact figures.

As an in-lieu fee of \$27.40 is estimated to be less costly than providing the units on-site, continuing to limit the situations where in-lieu fees can be used will be necessary if the City would like to see units provided on-site within the project. The City could also allow a mixed compliance approach to ensure some units are provided on-site, while adding flexibility to use in-lieu fees for a portion of the obligation. Under such an approach, the City could require a minimum share of units on-site and allow the payment of in-lieu fees for the balance, as has been permitted in some previous for-sale projects. This would likely be helpful for encouraging rental developments because it would provide flexibility to include a share of on-site units sufficient for eligibility for a density bonus under State law, and then satisfy the balance of the obligation through payment of an in-lieu fee, which is estimated to represent a lower cost than on-site units. It would also generate in-lieu fees that the City

could use to leverage with other funding sources in assisting affordable units financed with LIHTC, which may provide a deeper level of affordability.

<b>Table 3-5. Rental In-Lieu Fee, Recommended Approach</b>					
	A. Cost Per Affordable Unit	B. Cost Basis for Affordable Units	C. Percent Req'mt	D. Cost Per Unit in Project	E. Fee Per Net Square Foot in Project
				=A. X C.	=D./960 SF Apartment unit size
Above Moderate	Not included	affordable at market rate	5%	\$0	Not included
Moderate	\$221,000		5%	\$11,050	\$11.50
Low	\$103,000	Residential Nexus	5%	\$5,150	\$5.40
Very Low	\$152,000	Analysis Gaps	2.5%	\$3,800	\$4.00
Extremely Low	\$250,000		2.5%	\$6,250	\$6.50
Total			<b>20%</b>		<b>\$27.40</b>

4. ***In-Lieu Fee for Two- to Four-Unit Projects*** – For two- to four-unit projects that are too small to deliver a whole affordable unit on-site, reduced in-lieu fees are recommended consistent with the approach used in Santa Barbara. Additionally, the purpose of the Residential Nexus Analysis was to provide an additional support measure for fees that apply to such smaller projects, where including units on-site may be more difficult. For example, providing one affordable unit in a two-unit project represents a 50% affordability requirement. Accordingly, it is recommended that in-lieu fees for these smaller projects be set within the \$16 per square foot fee level supported by the Residential Nexus Analysis and continue to be available as a “by right” option. If encouraging small infill projects is a goal for the City, fees can also be tiered with two-unit projects subject to the lowest rate, and gradually stepped up to the full rate as project size increases.
5. ***Indexing*** – KMA recommends implementing an automatic indexing feature to allow the adopted in-lieu fees to keep pace with increases in costs over time using a published inflation index. Other impact fees in the City of Goleta use the Construction Cost Index published by the Engineering News Record. As an alternative, the City could use an approach similar to Santa Barbara County in indexing impact fees based on changes in median home prices, which would keep better pace with market conditions but are less predictable. Since the overall costs associated with providing affordable units changes over time and are sensitive to market conditions, a more comprehensive update of in-lieu fees to update key inputs and assumptions (e.g., affordable rents, affordable unit development costs, etc.) is recommended every three to five years.
6. ***Above Moderate Requirement for Rental Units*** – Based on evidence that market rate rental units are already serving the Above Moderate income category, consider waiving the Above Moderate income component of the inclusionary requirement for rental projects. Existing rental units are estimated to be affordable toward the lower end of the Above

Moderate range, 130% AMI on average, while new rentals were estimated to be affordable to households earning 174% of AMI.

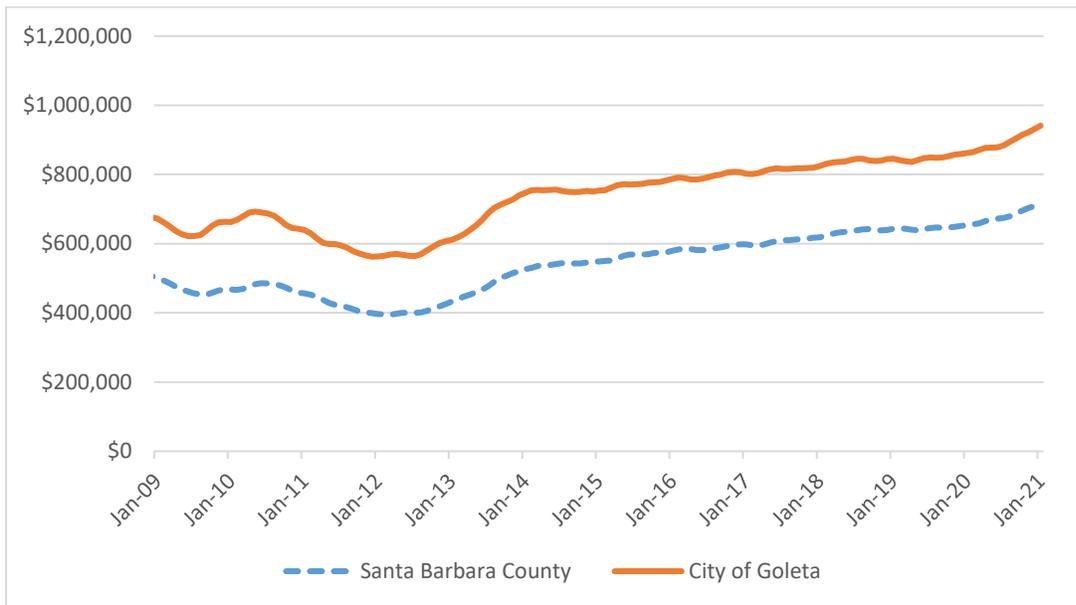
- 7. *Shared Equity Option with For-Sale Units*** – New market rate attached units are estimated to be affordable at Above Moderate Income to buyers that have a 20% cash down payment, but not affordable to buyers that only have a 5% down payment. This suggests that it may be beneficial to add a “shared equity” option to the inclusionary program. With this approach, the developer would still sell the inclusionary units to qualified purchasers at an affordable purchase price but would record a shared equity agreement rather than an affordability covenant. The difference between the market price and the affordable price would be recorded as “silent second” debt payable to the City upon sale of the unit along with a proportionate share of market appreciation. The “silent second” debt would substitute for all or a portion of the down payment to allow buyers to avoid the cost of private mortgage insurance. This may also allow the developer to price inclusionary units somewhat higher while maintaining the same affordability level. Purchasers of these affordable units would realize a share of market appreciation upon sale. Proceeds that the City receives upon the eventual resale of the units could be “recycled” for down payment assistance to additional qualified households. As an example, San Luis Obispo provides this option as part of its inclusionary program.
- 8. *Income Averaging*** – Consider adding flexibility to the adopted IHO by allowing projects to provide a mix of affordability levels that results in an average AMI level at or below the average of the five established affordability tiers. With for-sale projects, the average is 92.5% of AMI and with rental projects the average would be 70% of AMI without the Above Moderate category, as discussed above.
- 9. *Affordable Prices and Rents*** – Lastly, the City could consider setting affordable sales prices and rents that are based on a target income level. This would simplify administration and provide clear expectations for developers and purchasers of affordable units as to the affordable purchase price. For example, Moderate Income prices are most often based on 110% of AMI, although households earning anywhere between 80% and 120% of AMI are eligible to purchase the unit. The current IHO requires pricing tailored to the household income of individual buyers. This often makes it more difficult to predict the pricing and in practice may not continue beyond the original sale due to protections against a loss of equity, which otherwise could occur if the second purchaser happens to have a lower income than the original buyer, thus resulting in a lower price. The California Health and Safety Code Section 50052.5 and 50053 defines income standards commonly used in affordable housing programs for calculating affordable sales prices and rents, although many programs deviate from these standards.

## 4.0 RESIDENTIAL MARKET CONTEXT AND PROTOTYPE PROJECTS

### 4.1 Residential Market Context

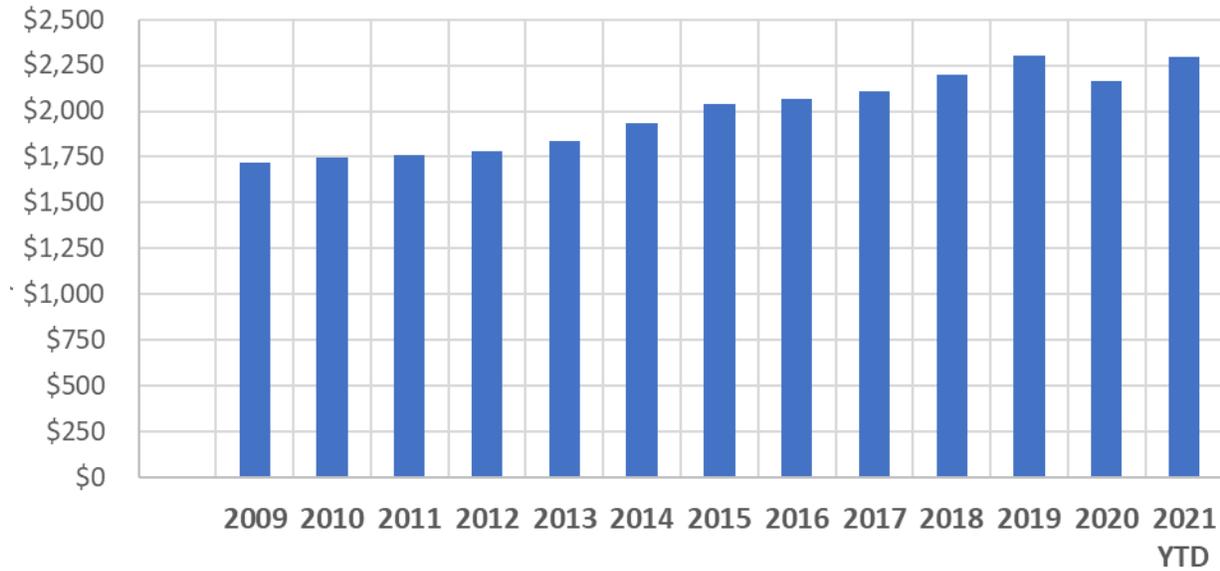
Goleta has experienced rising home values and apartment rents during the economic cycle leading up to the coronavirus pandemic. As shown in the charts below, home values in Goleta are approaching \$1 million as of early 2021; this is about 30% above Santa Barbara County overall. Average rents for apartments are approximately \$2,300 per unit, a significant increase since 2010.

**Chart 4-1 Home Value Trends**



Source: Zillow Home Value Index

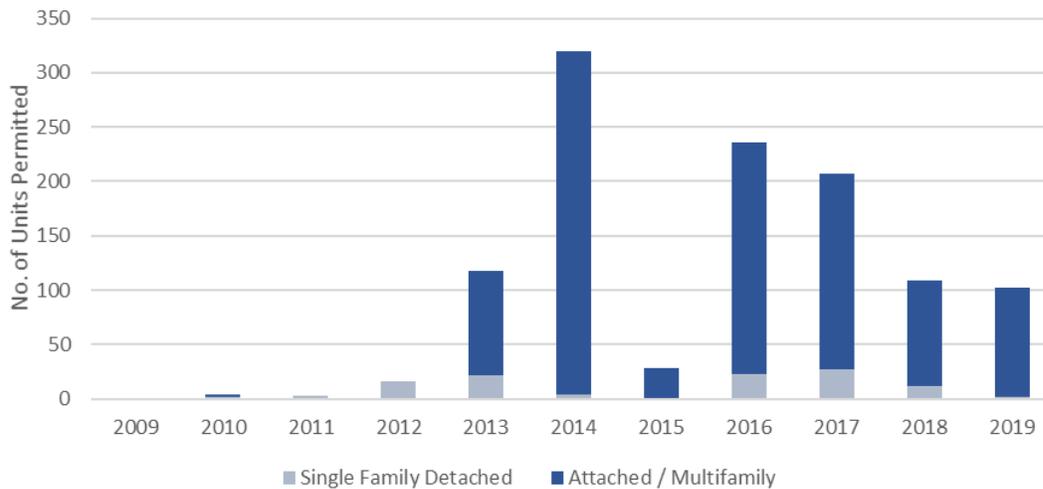
**Chart 4-2 Average Monthly Effective Rent<sup>3</sup> for Existing Apartment Units, City of Goleta**



Source: CoStar data for Goleta with units that have Goleta addresses, but which are located in Isla Vista, removed.

Residential construction activity in Goleta was minimal from 2009 through 2012, a period that overlapped the Great Recession. However, construction activity increased with the subsequent economic recovery with an average of 160 units per year being permitted from 2013 to 2019. Of the units permitted over this period, approximately 90% were attached or multi-family units and 10% were single-family detached homes.

**Chart 4-3 Residential Building Permits for New Construction, City of Goleta**



Source: Construction Industry Research Board

In 2014, the Goleta Water District ceased to approve additional water connections throughout its service area to comply with the voter-approved SAFE Water Supplies Ordinance of 1991, which

<sup>3</sup> Effective rent refers to rent after deducting concessions. As one example, free rent for the first month.

prohibits new or additional service unless certain conditions are met. Since the temporary moratorium went into effect, only development projects that had either previously paid connection fees or relied upon historical water credits have been able to move forward through the permit process for zoning permits and entitlements. The Goleta Water District recently extended the moratorium for another year because it is unable to meet its annual storage commitment to the drought buffer required by the SAFE Ordinance. As a result, new residential development in Goleta is likely to continue to be limited in the near term.

## 4.2 Residential Development Prototypes for Goleta

KMA defined a set of five prototypical residential development projects for Goleta. These prototypes provide the starting point for the in-lieu fee analysis discussed in Section 6. The residential development prototypes are based on a review of programmatic information for projects under construction, approved, or recently built in the City. Data on sales prices and rents for new and newer units offered for sale or rent were used to estimate price and rent levels for the prototype units. Supporting information regarding the development projects reviewed and the market data accessed to estimate price and rent levels is provided in Section 5 of the accompanying Residential Nexus Analysis (see Appendix B). Market data supporting price and rent estimates is illustrated in Charts 1 to 3 of Appendix B.

<b>Table 4-1. Residential Development Prototype Units</b>					
	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
Avg. Unit Size	3,300 SF	2,200 SF	1,600 SF	1,200 SF	960 SF
Avg. No. of Bedrooms	4	3.5	3	2	1.70
Representative Density	2 du/acre	8 du/acre	15 du/acre	20 du/acre	22 du/acre
Parking Type	Attached Garage	Attached Garage	Attached Garage	Underground Garage	Surface / Carport
Market Price or Rent	\$2,000,000	\$1,100,000	\$800,000	\$690,000	\$3,264

Source: Appendix B Residential Affordable Housing Nexus Analysis.

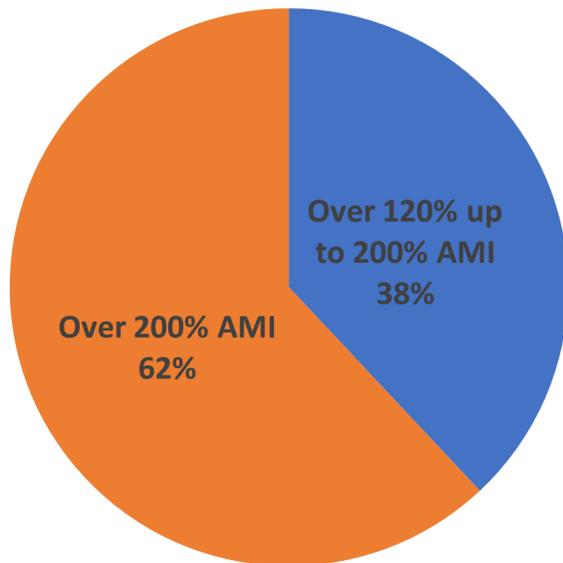
Two single-family prototypes are analyzed to capture a range of unit and lot sizes for single-family projects consistent with recent and proposed developments in Goleta. The Single-Family, Large Lot prototype has a density of two units per acre and an average unit size of 3,300 square feet, and is most comparable to the Harvest Hill development and larger units within the Shelby development. The Single-Family prototype has a density of eight units per acre and an average size of 2,200 square feet and is comparable to single-family unit and lot sizes within the Village at Los Carneros project.

### 4.3 Affordability of Existing For-Sale Market Rate Units

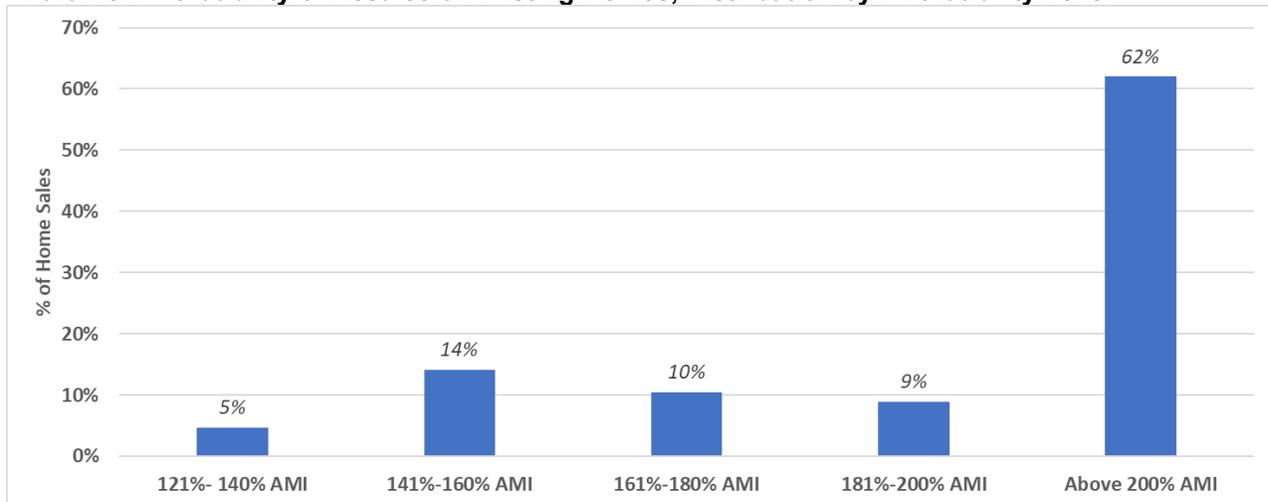
The affordability level of existing for-sale and rental housing in the City was estimated to provide context regarding the Goleta housing market and affordability levels addressed by the IHO. To estimate the affordability level of market rate for-sale units, resale prices of existing homes over the past year were compared to calculated affordable prices. The results are summarized in Charts 4-4 and 4-5 below.

Approximately 62% of existing home resales during a one-year period from February 2020 to February 2021 were estimated to require a household income above 200% of AMI, while the remaining 38% were priced at a level estimated to be affordable to Above Moderate income households with incomes from 120% to 200% of AMI. The majority of existing home resales estimated to be affordable to Above Moderate income households are one- and two-bedroom attached units built in the 1960s through the 1980s. Estimates are based on comparison to affordable price levels calculated assuming a 5% down payment. With a 20% down payment, a greater percentage of units would be identified as affordable to the Above Moderate income category. Appendix A Table A-1 provides the estimated affordability level that applies to each home sale.

**Chart 4-4. Affordability of Resales of Existing Units in Goleta**



*Source: KMA analysis of CoreLogic home sales data for February 2020 through February 2021*

**Chart 4-5. Affordability of Resales of Existing Homes, Distribution by Affordability Level**

Source: KMA analysis of CoreLogic home sales data for February 2020 through February 2021

#### 4.4 Affordability of New Market Rate For-Sale Units

KMA estimated the household income required to afford each of the four prototypical for-sale units. These estimates are presented below and are expressed as a percent of AMI. Newly constructed housing units typically sell for a premium over comparable existing units due to their new condition and modern finishes and amenities. As a result, a higher income household is generally required to afford a new unit, all else being equal. As noted above, new units have been primarily attached while single-family detached units are more prevalent within Goleta's existing housing stock<sup>4</sup>.

Households with a 20% cash down payment can reduce their housing costs through a lower monthly mortgage payment and can avoid the need for private mortgage insurance. With a 20% down payment, it is estimated that the single-family, large lot prototype requires an income of approximately 335% of AMI, the single-family prototype unit requires an income of approximately 196% of AMI and the townhome and condominium prototypes require a household income between 150% and 160% of AMI.

Households who do not have a 20% down payment will need a larger mortgage, resulting in a higher payment, and must also pay private mortgage insurance. Many lower and moderate income households do not have a 20% cash down payment available. Most affordable housing programs use a down payment of less than 20% for purposes of determining the home price that is affordable, typically 5% or 10%. Due to higher monthly costs with a 5% down payment, these households in turn must have a higher income to afford the same unit. Assuming 5%

<sup>4</sup> Based on data from the Construction Industry Research Board, approximately 10% of new units built from 2013 to 2019 were single-family while single-family represents approximately 44% of existing units according to the 2015-2019 American Community Survey, Table DP04.

down, the income required to afford the market prototypes is estimated to exceed 200% of AMI for all four for-sale prototypes, as shown below in Table 4-2.

<b>Table 4-2. Affordability Level Applicable to Prototypical Newly Built For-Sale Residential Units</b>				
	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>
Avg. Unit Size	3,300 SF	2,200 SF	1,600 SF	1,200 SF
Avg. No. of Bedrooms	4	3.5	3	2
Avg. Sale Price or Rent	\$2,000,000	\$1,100,000	\$800,000	\$690,000
Household Income Needed with 20% Down payment (% of AMI) <sup>(1)</sup>	335%	196%	152%	154%
Household Income Needed (% AMI) with 5% Down payment and Mortgage Insurance <sup>(2)</sup>	448%	265%	206%	203%

<sup>(1)</sup> Based on household income required as calculated in the Residential Nexus Analysis and expressed as a percentage of AMI.

<sup>(2)</sup> Given the limited assets typically available to lower and moderate income households, many affordable housing programs use a down payment of less than 20% when determining affordable prices. With less money down, a higher mortgage payment and mortgage insurance will be required.

#### **4.5 Affordability of Market Rate Rental Units**

KMA estimated the household income level necessary to afford market rate rental units in Goleta. The estimates are presented below in Table 4-3.

For the average existing rental unit, a household income of approximately 130% of AMI is estimated to be needed to afford the average rent level, toward the lower end of the 120% to 200% AMI range applicable to the Above Moderate Income category.

New market rate rentals typically have higher rents due to their new condition and modern finishes and amenities. As such, a household income of approximately 174% of AMI is estimated to be needed to afford rents for a new unit in the City, within approximately the top one third of the 120% to 200% AMI range of the Above Moderate income category.

<b>Table 4-3. Affordability of Market Rate Rental Units</b>		
	<b>Average Existing Apartment</b>	<b>New Apartments (Prototype Unit)</b>
Average Number of Bedrooms	1.35	1.7
Average Year Built	1972	New
Market Rent Per Month <sup>(1)</sup>	\$2,297	\$3,264
Monthly Utility Expense <sup>(2)</sup>	<u>\$139</u>	<u>\$148</u>
Monthly Housing Costs	\$2,436	\$3,412
Annual Housing Cost	\$29,236	\$40,942
Household Income Required with 30% of Income for housing	\$97,453	\$136,472
Median Income <sup>(3)</sup>	\$75,218	\$78,400
<b>Percent of Area Median Income Needed</b>	<b>130%</b>	<b>174%</b>

<sup>(1)</sup> Existing unit rents reflect the average per CoStar. New unit rents reflect KMA estimates based on market data for newer apartment units in Goleta.

<sup>(2)</sup> Estimated based on County Housing Authority utility allowance schedule.

<sup>(3)</sup> Based on HCD income limits weighted to reflect a household size that corresponds to the bedroom mix applicable to the units.

## 5.0 DEVELOPER STAKEHOLDER INTERVIEWS

To inform the analysis and provide context, KMA conducted one-on-one interviews with local development professionals and property owners. These developer stakeholder interviews encompassed professionals from the following organizations that have been active in development or ownership of residential and commercial properties within Goleta:

- Price Management with Flowers & Associates
- Cottage Hospital
- Towbes Group
- City Ventures

The following key themes emerged from these discussions:

- *Market Demand for Additional Residential Development* – Developers believe there is market support for additional residential development in the City and see the region as a housing supply-constrained market.
- *Familiarity with IHO and General Feedback* – The stakeholders did not have a high level of familiarity with the IHO and did not offer specific feedback on either the IHO or in-lieu fees. Some stakeholders acknowledged the value of including affordable housing as part of new residential development projects and expressed a positive view of the inclusionary policy in broad terms. One stakeholder expressed concerns that in-lieu fee funds would not be used for their intended purpose.
- *In-Lieu Fee Versus On-site Units* – Some stakeholders indicated a general preference for payment of an in-lieu fee over providing on-site affordable units but expressed that a requirement to provide units on-site would not prevent them from pursuing projects in the City. One stakeholder indicated a preference to include affordable units in the Moderate or Above Moderate category in their for-sale projects, unless the in-lieu fee were clearly favorable economically.
- *Affordability Levels Addressed* – One stakeholder indicated a favorable view of addressing the Above Moderate Income category as part of the IHO and indicated that Above Moderate units had been in high demand. Requiring Extremely Low and Very Low income units on-site in a for-sale project was cited as being problematic because it is difficult to find households within these income categories that meet credit standards necessary to qualify for a mortgage.
- *Entitlement Process, Water Service Viewed as Primary Barriers to Development* – Nearly all of the developers cited the complexity of the local entitlement process and the current moratorium on new water service as primary barriers to new residential development in the City. These factors were also cited as having discouraged them from pursuing additional projects in Goleta while others were more optimistic about pursuing future projects. One stakeholder suggested a streamlined entitlement process be considered when inclusionary housing units are provided.

- *City Fees* – Stakeholders indicated that the City’s impact fees are high relative to other jurisdictions in which they work and expressed concern regarding a lack of transparency regarding the amounts that projects will be charged.

The above summary reflects comments pertinent to residential requirements. The companion report entitled Non-Residential Affordable Housing Fee Report summarizes the same interviews with an emphasis on those themes that are pertinent to non-residential development projects. Additionally, KMA reached out to approximately five other developers who either declined, or did not respond to, requests for an interview.

## 6.0 IN-LIEU FEE ANALYSIS

The in-lieu fee analysis provides a series of metrics regarding the cost of providing affordable units that can be used to inform the City Council in establishing an affordable housing in-lieu fee. The following five metrics or benchmarks are addressed in the in-lieu fee analysis.

1. **On-Site Cost** – This represents the estimated net cost to the developer to deliver affordable units on-site as part of the project, in compliance with the terms of the City’s IHO.
2. **Off-Site Cost** – This represents the estimated cost for a project to provide affordable units in a stand-alone affordable project that is financed with Low Income Housing Tax Credits (LIHTC).
3. **Historic Compliance Cost** – The cost of complying with the City’s inclusionary requirement consistent with actual recent projects in Goleta was estimated and translated into a cost per unit and cost per square foot.
4. **In-Lieu Fee Rate Applied to Prior Projects** – Pending adoption of a formal in-lieu fee, a rate of \$80,645 per affordable unit has been applied to prior projects on a case-by-case basis.
5. **In-Lieu Fee Based on Existing Unit Sales Prices** – An in-lieu fee amount is calculated using an approach used by some inclusionary programs based on the gap between affordable prices and recent sales prices of existing units.

Goleta’s inclusionary program allows projects with five or more units to satisfy IHO requirements through the payment of an in-lieu fee only if the City Council finds that development of on-site affordable units is infeasible, and the in-lieu payment is demonstrated to be of equal value to the provision of the affordable units on-site. The on-site cost analysis most closely mirrors the “equal value” standard provided in the IHO. However, the off-site cost metric will generally result in units at a deeper level of affordability, based on the income levels eligible for tax credits, than compliance with the IHO with on-site units. As such, providing off-site units could be considered a greater value than on-site units with respect to the increased level of affordability they provide.

The five market rate development prototypes described in the Section 4-2 of this report provide the starting point for the in-lieu fee analysis provided in this section.

### 6.1 Cost to Provide On-Site Units

KMA prepared an estimate of the cost to provide inclusionary units on-site within new developments in a manner that is consistent with the requirements of the IHO.

### *On-Site Cost with For-Sale Units*

With for-sale projects, the analysis is based on the revenue that is forgone by the developer in setting aside the units as affordable. This is calculated as the difference between market rate and restricted affordable unit prices. The gap between market and affordable prices at the income levels applicable to the City's program is then translated into a cost per unit and cost per square foot in the project. Costs are high due to the depth of affordability provided by the City's inclusionary program, which results in a large gap between market rate and affordable prices. Table 6-1 summarizes the analysis for the four for-sale prototypes. Additional supporting calculations are provided in Appendix A Tables A-2 through A-5.

With a 20% inclusionary requirement, the cost of providing on-site inclusionary units is estimated to be \$62 to \$101 per square foot within the development, or between approximately \$87,000 and \$334,000 per unit in the project, depending on the unit type. These figures represent the cost of compliance spread across all units and square footage within the project, not just the affordable units.

With a 15% inclusionary requirement, the cost of providing on-site inclusionary units is estimated to be \$44 to \$75 per square foot within the development, or between \$62,000 and \$247,000 per unit in the project, depending on the unit type. The lower costs relative to the 20% requirement are due to the reduced number of affordable units required to be set aside.

<b>Table 6-1. Summary of Compliance Cost Analysis with On-Site For-Sale Affordable Units</b>					
		<b>Single Family, Large Lot</b>	<b>Single Family</b>	<b>Townhomes</b>	<b>Condo</b>
A.	Market Rate Unit Size (average)	3,300 sq ft	2,200 sq ft	1,600 sq ft	1,200 sq ft
B.	No. of Bedrooms (average)	4	3.5	3	2
<b>With 20% Affordable Unit Requirement</b>					
C.	Market Value / Sales Price	\$2,000,000	\$1,100,000	\$800,000	\$690,000
D.	Average Affordable Sales Price <sup>(1)</sup>	<u>(\$328,000)</u>	<u>(\$316,000)</u>	<u>(\$306,000)</u>	<u>(\$257,000)</u>
E.	Average Affordability Gap	\$1,677,000	\$1,672,000	\$784,000	\$494,000
F.	Inclusionary Percent	20%	20%	20%	20%
G.	Net Cost Per Unit in Project =F. x E.	\$334,400	\$156,800	\$98,800	\$86,600
H.	Net Cost per square foot in Project =G ÷ A.	<b>\$101 /SF</b>	<b>\$71 /SF</b>	<b>\$62 /SF</b>	<b>\$72 /SF</b>
<b>With 15% Affordable Unit Requirement</b>					
I.	Market Value / Sales Price	\$2,000,000	\$1,100,000	\$800,000	\$690,000
J.	Average Affordable Sales Price <sup>(1)</sup>	<u>(\$354,000)</u>	<u>(\$342,000)</u>	<u>(\$330,000)</u>	<u>(\$279,000)</u>
K.	Average Affordability Gap	\$1,656,000	\$1,646,000	\$758,000	\$470,000
L.	Inclusionary Percent	15%	15%	15%	15%
M.	Net Cost Per Unit in Project =L. x K.	\$246,900	\$113,700	\$70,500	\$61,650
N.	Net Cost per square foot in Project =M. ÷ A.	<b>\$75 /SF</b>	<b>\$52 /SF</b>	<b>\$44 /SF</b>	<b>\$51 /SF</b>

(1) Average affordable price weighted to reflect the mix of affordability levels required by the IHO. The average affordable price differs slightly between the 20% and 15% requirements because of differences in the mix of affordability levels. See Appendix A Tables A-2 and A-4 for additional information.

### *On-Site Cost with Rental Units*

The cost of including affordable rental units on-site within a market rate rental project is also driven by the difference between market rate rents and the affordable rents. The amount of investment in the project (i.e., debt and equity) that can be supported by the rental income generated by the project is reduced when a portion of the units are set aside as affordable. This difference in supported investment is translated into a cost per unit and cost per square foot in the project. As with the for-sale analysis, the cost of providing the units required by the inclusionary program are high, driven by the depth of affordability required under the IHO. The gap varies based on the income or affordability level of the unit. Table 6-2 summarizes the analysis, utilizing a weighted average affordability gap based on the five income tiers addressed

by the analysis. Additional supporting calculations are provided in Appendix A. Tables A-3 and A-5.

With a 20% inclusionary requirement, the cost of providing on-site inclusionary units is estimated to be \$69 per square foot or approximately \$66,000 per unit in the development project. With a 15% inclusionary requirement, the cost of providing on-site inclusionary units is estimated to be \$50 per square foot or approximately \$48,000 per unit in the project. These figures represent the cost of compliance spread across all units and square footage within the project, not just the affordable units.

		<b>Rental With 20% Requirement</b>	<b>Rental With 15% Requirement</b>
A.	Market Rate Unit Size	960 sq ft	960 sq ft
B.	No. of Bedrooms	1.7	1.7
C.	Investment Supported - Market Rate Rents	\$529,000	\$529,000
D.	Investment Supported - Affordable Rents <sup>(1)</sup>	<u>(\$197,000)</u>	<u>(\$212,000)</u>
E.	Affordability Gap (Average) <sup>(1)</sup>	\$332,000	\$317,000
F.	Inclusionary Percent	20%	15%
G.	Net Cost Per Unit in Project =F. X E.	\$66,400	\$47,550
H.	Net Cost per square foot in Project =G. / A.	<b>\$69 /SF</b>	<b>\$50 /SF</b>

(1) Average based on mix of affordability levels required by the IHO. The average affordability gap differs between the 20% and 15% requirements because of differences in the mix of affordability levels. See Appendix A Tables A-3 and A-5 for additional information.

For purposes of these estimates, market rate and affordable units are assumed to be the same in terms of square footage size and have the same number of bedrooms, which is consistent with the requirements of the IHO. However, the cost of providing on-site units could be reduced if the square footage of affordable units were allowed to be less than the market rate units.

## **6.2 Cost to Provide Off-Site Rental Units Using Low Income Housing Tax Credits**

The IHO provides an option to provide off-site affordable units if development of on-site units is found to be infeasible. This section evaluates the cost associated with complying with the ordinance by providing off-site units utilizing LIHTC financing. This cost is expressed as an equivalent cost per unit or cost per square foot in the project.

Development cost estimates are based on land and construction cost estimates drawn from recent LIHTC affordable projects, focusing on those projects with the following characteristics:

1. 4% LIHTC projects, rather than limited and competitive 9% credits;
2. Family units rather than senior, special needs, or single room occupancy; and
3. Without obligations or funding sources that require payment of prevailing wages.

Projects meeting the above criteria were the focus because it is anticipated that a developer-initiated LIHTC project constructed to fulfill an IHO requirement would likely share these characteristics. Six recent LIHTC projects were reviewed and used to identify development costs for purposes of the affordability gap analysis in the separate Residential Nexus Study. Of these six projects, three are consistent with the criteria listed above and are used for purposes of the off-site project analysis in this section. Cost information for these three LIHTC projects is summarized in Appendix A Table A-10.

Funding sources available to offset the cost of the affordable units include tax-exempt permanent debt financing supported by the project's operating income and equity generated by 4% federal LIHTC. Although affordable projects that are built to satisfy inclusionary requirements could apply for and be awarded subsidies beyond tax credits, this analysis is intended to provide an estimate of the cost of providing affordable units without using these other subsidies. The estimated financing sources vary as a function of both AMI level, which affects supportable debt, and development costs, which is a factor in determining the amount of tax credit financing.

Based on the analysis presented in Appendix A Tables A-9 and A-10, the estimated net subsidy required per off-site affordable unit is estimated at \$103,000.

Affordability gaps and the cost of compliance through off-site rental units are summarized below in Table 6-3. Supporting calculations are also provided in Appendix A Tables A-2, A-3 and A-9. With a 20% inclusionary requirement, the cost of providing off-site inclusionary units is estimated to be \$25,750 per unit, or \$8 to \$27 per square foot within the market rate project. With a 15% inclusionary requirement, the cost of providing off-site inclusionary units is estimated to be \$18,176 per unit, or \$6 to \$19 per square foot within the market rate development. Costs per square foot are higher when market rate unit sizes are smaller because the same affordable unit costs are allocated across fewer square feet. Costs are estimated to be less than providing on-site inclusionary units due to the use of LIHTC financing.

**Table 6-3. Summary of Compliance Cost Analysis with Off-Site Affordable Rental Units**

	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condos</i>	<i>Apartments</i>
Market Rate Unit Size	3,300 sf	2,200 sf	1,600 sf	1,200 sf	960 sf
<b>20% Inclusionary Requirement</b>					
Net Cost Per Unit in Project	\$25,750	\$25,750	\$25,750	\$25,750	\$25,750
Net Cost per square foot in Project	\$8	\$12	\$16	\$21	\$27
<b>15% Inclusionary Requirement</b>					
Net Cost Per Unit in Project	\$18,176	\$18,176	\$18,176	\$18,176	\$18,176
Net Cost per square foot in Project	\$6	\$8	\$11	\$15	\$19

See Appendix A Tables A-2, A-3, A-9 and A-10 for supporting calculations.

### 6.3 Historic Compliance Costs

Several projects in Goleta have provided affordable units and/or provided an in-lieu payment to the City. As a point of reference for determining an appropriate in-lieu fee schedule, the cost of complying with the City's inclusionary requirement consistent with actual recent projects in Goleta was estimated using current affordability gaps and translated into a cost per unit and per square foot. Seven recent projects were reviewed:

- Village at Los Carneros – This 465-unit development included a 70-unit affordable housing project by People's Self Help Housing of Santa Barbara developed on a parcel of land valued at \$690,000 that was contributed by the developer.
- Old Town Village / Winslowe – This 175-unit project provided seven Above Moderate units, seven Moderate units and provided an in-lieu payment of \$80,645 per affordable unit for 13 additional units to meet the 15% requirement that applied, which was reduced from 20% based upon dedication of 2.4 acres of land to the City for street and stormwater improvements.
- Citrus Village Townhomes – The developer of this ten-unit project provided an in-lieu payment of \$80,645 per affordable unit, with a 20% obligation.
- The Hideaway / Haskell's Landing – The developer of this 101-unit project provided five Above Moderate units, five Moderate units and an in-lieu payment of \$80,645 per affordable unit for ten additional affordable units.
- Hollister Village – As part of a settlement agreement, this 27-unit project agreed to provide five Low Income units on-site, representing 19% of the units.
- Cortona and Hollister Village Apartments – These two apartment projects (176 units for Cortona and 266 units for Hollister Village) were not subject to inclusionary housing requirements since they were approved before rental projects became subject to the City's inclusionary requirement following enactment of AB 1505.

Compliance costs were estimated on a per unit and per square foot basis. A summary of the results is shown below in Table 6-4 and additional details are shown in Appendix A Table A-6. The estimated compliance cost for the recent for-sale projects ranged from \$1 per square foot to \$12 per square foot. Two of the larger apartment projects are rental units and were not subject to an inclusionary requirement, while the smaller 27-unit Hollister Village project is estimated to have a compliance cost of \$100 per square foot, which is high based on the inclusion of all affordable units on-site and without using LIHTC financing, the only project reviewed to do so.

	<b>Estimated Compliance Cost Per Unit in Project</b>	<b>Estimated Compliance Cost per Square Foot</b>
Citrus Village Townhomes, 10 Units	\$16,000	\$11
Village at Los Carneros, 465 Units	\$1,000	\$1
Old Town Village / Winslowe, 175 Units	\$22,000	\$12
Haskell's Landing / The Hideaway, 101 Units	\$13,000	\$6
Hollister Village, 27 Units	\$61,000	\$100
Cortona, 176 Units and Hollister Village, 266 Units	Pre AB 1505 rental projects with no affordable requirement	

Compliance costs estimated by KMA. See Appendix A Table A-6 for more details.

#### **6.4 In-Lieu Fee Rate Used for Past Projects**

The \$80,645 per affordable unit in-lieu payment that has been applied to previously approved projects on a case-by-case basis was converted to a cost per market rate unit or net square foot using the five prototype projects. As shown below in Table 5-5, with a 20% requirement, the \$80,645 in-lieu fee converts to between \$5 and \$17 per square foot and, with a 15% requirement converts to between \$4 to \$13 per square foot.

	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condos</i>	<i>Apartments</i>
Market Rate Unit Size	3,300 sf	2,200 sf	1,600 sf	1,200 sf	960 sf
<b>20% Inclusionary Requirement</b>					
Net Cost Per Unit in Project	\$16,129	\$16,129	\$16,129	\$16,129	\$16,129
Net Cost per square foot in Project	\$5	\$7	\$10	\$13	\$17
<b>15% Inclusionary Requirement</b>					
Net Cost Per Unit in Project	\$12,097	\$12,097	\$12,097	\$12,097	\$12,097
Net Cost per square foot in Project	\$4	\$5	\$8	\$10	\$13

## 6.5 Affordability Gap Based on Existing Unit Sales

This approach mirrors an approach used by some jurisdictions to establish and regularly update their in-lieu fees. Sales data are used to establish the market price of existing units. An affordability gap is then calculated based on the difference between market and affordable prices. This allows in-lieu fees to scale with market conditions using readily available market data. KMA calculated the median sales price and average bedroom size for attached units sold in Goleta in the prior 12 months. The market sales price was then compared to affordable sales prices for units of that size to calculate the affordability gap, which averages \$320,000 per affordable unit based on the income levels applicable to Goleta's inclusionary program, as shown in Table 6-6.

<b>Table 6-6. Affordability Gap Based on Existing Unit Resales</b>	
Attached For-Sale Units, City of Goleta Sold Feb 2020- Feb 2021	
Median No. Bedrooms	2.2 BR
Median Square Footage Size	1,150 SF
Median Market Sale Price	\$605,000
Affordable Sales Price (Average)	<u>(\$285,000)</u>
Affordability Gap (Average)	\$320,000

See Appendix A Table A-8 for additional information.

With a 20% inclusionary requirement and an affordability gap of \$320,000, the in-lieu fee per market rate unit would be \$64,000 (20% X \$320,000 per affordable unit). This converts to between \$19 and \$67 per square foot depending on the prototype unit size and are shown below in Table 6-7. Additionally, with a 15% inclusionary requirement, the in-lieu fee converts to \$15 to \$50 per square foot, depending on the prototype unit size. Additional details for these calculations are shown in Appendix A Tables A-2, A-3, and A-8.

<b>Table 6-7. Summary of Analysis with In-Lieu Fee Based on Existing Market Rate Units</b>					
	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condos</i>	<i>Apartments</i>
Market Rate Unit Size	3,300 sf	2,200 sf	1,600 sf	1,200 sf	960 sf
<b>20% Inclusionary Requirement</b>					
Net Cost Per Unit in Project	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000
Net Cost per square foot in Project	\$19	\$29	\$40	\$53	\$67
<b>15% Inclusionary Requirement</b>					
Net Cost Per Unit in Project	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000
Net Cost per square foot in Project	\$15	\$22	\$30	\$40	\$50

Table 6-8 below presents a summary of the compliance cost estimates for the different compliance options and in-lieu fee calculations. Supporting calculations for the for-sale

prototypes can be found in Appendix A Table A-2, and for the rental prototype, in Appendix A Table A-3.

<b>Table 6-8. Summary of In-Lieu Fee Analysis</b>						
	<b>Compliance Cost Per Square Foot</b>					
	<b>Compliance Cost Per Unit</b>	<b>Single Family Detached, Large Lot</b>	<b>Single Family Detached</b>	<b>Town-home</b>	<b>Stacked Flat Condo</b>	<b>Apartments</b>
<b>With 20% Obligation</b>						
On-site Compliance	varies by type	\$101	\$71	\$62	\$72	\$69
Off-site Compliance	\$25,750	\$8	\$12	\$16	\$21	\$27
In-Lieu Fee Used for Prior Projects	\$16,129	\$5	\$7	\$10	\$13	\$17
In-Lieu Fee Based on Existing Unit Resales	\$64,000	\$19	\$29	\$40	\$53	\$67
<b>With 15% Obligation</b>						
On-site Compliance	varies by type	\$75	\$52	\$44	\$51	\$49
Off-site Compliance	\$18,176	\$6	\$8	\$11	\$15	\$19
In-Lieu Fee Used for Prior Projects	\$13,097	\$4	\$5	\$8	\$10	\$13
In-Lieu Fee Based on Existing Unit Resales	\$48,000	\$15	\$22	\$30	\$40	\$50

## 7.0 NEXUS ANALYSIS FINDINGS

The separate Residential Nexus Analysis prepared by KMA is included as Appendix B and calculates housing fees sufficient to mitigate the affordable housing impacts of new residential development. The Residential Nexus Analysis estimates the demand for services by new residents such as restaurants, retail, and healthcare and the affordable housing needs of the workers who provide these services. The Residential Nexus Analysis then calculates fee levels based on the cost of providing the needed affordable housing. The findings are presented below in Table 7-1.

<b>Table 7-1. Nexus Analysis Findings – Cost of Mitigating Affordable Housing Impacts</b>					
	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
Per Market Rate Unit	\$55,400	\$36,000	\$28,200	\$25,700	\$26,100
Per Square Foot	\$16.80	\$16.40	\$17.70	\$21.50	\$27.20

Note: Nexus Analysis results are not recommended fee levels. Per square foot findings reflect net rentable or net sellable square feet excluding parking areas, external corridors and other common areas.

Source: Residential Nexus Analysis (see Appendix B)

A nexus analysis is not a requirement to implement a residential in-lieu fee. A city may impose the residential in-lieu fees as part of its police powers under the Constitution. The decision in *California Building Industry Association v. City of San Jose* (California Supreme Court Case No. S212072, June 15, 2015) affirmed the ability of cities to implement inclusionary requirements, including in-lieu fees that are alternatives to providing on-site units. Enactment of AB 1505, effective January 1, 2018, has also restored the ability of California cities to apply inclusionary requirements to the development of new rental units. These legal developments clarify that the City has the flexibility to establish inclusionary housing requirements for both rental and for-sale residential development rather than be limited to a nexus-based fee approach.

## 8.0 RESIDENTIAL AFFORDABLE HOUSING REQUIREMENTS IN OTHER JURISDICTIONS

KMA summarized inclusionary requirements for comparable jurisdictions selected in Santa Barbara, San Luis Obispo and Ventura counties in order to provide context for consideration of in-lieu fees. The summary addresses key provisions of each program, including the project size thresholds, fee levels, and on-site affordable unit requirements. The narrative and Tables 8-1 to 8-3 describe the major provisions individually. Additionally, Appendix A Table A-11 combines the key provisions into a single table.

### 8.1 On-Site Requirements and Affordability Level

The other jurisdictions surveyed have programs requiring between 3% and 15% of units to be affordable, with the majority between 10% and 15% affordable. Goleta is the only program with a 20% requirement among the jurisdictions surveyed. Several programs also require a mix of affordability levels to be provided while others specify a single affordability level. Table 8-1 below provides a summary.

<b>Table 8-1. Inclusionary Program Affordable Unit Set-aside Requirements</b>		
<b>Jurisdiction</b> (Cities except as noted)	<b>Inclusionary Percentage</b>	<b>Income Level</b>
Goleta	20% (15% if provide public benefit)	5% Above Mod + 5% Mod + 5% Low + 2.5% VL + 2.5% ELI
City of Santa Barbara	FS: 15% R under AUD program (most rentals): 10%	FS: Moderate; if affordable duplexes provided: 130% AMI; if affordable SFD units provided: 160% AMI. R: Moderate
County of Santa Barbara	FS: Santa Maria / Lompoc: 5% Santa Ynez: 10% South Coast: 15%  R: Exempt	Santa Maria / Lompoc: VL, Low Santa Ynez: VL, Low, Mod South Coast: VL, Low, Mod, Above Mod
Carpinteria	FS: 12%; R: Exempt	FS: 121% AMI
Ventura	15%	6% Very Low + 9% Low or Mod
San Luis Obispo	3% Low or 5% Mod Expansion Area: 5% Low + 10% Mod	AMI level adjusts based on project density & unit size.
Oxnard	10%	FS: Low; R: VL and Low
Arroyo Grande	5% VL or 10% Low or 15% Mod (R or SFD only)	VL, Low, or Mod
Pismo Beach	10%	unspecified

*FS = For-Sale; R= Rental; ELI = Extremely Low Income; VL = Very Low Income; Mod = Moderate Income  
AUD = Average Unit Density; SFD = Single-Family Detached*

## 8.2 Project Size Thresholds

Inclusionary housing ordinances must specify the minimum project sizes to which the requirements will apply. There are two main types of size thresholds:

- Size threshold to determine which projects are subject to the ordinance; and
- Size threshold to determine which projects will be required to construct the affordable units, rather than be permitted to pay an in-lieu fee.

Table 8-2 provides a summary of thresholds used by the other jurisdictions surveyed.

<b>Table 8-2. Inclusionary Program Project Size Thresholds</b>		
<b>Jurisdiction</b> (Cities except as noted)	<b>Minimum Project Size Subject to Ordinance</b>	<b>Minimum Project Size Required to Provide Unit</b>
Goleta	2 units	5 units
City of Santa Barbara	FS: 2 units R: 5 units	FS: in-lieu fee allowed for all project sizes R: 10 units
County of Santa Barbara	5 units	In-lieu fee allowed for all project sizes
Carpinteria	5 units	5 units
Ventura	In former RDA: 7 units Rest of City: FS: 15 units	In former RDA: 7 units Rest of City: FS: 15 units
City of San Luis Obispo	5 units	In-lieu fee allowed for all project sizes
Oxnard	10 units	10 units (in-lieu fee with council approval)
Arroyo Grande	2 units	5 units
Pismo Beach	5 units	In-lieu fee allowed for all project sizes

FS = For Sale; R = Rental

The minimum project size subject to inclusionary ordinance requirements ranges from two units in Goleta, Santa Barbara (for sale), and Arroyo Grande to a high of 15 units for Ventura for projects located outside of the former redevelopment area (RDA).

Whether development projects have the choice between paying an in-lieu fee or providing on-site units is a critical feature of any inclusionary program. About half of the programs reviewed allow all projects to pay a fee in-lieu of providing affordable units, including the County of Santa Barbara, the City of Santa Barbara (for sale projects), San Luis Obispo and Pismo Beach. The other half require projects above a size threshold to include on-site units, sometimes allowing in-lieu fee payment with special approval, including Goleta, Santa Barbara (rental projects), Ventura, Carpinteria, Oxnard and Arroyo Grande.

## 8.3 Fee Levels

Table 8-3 provides a summary of fee levels in place for the various programs surveyed. The communities surveyed use a range of approaches to structuring fees, including:

- Fee per affordable unit (Santa Barbara for-sale, County of Santa Barbara, Carpinteria)
- Fee per market rate unit (Oxnard)
- Fee per square foot (Santa Barbara rentals)
- Percent of building permit value (San Luis Obispo, Arroyo Grande, Pismo Beach)

For projects with fewer than ten units, Santa Barbara has a reduced in-lieu fee rate that is one third the rate that applies to projects with ten or more units and exempts the first unit in projects that have fewer than five units. Santa Barbara also reduces in-lieu fees for projects that have units under 1,700 SF in size.

Additionally, both Carpinteria and the County of Santa Barbara currently still exempt rental units.

<b>Table 8-3. In-Lieu Fees in Other Jurisdictions</b>			
<b>Jurisdiction</b> (Cities except as noted)	<b>Projects Allowed to Pay Fee</b>	<b>For-Sale</b>	<b>Rentals</b>
Goleta	2-4 units; larger projects only with Council approval	No adopted fee schedule yet. Past projects have paid \$80,645 per affordable unit owed.	
City of Santa Barbara	FS: all projects R: under 10 units	2-9 units: \$21,757 / mkt unit, first market rate unit in projects under five units is exempt.  10+ units: \$435,150 / affordable unit owed.  Reduction in fees when market units average less than 1,700 SF (max reduction of 30%)	\$25/sf
County of Santa Barbara	All projects	Fees Per Affordable Unit (South Coast rates): Very Low and Low: \$176,200/affordable unit Mod/Above Mod: \$658,300/affordable unit	exempt
Carpinteria	Fee allowed only if on-site is infeasible	Based on affordability gap for a condo unit.	exempt
Ventura	No fee option	no fee option	
City of San Luis Obispo	All projects	5% of building valuation Expansion Area: 15% of building valuation	
Oxnard	Council approval required	SFD: \$36,000 per market rate unit Attached: \$35,000 per market rate unit	\$28,000 per market rate unit
Arroyo Grande	2-4 units; larger projects only with Council approval	5% of the value of new construction	
Pismo Beach	All projects	5% of building permit value	

To allow in-lieu fees to be compared more easily across the different jurisdictions, KMA translated the in-lieu fee schedule into an equivalent per unit and per square foot amount by applying the fee schedules to the prototype projects addressed in the analysis. The results are shown below in Table 8-4.

The City of Santa Barbara, the County of Santa Barbara, and Carpinteria have the highest in-lieu fees of the jurisdictions surveyed. For the City of Santa Barbara, rates equate to approximately \$20 to \$44 per square foot for projects of ten units or more, depending on the unit size. For the County, rates equate to \$23 to \$62 per square foot in the County. In Carpinteria, rates equate to \$12 to \$27 per square foot. Santa Barbara charges far less for smaller for-sale projects under ten units in size, estimated to be approximately \$5 to \$11 per square foot for a four-unit project. The City of San Luis Obispo, Arroyo Grande, and Pismo Beach have the lowest fees, estimated to be \$7 to \$12 per square foot.

<b>Table 8-4. In-Lieu Fees in Other Jurisdictions Expressed Per Market Rate Unit or Per Square Foot</b>					
	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
Square Feet	3,300	2,200	1,600	1,200	960
No. of Bedrooms	4	3.5	3	2	1.7
Est. Building Permit Value <sup>(4)</sup>					
Per GSF	\$145	\$145	\$160	\$220	\$220
Per Unit	\$478,500	\$319,000	\$256,000	\$282,353	\$225,882
<b>In-Lieu Fees Expressed Per Market Rate Unit <sup>(1)</sup></b>					
City of Santa Barbara					
10+ unit project	\$65,250	\$65,250	\$55,482	\$52,218	\$24,000
Four-unit project	\$16,318	\$16,318	\$13,870	\$13,054	exempt
Co of Santa Barbara <sup>(5)</sup>	\$74,640	\$74,640	\$74,640	\$74,640	exempt
Carpinteria <sup>(2)</sup>	\$40,920	\$40,920	\$40,920	\$32,736	exempt
City of San Luis Obispo <sup>(3)</sup>	\$23,925	\$15,950	\$12,800	\$14,118	\$11,294
Oxnard	\$36,000	\$36,000	\$35,000	\$35,000	\$28,000
Arroyo Grande	\$23,925	\$15,950	\$12,800	\$14,118	\$11,294
Pismo Beach	\$23,925	\$15,950	\$12,800	\$14,118	\$11,294
<b>In-Lieu Fees Expressed on Per Square Foot Basis <sup>(1)</sup></b>					
City of Santa Barbara					
10+ unit project	\$20	\$30	\$35	\$44	\$25
Four-unit project	\$5	\$7	\$9	\$11	exempt
Co of Santa Barbara <sup>(5)</sup>	\$23	\$34	\$47	\$62	exempt
Carpinteria <sup>(2)</sup>	\$12	\$19	\$26	\$27	exempt
City of San Luis Obispo <sup>(3)</sup>	\$7	\$7	\$8	\$12	\$12
Oxnard	\$11	\$16	\$22	\$29	\$29
Arroyo Grande	\$7	\$7	\$8	\$12	\$12
Pismo Beach	\$7	\$7	\$8	\$12	\$12

(1) Estimated by KMA based on published in-lieu fee rates applied to prototype projects.

(2) Estimate based on the affordability gap approach described in the ordinance.

(3) Rate applicable outside of the City's expansion area.

(4) Estimated based on RS Means

(5) Uses South Coast rate schedule based on proximity to Goleta.

The summary information presented above is intended for general comparison purposes only. An effort has been made to present current information; however, it is possible that requirements and fee levels have been revised since KMA's research was completed. For use other than a general comparison, please consult the website, code language, and staff of the individual jurisdictions.

**Appendix A – Supporting Technical Tables**

---

**Appendix A Table A-1**  
**Affordability of Resold Units in Goleta**  
**Affordable Housing In-Lieu Fee Analysis**  
**City of Goleta**

Address	Sale Date	Property Type	# Bed	SF	Sale Price	APN	Year Built	Affordability
5510 Armitos Ave 17	08/21/2020	Condominium	1	701	\$367,000	071-280-009	1972	140% AMI
5518 Armitos Ave 88	09/09/2020	Condominium	1	701	\$385,000	071-290-044	1972	140% AMI
5510 Armitos Ave 19	12/10/2020	Condominium	1	701	\$393,000	071-280-010	1972	140% AMI
5512 Armitos Ave 46	01/11/2021	Condominium	1	701	\$368,000	071-290-023	1972	140% AMI
35 Dearborn Pl 61	09/28/2020	Condominium	1	729	\$390,000	071-300-031	1973	140% AMI
35 Dearborn Pl 68	09/18/2020	Condominium	1	729	\$406,000	071-310-034	1973	140% AMI
7620 Hollister Ave 322	04/29/2020	Condominium	1	766	\$410,000	079-670-012	1985	140% AMI
7634 Hollister Ave 127	05/14/2020	Condominium	1	696	\$450,000	079-670-046	1985	160% AMI
7632 Hollister Ave 347	11/11/2020	Condominium	1	870	\$495,000	079-670-043	1985	160% AMI
452 Linfield Pl C	09/25/2020	Condominium	2	1,008	\$479,000	073-370-007	1969	160% AMI
5514 Armitos Ave 62	12/04/2020	Condominium	2	920	\$486,500	071-290-031	1972	160% AMI
5740 Encina Rd 6	08/13/2020	Condominium	2	1,236	\$487,000	069-710-021	1963	160% AMI
5940 Encina Rd 6	06/08/2020	Condominium	2	1,028	\$490,000	069-760-018	1964	160% AMI
7386 Calle Real 11	09/01/2020	Condominium	2	1,008	\$500,000	077-490-011	1975	160% AMI
301 Moreton Bay Ln 1	06/25/2020	Condominium	2	1,019	\$507,000	069-770-019	1963	160% AMI
261 Moreton Bay Ln 3	12/16/2020	Condominium	2	1,051	\$520,000	069-720-009	1963	160% AMI
7560 Cathedral Oaks Rd 9	08/06/2020	Condominium	2	984	\$520,000	079-590-007	1972	160% AMI
7580 Cathedral Oaks Rd 3	09/17/2020	Condominium	2	984	\$530,000	079-580-003	1972	160% AMI
5970 Encina Rd 5	12/10/2020	Condominium	2	1,188	\$530,000	069-760-005	1964	160% AMI
337 Moreton Bay Ln 3	10/16/2020	Condominium	2	1,051	\$540,000	069-700-024	1963	160% AMI
7628 Hollister Ave 118	09/17/2020	Condominium	2	1,011	\$545,000	079-680-061	1986	160% AMI
7103 Monique Ct	06/22/2020	Condominium	2	951	\$550,000	073-420-064	1990	160% AMI
7628 Hollister Ave 236	09/19/2020	Condominium	2	1,145	\$555,000	079-680-062	1986	160% AMI
319 Pacific Oaks Rd	03/06/2020	Condominium	2	951	\$555,000	073-410-029	1990	160% AMI
7628 Hollister Ave 337	01/06/2021	Condominium	2	960	\$580,000	079-680-070	1986	180% AMI
280 Moreton Bay Ln 3	05/05/2020	Condominium	2	1,211	\$585,000	069-740-027	1963	180% AMI
5756 Encina Rd 3	12/11/2020	Condominium	2	1,016	\$585,000	069-710-003	1963	180% AMI
345 Kellogg Way 25	09/01/2020	Condominium	2	1,016	\$590,000	071-360-025	2007	180% AMI
536 Mills Way	08/03/2020	Condominium	2	1,056	\$625,000	073-290-021	1974	180% AMI
166 Kingston Ave B	12/08/2020	Condominium	2	1,184	\$639,000	069-630-003	1972	200% AMI
7011 Marymount Way	07/15/2020	Condominium	2	1,054	\$652,000	073-430-026	1992	200% AMI
7065 Marymount Way	07/24/2020	Condominium	2	1,054	\$660,000	073-430-053	1991	200% AMI
383 Pacific Oaks Rd	05/20/2020	Condominium	2	1,411	\$675,000	073-420-005	1990	200% AMI
7071 Marymount Way	07/22/2020	Condominium	2	930	\$688,000	073-430-056	1992	200% AMI
333 Pacific Oaks Rd	05/29/2020	Condominium	2	1,411	\$710,000	073-410-034	1990	220% AMI
7102 Phelps Rd	07/16/2020	Condominium	2	1,411	\$715,000	073-420-009	1990	220% AMI
554 Springbrook Ct	09/13/2020	Condominium	2	1,222	\$725,000	073-530-002	2000	220% AMI
7059 Marymount Way	01/05/2021	Condominium	2	990	\$726,000	073-430-050	1992	220% AMI
322 La Salle Rd	12/02/2020	Condominium	2	1,411	\$740,000	073-410-015	1990	220% AMI
310 La Salle Rd	01/07/2021	Condominium	2	1,707	\$800,000	073-410-019	1990	240% AMI
5978 Scott Ct	05/08/2020	Condominium	2	1,745	\$840,000	069-650-026	1987	240% AMI
7131 Monique Ct	10/08/2020	Condominium	2	1,859	\$925,000	073-420-056	1990	Above 240%
7636 Hollister Ave 357	10/23/2020	Condominium	2	1,104	\$1,410,000	079-680-035	1986	Above 240%
483 Linfield Pl B	11/12/2020	Condominium	2	929	\$515,000	073-340-002	1968	160% AMI
7634 Hollister Ave 355	09/14/2020	Condominium	2	960	\$545,000	079-670-056	1985	160% AMI
313 Northgate Dr C	10/05/2020	Condominium	2	1,000	\$555,000	079-610-011	1972	160% AMI
7632 Hollister Ave 250	04/13/2020	Condominium	2	1,020	\$560,000	079-670-036	1985	180% AMI
238 Ellwood Beach Dr 16	02/26/2020	Condominium	2	1,203	\$575,000	079-640-016	1984	180% AMI
172 Kingston Ave B	11/17/2020	Condominium	2	1,184	\$605,000	069-630-008	1972	180% AMI
537 Mills Way	11/23/2020	Condominium	2	1,152	\$620,000	073-290-010	1973	180% AMI
162 Kingston Ave D	12/19/2020	Condominium	2	968	\$628,500	069-630-027	1972	180% AMI
345 Kellogg Way 32	08/21/2020	Condominium	3	1,474	\$745,000	071-360-032	2008	200% AMI
345 Kellogg Way 19	09/03/2020	Condominium	3	1,576	\$765,000	071-360-019	2008	200% AMI
591 Poppyfield Pl	09/17/2020	Condominium	3	1,405	\$765,000	073-530-009	2000	200% AMI
345 Kellogg Way 35	06/26/2020	Condominium	3	1,516	\$800,000	071-360-035	2008	220% AMI
587 Poppyfield Pl	11/07/2020	Condominium	3	1,405	\$807,000	073-530-010	2000	220% AMI
7191 Emily Ln	03/17/2020	Condominium	3	1,881	\$839,000	073-420-041	1990	220% AMI

Address	Sale Date	Property Type	# Bed	SF	Sale Price	APN	Year Built	Affordability
7100 Georgetown Rd	08/12/2020	Condominium	3	1,881	\$842,500	073-410-043	1990	220% AMI
346 La Salle Rd	06/29/2020	Condominium	3	1,881	\$845,000	073-410-009	1990	220% AMI
7965 Whimbrel Ln	09/02/2020	Condominium	3	1,899	\$895,000	079-920-008	2015	240% AMI
6864 Buttonwood Ln	08/20/2020	Condominium	3	1,920	\$960,000	073-500-040	2000	Above 240%
156 Sanderling Ln	08/31/2020	Condominium	3	2,421	\$985,000	079-870-009	2015	Above 240%
5972 Village Terrace Dr	12/04/2020	Condominium	3	1,745	\$993,500	069-650-030	1987	Above 240%
363 Cannon Green Dr B	02/01/2021	Condominium	3	3,160	\$514,000	073-280-007	1974	140% AMI
397 Northgate Dr C	08/31/2020	Condominium	3	1,228	\$587,000	079-620-017	1973	160% AMI
363 Cannon Green Dr H	03/19/2020	Condominium	3	1,158	\$598,000	073-280-001	1974	160% AMI
463 Cannon Green Dr C	04/27/2020	Condominium	3	1,390	\$620,000	073-320-027	1982	180% AMI
385 Northgate Dr A	07/14/2020	Condominium	3	1,212	\$637,500	079-620-010	1973	180% AMI
391 Northgate Dr B	12/29/2020	Condominium	3	1,228	\$647,000	079-620-015	1973	180% AMI
383 Cannon Green Dr D	10/28/2020	Condominium	3	1,360	\$675,000	073-280-067	1974	180% AMI
174 Sanderling Ln	08/11/2020	Condominium	4	2,421	\$1,000,000	079-860-003	2015	240% AMI
207 Sanderling Ln	08/03/2020	Condominium	4	2,421	\$1,050,000	079-840-005	2014	Above 240%
230 Sanderling Ln	07/08/2020	Condominium	4	3,116	\$1,050,000	079-850-002	2015	Above 240%
6015 Berkeley Rd	05/22/2020	Sfr	1	831	\$555,000	077-500-021	1985	180% AMI
6066 Suellen Ct	05/02/2020	Sfr	1	831	\$556,500	077-510-009	1985	180% AMI
6002 Berkeley Rd	05/20/2020	Sfr	1	831	\$565,000	077-500-053	1985	180% AMI
6052 Suellen Ct	08/28/2020	Sfr	2	1,092	\$720,000	077-500-031	1985	220% AMI
7562 Calle Real	03/02/2020	Sfr	2	1,065	\$780,000	079-384-011	1963	220% AMI
220 Sea Cove Ln	08/10/2020	Sfr	3	1,740	\$548,000	073-630-010	2014	160% AMI
51 Deerhurst Dr	03/23/2020	Sfr	3	1,146	\$680,000	079-401-001	1964	180% AMI
605 Rossmore Rd	03/24/2020	Sfr	3	1,413	\$685,000	077-071-021	1958	180% AMI
7320 Davenport Rd	05/07/2020	Sfr	3	1,027	\$730,000	073-221-025	1971	200% AMI
6252 Newcastle Ave	10/19/2020	Sfr	3	1,280	\$745,000	077-231-001	1960	200% AMI
7614 Rochester Way	03/09/2020	Sfr	3	1,146	\$767,000	079-383-002	1964	200% AMI
34 Amador Ave	05/14/2020	Sfr	3	1,142	\$767,000	077-154-008	1959	200% AMI
7241 Del Norte Dr	09/25/2020	Sfr	3	1,322	\$769,000	077-102-004	1959	200% AMI
7030 Madera Dr	03/31/2020	Sfr	3	1,125	\$773,000	077-122-017	1959	200% AMI
653 Cambridge Dr	04/15/2020	Sfr	3	1,386	\$775,000	069-372-011	1963	200% AMI
256 Saratoga Ct	03/12/2020	Sfr	3	1,155	\$775,000	079-424-005	1965	200% AMI
7035 Del Norte Dr	02/27/2020	Sfr	3	1,125	\$785,000	077-122-014	1958	220% AMI
545 Chadwick Way	07/07/2020	Sfr	3	1,237	\$799,000	077-291-010	1962	220% AMI
7095 Del Norte Dr	02/02/2021	Sfr	3	1,125	\$805,000	077-122-001	1958	220% AMI
6147 Covington Way	06/23/2020	Sfr	3	1,237	\$805,000	077-275-008	1962	220% AMI
252 Santa Barbara Shores Dr	05/21/2020	Sfr	3	1,132	\$825,000	079-331-007	1963	220% AMI
122 Lancaster Pl	10/19/2020	Sfr	3	1,146	\$826,000	079-364-003	1963	220% AMI
30 San Jano Dr	10/12/2020	Sfr	3	1,056	\$845,000	079-412-019	1965	220% AMI
6153 Pedernal Ave	03/30/2020	Sfr	3	1,680	\$845,000	077-184-005	1959	220% AMI
546 Chadwick Way	06/15/2020	Sfr	3	1,280	\$849,000	077-291-003	1962	220% AMI
6216 Covington Way	09/03/2020	Sfr	3	1,411	\$854,500	077-303-017	1962	220% AMI
6250 Momouth Ave	08/27/2020	Sfr	3	1,280	\$855,000	077-201-001	1960	220% AMI
6155 Coloma Dr	07/09/2020	Sfr	3	1,823	\$860,000	077-213-005	1959	220% AMI
42 San Jano Dr	09/30/2020	Sfr	3	1,056	\$865,000	079-412-021	1965	240% AMI
223 Spruce Dr	01/05/2021	Sfr	3	1,234	\$865,000	079-530-020	1969	240% AMI
425 Mills Way	04/01/2020	Sfr	3	1,469	\$869,000	073-170-033	1967	240% AMI
70 Surrey Pl	11/17/2020	Sfr	3	1,141	\$876,000	079-345-007	1963	240% AMI
6275 Momouth Ave	11/05/2020	Sfr	3	1,280	\$886,000	077-194-002	1960	240% AMI
7623 Anchor Dr	07/30/2020	Sfr	3	1,248	\$896,000	079-323-006	1963	240% AMI
7739 Jenna Dr	05/05/2020	Sfr	3	1,634	\$910,000	079-750-017	2001	240% AMI
6478 Caroldale Ln	08/21/2020	Sfr	3	1,615	\$915,000	077-431-018	1968	240% AMI
7658 Newport Dr	07/13/2020	Sfr	3	1,608	\$925,000	079-492-009	1968	240% AMI
6248 Avenida Gorrion	09/10/2020	Sfr	3	1,641	\$945,000	077-254-025	1961	240% AMI
491 Pacific Oaks Rd	09/25/2020	Sfr	3	2,079	\$951,000	073-195-001	1968	240% AMI
7180 Alameda Ave	11/03/2020	Sfr	3	1,322	\$970,000	077-112-016	1958	Above 240%
6178 Coloma Dr	08/12/2020	Sfr	3	1,340	\$970,000	077-212-003	1959	Above 240%
6198 Covington Way	10/29/2020	Sfr	3	1,237	\$973,000	077-274-016	1962	Above 240%
6188 Stow Canyon Rd	12/18/2020	Sfr	3	1,669	\$985,000	077-460-014	1969	Above 240%
7277 Georgetown Rd	10/01/2020	Sfr	3	2,079	\$1,000,000	073-230-043	1969	Above 240%
137 Gerard Dr	01/21/2021	Sfr	3	1,724	\$1,035,000	079-740-040	1998	Above 240%
6288 Muirfield Dr	08/05/2020	Sfr	3	1,950	\$1,045,000	077-322-041	1963	Above 240%

Address	Sale Date	Property Type	# Bed	SF	Sale Price	APN	Year Built	Affordability
6898 Willowgrove Dr	01/13/2021	Sfr	3	2,068	\$1,110,000	073-120-039	2000	Above 240%
279 Pebble Beach Dr	12/04/2020	Sfr	3	1,281	\$1,125,000	079-333-009	1963	Above 240%
6272 Parkhurst Dr	03/07/2020	Sfr	3	1,736	\$1,147,000	077-312-019	1963	Above 240%
246 Fir Tree Pl	11/13/2020	Sfr	3	2,179	\$1,150,000	079-520-013	1969	Above 240%
425 Arundel Rd	06/04/2020	Sfr	3	2,043	\$1,160,000	069-321-004	1963	Above 240%
466 Greenleaf Ct	01/15/2021	Sfr	3	2,068	\$1,195,000	073-470-052	1998	Above 240%
7818 Day Dr	06/19/2020	Sfr	3	2,874	\$1,200,000	079-720-025	1998	Above 240%
7206 Georgetown Rd	09/15/2020	Sfr	3	2,079	\$1,226,000	073-230-031	1969	Above 240%
185 Park Cir	10/19/2020	Sfr	3	1,347	\$1,250,500	079-540-066	1957	Above 240%
951 Vereda Del Ciervo	09/22/2020	Sfr	3	2,180	\$1,450,000	079-302-015	1971	Above 240%
415 Vereda Del Ciervo	08/05/2020	Sfr	3	1,912	\$1,595,000	079-283-016	1960	Above 240%
1420 Holiday Hill Rd	03/02/2020	Sfr	3	2,091	\$1,720,000	077-042-001	1955	Above 240%
227 Elderberry Dr	03/02/2020	Sfr	3	3,912	\$1,774,500	079-770-003	2007	Above 240%
251 Elderberry Dr	07/24/2020	Sfr	3	3,889	\$1,925,000	079-770-006	2013	Above 240%
7785 Goldfield Ct	11/11/2020	Sfr	3	3,912	\$2,150,000	079-770-011	2007	Above 240%
245 Daytona Dr	06/18/2020	Sfr	4	1,459	\$500,000	079-423-013	1966	140% AMI
209 Wavecrest Ct	01/25/2021	Sfr	4	2,089	\$580,000	073-630-025	2014	160% AMI
7289 Tuolumne Dr	11/13/2020	Sfr	4	1,239	\$600,000	077-093-003	1959	160% AMI
486 Windsor Ave	10/05/2020	Sfr	4	1,606	\$630,000	077-323-001	1963	160% AMI
7890 Rio Vista Dr	05/20/2020	Sfr	4	1,296	\$650,000	079-570-044	1972	160% AMI
135 San Rossano Dr	06/05/2020	Sfr	4	1,482	\$716,000	079-433-003	1966	180% AMI
67 Deerhurst Dr	08/04/2020	Sfr	4	1,536	\$800,000	079-471-008	1967	200% AMI
6291 Marlborough Dr	07/06/2020	Sfr	4	1,472	\$840,000	077-312-002	1963	220% AMI
5096 San Simeon Dr	08/24/2020	Sfr	4	1,561	\$849,000	065-422-009	1962	220% AMI
231 Hillview Dr	04/03/2020	Sfr	4	1,991	\$854,000	079-540-007	1970	220% AMI
7617 Rochester Way	08/26/2020	Sfr	4	1,482	\$855,000	079-383-009	1964	220% AMI
7568 Newport Dr	01/08/2021	Sfr	4	1,357	\$870,000	079-394-016	1963	220% AMI
7408 San Blanco Dr	02/01/2021	Sfr	4	1,278	\$875,000	079-412-004	1965	220% AMI
423 Carlo Dr	09/17/2020	Sfr	4	1,427	\$875,000	077-271-007	1962	220% AMI
6212 Avenida Gorrion	07/15/2020	Sfr	4	1,436	\$890,000	077-262-008	1961	220% AMI
7280 Tuolumne Dr	10/28/2020	Sfr	4	1,575	\$895,000	077-091-010	1959	220% AMI
87 Deerhurst Dr	08/05/2020	Sfr	4	1,536	\$920,000	079-471-004	1967	220% AMI
451 Pepperdine Ct	10/13/2020	Sfr	4	1,884	\$925,000	073-170-012	1966	220% AMI
456 Valdez Ave	08/11/2020	Sfr	4	1,829	\$925,000	077-331-022	1962	220% AMI
211 Pebble Beach Dr	09/28/2020	Sfr	4	1,348	\$930,000	079-333-001	1963	240% AMI
213 Hillview Dr	10/09/2020	Sfr	4	1,860	\$939,000	079-540-016	1971	240% AMI
6278 Aberdeen Ave	03/30/2020	Sfr	4	2,048	\$940,000	077-194-011	1960	240% AMI
7107 Del Norte Dr	11/06/2020	Sfr	4	1,489	\$960,000	077-113-006	1959	240% AMI
7849 Langlo Ranch Rd	09/21/2020	Sfr	4	1,296	\$979,000	079-600-032	1973	240% AMI
520 Chadwick Way	11/30/2020	Sfr	4	1,427	\$985,000	077-291-002	1962	240% AMI
229 Calle Serrento	12/09/2020	Sfr	4	1,314	\$985,500	079-600-006	1973	240% AMI
618 Wakefield Rd	06/02/2020	Sfr	4	1,528	\$1,000,000	069-462-019	1966	240% AMI
7745 Wagon Wheel Dr	12/03/2020	Sfr	4	1,344	\$1,020,000	079-600-053	1972	240% AMI
6428 Camino Viviente	01/22/2021	Sfr	4	1,844	\$1,024,500	077-431-007	1968	Above 240%
690 N Fairview Ave	01/25/2021	Sfr	4	2,297	\$1,043,500	069-650-051	1900	Above 240%
7297 Padova Dr	07/23/2020	Sfr	4	2,452	\$1,045,000	077-354-006	1963	Above 240%
6016 Paseo Palmilla	09/14/2020	Sfr	4	1,400	\$1,050,000	077-480-023	1971	Above 240%
6574 Camino Venturoso	09/11/2020	Sfr	4	2,412	\$1,050,000	077-411-013	1967	Above 240%
312 Coronado Dr	10/15/2020	Sfr	4	1,357	\$1,060,000	079-392-001	1963	Above 240%
381 Sylvan Dr	11/03/2020	Sfr	4	1,685	\$1,080,500	069-323-013	1963	Above 240%
515 Dorset Ct	09/15/2020	Sfr	4	1,458	\$1,100,000	077-331-008	1962	Above 240%
5669 Camden Pl	07/18/2020	Sfr	4	1,866	\$1,129,000	069-123-022	1961	Above 240%
7942 Winchester Cir	09/09/2020	Sfr	4	2,203	\$1,130,000	079-710-008	1997	Above 240%
6224 Cathedral Oaks Rd	08/07/2020	Sfr	4	2,021	\$1,155,000	077-372-012	1964	Above 240%
7920 Winchester Cir	09/24/2020	Sfr	4	2,740	\$1,200,000	079-710-018	1998	Above 240%
284 King Daniel Ln	08/05/2020	Sfr	4	2,803	\$1,200,000	077-540-016	2000	Above 240%
6206 Cathedral Oaks Rd	07/06/2020	Sfr	4	2,534	\$1,205,000	077-372-009	1964	Above 240%
861 Volante Pl	10/06/2020	Sfr	4	1,770	\$1,212,500	077-470-031	1970	Above 240%
815 Volante Pl	09/01/2020	Sfr	4	2,004	\$1,217,000	077-470-027	1970	Above 240%
1038 Via Bolzano	06/01/2020	Sfr	4	1,920	\$1,335,000	069-402-002	1963	Above 240%
884 Vereda Del Ciervo	01/27/2021	Sfr	4	3,087	\$1,362,500	079-301-013	1979	Above 240%
482 Camino Talavera	07/24/2020	Sfr	4	2,552	\$1,365,000	077-440-023	1968	Above 240%

<b>Address</b>	<b>Sale Date</b>	<b>Property Type</b>	<b># Bed</b>	<b>SF</b>	<b>Sale Price</b>	<b>APN</b>	<b>Year Built</b>	<b>Affordability</b>
795 Vereda Del Ciervo	10/26/2020	Sfr	4	2,572	\$1,650,000	079-302-018	1980	Above 240%
7778 Heron Ct	07/08/2020	Sfr	4	4,361	\$2,225,000	079-770-016	2008	Above 240%
1120 Via Del Rey	07/08/2020	Sfr	4	3,835	\$2,730,000	069-010-033	1990	Above 240%
6200 Covington Way	07/20/2020	Sfr	5	2,068	\$964,500	077-302-007	1962	220% AMI
6276 Marlborough Dr	12/10/2020	Sfr	5	1,606	\$1,001,000	077-323-014	1963	240% AMI
631 Colfax Ct	05/29/2020	Sfr	5	2,036	\$1,133,000	077-342-020	1963	Above 240%
6211 Guava Ave	09/22/2020	Sfr	5	1,503	\$1,225,000	077-204-010	1960	Above 240%
8309 Vereda Del Padre	03/06/2020	Sfr	5	2,669	\$1,353,000	079-261-016	1977	Above 240%
5991 Cuesta Verde	03/17/2020	Sfr	5	3,542	\$1,850,000	069-042-004	1960	Above 240%
564 Vereda Parque	07/10/2020	Sfr	5	3,609	\$1,875,000	079-295-007	1986	Above 240%
7755 Kestrel Ln	11/02/2020	Sfr	5	4,361	\$1,955,000	079-780-031	2010	Above 240%

Units built before 2016 and sold between February 2020 and February 2021.

**Source: Corelogic (Listsource), 2/26/2021**

**Appendix A Table A-2  
Compliance Cost Estimates for New For Sale Units  
Affordable Housing In-Lieu Fee Analysis  
City of Goleta**

	A. Affordability Gap Per Aff. Unit	B. % of Units	C. Cost of Compliance Per Unit  (= gap X percent)	D. Cost of Compliance Per Square Foot				G. Stacked Flat Condo  = D. / 1200 SF	
				Single Family Detached, Large Lot  = D. / 3300 SF		Single Family Detached  = D. / 2200 SF			Townhome  = D. / 1600 SF
<b>1. In-Lieu Fee Used for Prior Projects</b>	\$80,645	20%	\$16,129	<b>\$5 /SF</b>	<b>\$7 /SF</b>	<b>\$10 /SF</b>	<b>\$13 /SF</b>		
<b>2. Onsite Requirement</b>									
<b>a. 20% Requirement</b>									
Above Mod @160% AMI	Varies by	5%	Varies by	\$20 /SF	\$10 /SF	\$6 /SF	\$6 /SF		
Mod @110% AMI	prototype. See	5%	prototype. See	\$24 /SF	\$16 /SF	\$13 /SF	\$15 /SF		
Low @70% AMI	Appendix A	5%	Appendix A	\$28 /SF	\$21 /SF	\$20 /SF	\$23 /SF		
Very Low @50% AMI	Table A-4	2.5%	Table A-4	\$14 /SF	\$11 /SF	\$11 /SF	\$13 /SF		
<u>Extremely Low @30% AMI</u>		<u>2.5%</u>		<u>\$15 /SF</u>	<u>\$12 /SF</u>	<u>\$12 /SF</u>	<u>\$14 /SF</u>		
Total Compliance Cost PSF		20%		<b>\$101 /SF</b>	<b>\$71 /SF</b>	<b>\$62 /SF</b>	<b>\$72 /SF</b>		
<b>b. 15% Requirement</b>									
Above Mod @160% AMI	Varies by	4%	Varies by	\$16 /SF	\$8 /SF	\$5 /SF	\$5 /SF		
Mod @110% AMI	prototype. See	4%	prototype. See	\$19 /SF	\$13 /SF	\$10 /SF	\$12 /SF		
Low @70% AMI	Appendix A	5%	Appendix A	\$28 /SF	\$21 /SF	\$20 /SF	\$23 /SF		
Very Low @50% AMI	Table A-4	1%	Table A-4	\$6 /SF	\$5 /SF	\$4 /SF	\$5 /SF		
Extremely Low @30% AMI		<u>1%</u>		<u>\$6 /SF</u>	<u>\$5 /SF</u>	<u>\$5 /SF</u>	<u>\$6 /SF</u>		
Total Compliance Cost PSF		15%		<b>\$75 /SF</b>	<b>\$52 /SF</b>	<b>\$44 /SF</b>	<b>\$51 /SF</b>		
<b>3. Offsite Compliance <sup>(1) (2)</sup></b>									
			Per Unit in Mkt Rate Project (= gap X aff % ) / (1- aff%)						
<b>a. LIHTC Project - Low, Very Low, and ELI</b>	\$103,000	20%	\$25,750	\$8 /SF	\$12 /SF	\$16 /SF	\$21 /SF		
<b>b. LIHTC Project - Low, Very Low, and ELI</b>	\$103,000	15%	\$18,176	\$6 /SF	\$8 /SF	\$11 /SF	\$15 /SF		
<b>4. In-Lieu Fee Based on Existing Unit Resales <sup>(4)</sup></b>									
			(= gap X percent)						
<b>a. In-Lieu Fee at 20%</b>	\$320,000	20%	\$64,000	\$19 /SF	\$29 /SF	\$40 /SF	\$53 /SF		
<b>b. In-Lieu Fee at 15%</b>	\$320,000	15%	\$48,000	\$15 /SF	\$22 /SF	\$30 /SF	\$40 /SF		

(1) When affordable units are provided offsite, per unit and per square foot compliance costs are expressed in relation to the onsite market rate units, assuming the affordable units would be developed as a separate "project" in conjunction with a separate non-profit developer.

(2) Affordability gap calculations shown on Appendix A Table A-9

(3) Affordability gap calculations shown on Appendix A Table A-4

(4) Affordability gap calculations shown on Appendix A Table A-8.

**Appendix A Table A-3  
Compliance Cost Estimates for New Rental Projects  
Affordable Housing In-Lieu Fee Analysis  
City of Goleta**

	A.	B.	C.		D.
	Affordability Gap Per Aff. Unit	% of Units  (= gap X percent)	Cost of Compliance		
			Per Unit in Project  (= gap X percent)	Per Net Square Foot in Project  = D. / 960 SF	
<b>1. In-Lieu Fee Used for Prior Projects</b>	\$80,645	20%	\$16,129		<b>\$17 /SF</b>
<b>2. Onsite Requirement<sup>(2)</sup></b>					
<b>a. 20% Requirement</b>					
Above Mod @160% AMI	\$108,000	5%	\$5,400		\$6 /SF
Mod @110% AMI	\$274,000	5%	\$13,700		\$14 /SF
Low @60% AMI	\$443,000	5%	\$22,150		\$23 /SF
Very Low @50% AMI	\$476,000	2.5%	\$11,900		\$12 /SF
<u>Extremely Low @30% AMI</u>	<u>\$529,000</u>	<u>2.5%</u>	<u>\$13,225</u>		<u>\$14 /SF</u>
Total Compliance Cost PSF		20%	<b>\$66,375</b>		<b>\$69 /SF</b>
<b>b. 15% Requirement</b>					
Above Mod @160% AMI	\$108,000	4%	\$4,320		\$5 /SF
Mod @110% AMI	\$274,000	4%	\$10,960		\$11 /SF
Low @60% AMI	\$443,000	5%	\$22,150		\$23 /SF
Very Low @50% AMI	\$476,000	1%	\$4,760		\$5 /SF
Extremely Low @30% AMI	\$529,000	<u>1%</u>	<u>\$5,290</u>		<u>\$6 /SF</u>
Total Compliance Cost PSF		15%	<b>\$47,480</b>		<b>\$49 /SF</b>
<b>3. Offsite Compliance <sup>(2) (3)</sup></b>					
			Per Unit in Mkt Rate Project (= gap X aff % ) / (1- aff%)		
<b>a. LIHTC Project - Low, Very Low, and ELI</b>	\$103,000	20%	\$25,750		\$27 /SF
<b>b. LIHTC Project - Low, Very Low, and ELI</b>	\$103,000	15%	\$18,176		\$19 /SF
<b>4. In-Lieu Fee Based on Purchasing Existing Unit Resales <sup>(4)</sup></b>					
			(= gap X percent)		
<b>a. In-Lieu Fee at 20%</b>	\$320,000	20%	\$64,000		\$67 /SF
<b>b. In-Lieu Fee at 15%</b>	\$320,000	15%	\$48,000		\$50 /SF

(1) Affordability gap calculations shown on Appendix A Table A-5

(2) When affordable units are provided offsite, per unit and per square foot compliance costs are expressed in relation to the onsite market rate units, assuming the affordable units would be developed as a separate "project" in conjunction with a separate non-profit developer.

(3) Affordability gap calculations shown on Appendix A Table A-9

(4) Affordability gap calculations shown on Appendix Table A-8.

**Appendix A Table A-4**  
**Onsite Affordability Gaps: For Sale Project**  
**Affordable Housing In-Lieu Fee Analysis**  
**City of Goleta**

	Single Family Detached, Large Lot	Single Family Detached	Townhome	Stacked Flat Condo
Density (approx.)	2 du/ac	8 du/ac	15 du/ac	20 du/ac
Average No. of Bedrooms	4	3.5	3	2
Unit Size (Square Feet)	3,300	2,200	1,600	1,200
Market Value of Unit	\$2,000,000	\$1,100,000	\$800,000	\$690,000
Affordable Prices <sup>(1)</sup>				
Home Price @200% AMI	\$831,300	\$802,750	\$774,500	\$678,400
Home Price @160% AMI	\$668,500	\$641,800	\$615,400	\$534,700
Home Price @120% AMI	\$465,300	\$450,350	\$435,700	\$373,100
Home Price @110% AMI	\$416,700	\$403,550	\$390,700	\$332,600
Home Price @70% AMI	\$174,200	\$170,050	\$166,100	\$130,300
Home Price @50% AMI	\$90,900	\$89,850	\$89,200	\$61,100
Home Price @30% AMI	\$11,800	\$9,800	\$12,100	\$0
Gap @ 200% AMI	\$1,168,700	\$297,250	\$25,500	\$11,600
Gap @ 160% AMI	\$1,331,500	\$458,200	\$184,600	\$155,300
Gap @ 120% AMI	\$1,534,700	\$649,650	\$364,300	\$316,900
Gap @ 110% AMI	\$1,583,300	\$696,450	\$409,300	\$357,400
Gap @ 70% AMI	\$1,825,800	\$929,950	\$633,900	\$559,700
Gap @ 50% AMI	\$1,909,100	\$1,010,150	\$710,800	\$628,900
Gap @ 30% AMI	\$1,988,200	\$1,090,200	\$787,900	\$690,000

**Estimated Cost to Comply with IHO On-Site (Cost Per Net Sq.Ft. in Project)**

**With 20% Inclusionary Requirement**

	aff unit percent				
Above Mod @160% AMI	5%	\$20	\$10	\$6	\$6
Mod @110% AMI	5%	\$24	\$16	\$13	\$15
Low @70% AMI	5%	\$28	\$21	\$20	\$23
Very Low @50% AMI	2.5%	\$14	\$11	\$11	\$13
Extremely Low @30% AMI	2.5%	\$15	\$12	\$12	\$14
<b>Total Compliance Cost PSF</b>	<b>20%</b>	<b>\$101</b>	<b>\$71</b>	<b>\$62</b>	<b>\$72</b>

**With 15% Inclusionary Requirement**

	aff unit percent				
Above Mod @160% AMI	4%	\$16	\$8	\$5	\$5
Mod @110% AMI	4%	\$19	\$13	\$10	\$12
Low @70% AMI	5%	\$28	\$21	\$20	\$23
Very Low @50% AMI	1%	\$6	\$5	\$4	\$5
Extremely Low @30% AMI	1%	\$6	\$5	\$5	\$6
<b>Total Compliance Cost PSF</b>	<b>15%</b>	<b>\$75</b>	<b>\$52</b>	<b>\$44</b>	<b>\$51</b>

1. See Appendix A Table A-7

**Appendix A Table A-5**  
**Onsite Affordability Gaps for Rental Units, Without Tax Credits**  
**Affordable Housing In-Lieu Fee Analysis**  
**City of Goleta**

1	Unit Size	960 sq ft
2	Number of Bedrooms	1.7
3	Household Size	2.7

<b>Market Rate Unit Value</b>		<b>Per Unit</b>
4	Rent per month (+other income)	\$3,364
5	Annual Rent	\$40,368
6	(Less Vacancy Allowance @5%)	(\$2,018)
7	Annual Operating Expenses <sup>1</sup>	(\$11,900)
8	Annual Net Operating Income (NOI)	\$26,450
9	Supported Investment @5% Return on Cost	\$529,000

<b>Affordable Unit Values</b>						
		<u>Above</u>	<u>Moderate</u>	<u>Low</u>	<u>Very Low</u>	<u>Extremely</u>
		<u>Moderate</u>	<u>Income</u>	<u>Income</u>	<u>Income</u>	<u>Low Income</u>
10	Median Household Income <sup>2</sup>	\$78,400				
11	Percent of Median for Rent Calculation	160%	110%	60%	50%	30%
12	Gross Monthly Rent <sup>3</sup>	\$3,136	\$2,156	\$1,176	\$980	\$588
13	(Less Vacancy Allowance @5%)	(\$157)	(\$108)	(\$59)	(\$49)	(\$29)
14	(Less Utility Allowance) <sup>4</sup>	(\$148)	(\$148)	(\$148)	(\$148)	(\$148)
15	Net Monthly Rent	\$2,831	\$1,900	\$969	\$783	\$411
16	Annual Rent	\$33,977	\$22,805	\$11,633	\$9,398	\$4,930
17	Annual Operating Expenses <sup>1</sup>	(\$10,800)	(\$8,800)	(\$6,900)	(\$6,500)	(\$5,700)
18	Annual Net Operating Income (NOI)	\$23,177	\$14,005	\$4,733	\$2,898	(\$770)
19	Supported Investment @5.5% Return on Cost	\$421,000	\$255,000	\$86,000	\$53,000	\$0
20	<b>Gap in Unit Value</b>	<b>\$108,000</b>	<b>\$274,000</b>	<b>\$443,000</b>	<b>\$476,000</b>	<b>\$529,000</b>

**Notes**

1. Assumes \$5,900 in annual operating expenses plus property taxes estimated at 1.15% of supported investment.
2. California Department of Housing & Community Development, 2021. Weighted based on number of bedrooms and corresponding HH size.
3. Calculated at 30% of household income.
4. Estimated based on 2021 Santa Barbara County Housing Authority utility allowance schedule.

**Appendix A Table A-5a**  
**Onsite Affordability Gaps for Rental Units Consistent With Hollister Village Unit Size**  
**Affordable Housing In-Lieu Fee Analysis**  
**City of Goleta**

---

1	Unit Size	609 sq ft
2	Number of Bedrooms	0.5
3	Household Size	1.5

<b>Market Rate Unit Value</b>		<b>Per Unit</b>
4	Rent per month (+other income)	\$2,600
5	Annual Rent	\$31,200
6	(Less Vacancy Allowance @5%)	(\$1,560)
7	Annual Operating Expenses <sup>1</sup>	<u>(\$10,100)</u>
8	Annual Net Operating Income (NOI)	\$19,540
9	Supported Investment @5% Return on Cost	\$391,000

<b>Affordable Unit Values</b>		
10	Median Household Income <sup>2</sup>	\$66,517

		<b><u>Low Income</u></b>
11	Percent of Median for Rent Calculation	60%
12	Gross Monthly Rent <sup>3</sup>	\$998
13	(Less Vacancy Allowance @5%)	(\$50)
14	(Less Utility Allowance) <sup>4</sup>	<u>(\$119)</u>
15	Net Monthly Rent	\$829
16	Annual Rent	\$9,952
17	Annual Operating Expenses <sup>1</sup>	<u>(\$6,600)</u>
18	Annual Net Operating Income (NOI)	\$3,352
19	Supported Investment @5.5% Return on Cost	\$61,000
20	<b>Gap in Unit Value</b>	<b>\$330,000</b>

**Notes**

1. Assumes \$5,900 in annual operating expenses plus property taxes at 1.15% of supported investment.
2. California Department of Housing & Community Development, 2021. Weighted based on number of bedrooms and corresponding HH size.
3. Calculated at 30% of household income.
4. Estimated based on 2021 Santa Barbara County Housing Authority utility allowance schedule.

**Appendix A Table A-6  
Compliance Cost Estimates for Recent Projects  
Affordable Housing In-Lieu Fee Analysis  
City of Goleta**

	Units in Project	Compliance Option	Affordability Gap / In-Lieu Fee	% of Market Rate Units	Cost of Compliance <sup>(3)</sup>	
					Per Unit in Project (= gap X percent)	Per Net Square Foot in Project (=cost per unit/ avg. unit size)
<b>1. Citrus Village Townhomes</b>	10	in-lieu fee	\$80,645	20%	\$16,129	\$11 /SF
<b>2. Village at Los Carneros</b>	465	Site valued at \$690,000 dedicated for affordable project		n/a	\$1,484	\$1 /SF
<b>3. Old Town Village / Winslowe</b>	175	14 mod/above mod units & in-lieu fee				
On-Site Above Moderate Income (200% AMI) <sup>(2)</sup>		7 on-site	\$25,500 <sup>(1)</sup>	4%	\$1,020	\$1 /SF
On-Site Moderate Income (120% AMI) <sup>(2)</sup>		7 on-site	\$364,300 <sup>(1)</sup>	4%	\$14,572	\$8 /SF
Fee in-lieu of Low, VL and ELI Units		<u>13</u> in-lieu fee	<u>\$80,645</u>	<u>7%</u>	<u>\$5,991</u>	<u>\$3 /SF</u>
		27		15%	\$21,583	\$12 /SF
<b>4. Hollister Village, 27 Unit Project</b> [affordable housing plan was the product of a settlement agreement]	27	5 on-site at Low	\$330,000 <sup>(4)</sup>	19%	\$61,111	\$100 /SF
<b>5. Cortona and Hollister Village, 266 unit project</b>		no requirement (preceded addition of rental to requirement)				
<b>6 Haskell's Landing</b>	101	5 mod/ 5 above mod units & in-lieu fee				
On-Site Above Moderate Income (120-200%AMI)		5 on-site	\$63,000 <sup>(5)</sup>	5%	\$3,119	\$1 /SF
On-Site Moderate Income (80-120% AMI)		5 on-site	\$33,000 <sup>(5)</sup>	5%	\$1,634	\$1 /SF
Fee in-lieu of Low, VL and ELI Units		<u>10</u> in-lieu fee	<u>\$80,645</u> <sup>(6)</sup>	<u>10%</u>	<u>\$7,985</u>	<u>\$4 /SF</u>
		20		20%	\$12,737	\$6 /SF

1. See Appendix A Table A-4

2. Income levels used to set affordable pricing are reportedly the subject of litigation. The assumption used reflects covenant language that was posted on the County housing authority website which may or may not reflect final resolution of the dispute.

3. Where applicable, the cost of including on-site units is estimated based on current affordability gaps.

4. See Appendix A Table A-5a

5. Approximated based on average unit sizes for affordable units provided, an assumed market pricing of \$550 per square foot, and affordable pricing estimated at the midpoint of the applicable income range. Affordability gap is relatively low because affordable units provided were small compared to the market rate units.

6. Per City staff an \$80,645 rate applied for affordable units addressed through in-lieu payment.

**Appendix A Table A-7**  
**Affordable Sales Price Calculations**  
**On-Site Affordable Units**  
**City of Goleta, CA**

	Single Family		Townhome	Stacked Flat Condominium
	3-Bedroom 4-person HH	4-Bedroom 5-person HH	3-Bedroom 4-person HH	2-Bedroom 3-person HH
Unit Size (Bedroom)				
Household Size				
Santa Barbara County 2021 Median Income	\$90,100	\$97,300	\$90,100	\$81,100
<b>Home Price at 200% of AMI</b>	\$180,200	\$194,600	\$180,200	\$162,200
% for Housing Costs	35%	35%	35%	35%
Available for Housing Costs	\$63,070	\$68,110	\$63,070	\$56,770
(Less) Property Taxes	(\$8,842)	(\$9,494)	(\$8,846)	(\$7,751)
(Less) HOA	(\$2,700)	(\$3,000)	(\$3,600)	(\$4,800)
(Less) Utilities	(\$3,540)	(\$4,068)	(\$2,868)	(\$2,388)
(Less) Hazard Insurance <sup>(3)</sup>	(\$1,050)	(\$1,150)	(\$800)	(\$700)
(Less) Mortgage Insurance	(\$7,305)	(\$7,843)	(\$7,307)	(\$6,403)
Income Available for Mortgage	\$39,633	\$42,554	\$39,649	\$34,728
Supported Mortgage	\$735,500	\$789,700	\$735,800	\$644,500
Down Payment @5%	\$38,700	\$41,600	\$38,700	\$33,900
<b>Home Price @200% AMI</b>	<b>\$774,200</b>	<b>\$831,300</b>	<b>\$774,500</b>	<b>\$678,400</b>
<b>Household Income @ 160% of AMI</b>	\$144,160	\$155,680	\$144,160	\$129,760
% for Housing Costs	35%	35%	35%	35%
Available for Housing Costs	\$50,456	\$54,488	\$50,456	\$45,416
(Less) Property Taxes	(\$7,033)	(\$7,253)	(\$7,037)	(\$6,113)
(Less) HOA	(\$2,700)	(\$3,000)	(\$3,600)	(\$4,800)
(Less) Utilities	(\$3,540)	(\$4,068)	(\$2,868)	(\$2,388)
(Less) Hazard Insurance <sup>(3)</sup>	(\$1,050)	(\$1,150)	(\$800)	(\$700)
(Less) Mortgage Insurance	(\$4,648)	(\$4,793)	(\$4,650)	(\$4,040)
Income Available for Mortgage	\$31,484	\$34,224	\$31,501	\$27,374
Supported Mortgage	\$584,300	\$635,100	\$584,600	\$508,000
Down Payment @5%	\$30,800	\$33,400	\$30,800	\$26,700
<b>Home Price @160% AMI</b>	<b>\$615,100</b>	<b>\$668,500</b>	<b>\$615,400</b>	<b>\$534,700</b>
<b>Home Price at 120% of AMI</b>	\$108,120	\$116,760	\$108,120	\$97,320
% for Housing Costs	35%	35%	35%	35%
Available for Housing Costs	\$37,842	\$40,866	\$37,842	\$34,062
(Less) Property Taxes	(\$4,976)	(\$5,318)	(\$4,981)	(\$4,262)
(Less) HOA	(\$2,700)	(\$3,000)	(\$3,600)	(\$4,800)
(Less) Utilities	(\$3,540)	(\$4,068)	(\$2,868)	(\$2,388)
(Less) Hazard Insurance <sup>(3)</sup>	(\$1,050)	(\$1,150)	(\$800)	(\$700)
(Less) Mortgage Insurance	(\$3,289)	(\$3,514)	(\$3,292)	(\$2,817)
Income Available for Mortgage	\$22,287	\$23,816	\$22,302	\$19,096
Supported Mortgage	\$413,600	\$442,000	\$413,900	\$354,400
Down Payment @5%	\$21,800	\$23,300	\$21,800	\$18,700
<b>Home Price @120% AMI</b>	<b>\$435,400</b>	<b>\$465,300</b>	<b>\$435,700</b>	<b>\$373,100</b>

**Appendix A Table A-7**  
**Affordable Sales Price Calculations**  
**On-Site Affordable Units**  
**City of Goleta, CA**

Unit Size (Bedroom) Household Size	Single Family		Townhome	Stacked Flat Condominium
	3-Bedroom 4-person HH	4-Bedroom 5-person HH	3-Bedroom 4-person HH	2-Bedroom 3-person HH
<b>Household Income at 110% of AMI</b>	\$99,110	\$107,030	\$99,110	\$89,210
% for Housing Costs	35%	35%	35%	35%
Available for Housing Costs	\$34,689	\$37,461	\$34,689	\$31,224
(Less) Property Taxes	(\$4,462)	(\$4,761)	(\$4,465)	(\$3,798)
(Less) HOA	(\$2,700)	(\$3,000)	(\$3,600)	(\$4,800)
(Less) Utilities	(\$3,540)	(\$4,068)	(\$2,868)	(\$2,388)
(Less) Hazard Insurance <sup>(3)</sup>	(\$1,050)	(\$1,150)	(\$800)	(\$700)
(Less) Mortgage Insurance	(\$2,949)	(\$3,146)	(\$2,951)	(\$2,510)
Income Available for Mortgage	\$19,988	\$21,335	\$20,004	\$17,027
Supported Mortgage	\$370,900	\$395,900	\$371,200	\$316,000
Down Payment @5%	\$19,500	\$20,800	\$19,500	\$16,600
<b>Home Price @110% AMI</b>	<b>\$390,400</b>	<b>\$416,700</b>	<b>\$390,700</b>	<b>\$332,600</b>
<b>Household Income at 70% of AMI</b>	\$63,070	\$68,110	\$63,070	\$56,770
% for Housing Costs	30%	30%	30%	30%
Available for Housing Costs	\$18,921	\$20,433	\$18,921	\$17,031
(Less) Property Taxes	(\$1,891)	(\$1,986)	(\$1,895)	(\$1,487)
(Less) HOA	(\$2,700)	(\$3,000)	(\$3,600)	(\$4,800)
(Less) Utilities	(\$3,540)	(\$4,068)	(\$2,868)	(\$2,388)
(Less) Hazard Insurance <sup>(3)</sup>	(\$1,050)	(\$1,150)	(\$800)	(\$700)
(Less) Mortgage Insurance	(\$1,249)	(\$1,313)	(\$1,252)	(\$983)
Income Available for Mortgage	\$8,491	\$8,916	\$8,505	\$6,673
Supported Mortgage	\$157,600	\$165,500	\$157,800	\$123,800
Down Payment @5%	\$8,300	\$8,700	\$8,300	\$6,500
<b>Home Price @70% AMI</b>	<b>\$165,900</b>	<b>\$174,200</b>	<b>\$166,100</b>	<b>\$130,300</b>

**Appendix A Table A-7**  
**Affordable Sales Price Calculations**  
**On-Site Affordable Units**  
**City of Goleta, CA**

	Single Family		Townhome	Stacked Flat Condominium
	3-Bedroom 4-person HH	4-Bedroom 5-person HH	3-Bedroom 4-person HH	2-Bedroom 3-person HH
Unit Size (Bedroom)				
Household Size				
<b>Household Income at 50% of AMI</b>	\$45,050	\$48,650	\$45,050	\$40,550
% for Housing Costs	30%	30%	30%	30%
Available for Housing Costs	\$13,515	\$14,595	\$13,515	\$12,165
(Less) Property Taxes	(\$1,010)	(\$1,036)	(\$1,014)	(\$693)
(Less) HOA	(\$2,700)	(\$3,000)	(\$3,600)	(\$4,800)
(Less) Utilities	(\$3,540)	(\$4,068)	(\$2,868)	(\$2,388)
(Less) Hazard Insurance <sup>(3)</sup>	(\$1,050)	(\$1,150)	(\$800)	(\$700)
(Less) Mortgage Insurance	(\$667)	(\$685)	(\$670)	(\$458)
Income Available for Mortgage	\$4,548	\$4,656	\$4,562	\$3,125
Supported Mortgage	\$84,400	\$86,400	\$84,700	\$58,000
Down Payment @5%	\$4,400	\$4,500	\$4,500	\$3,100
<b>Home Price @50% AMI</b>	<b>\$88,800</b>	<b>\$90,900</b>	<b>\$89,200</b>	<b>\$61,100</b>
<b>Household Income at 30% of AMI</b>	\$27,030	\$29,190	\$27,030	\$24,330
% for Housing Costs	30%	30%	30%	30%
Available for Housing Costs	\$8,109	\$8,757	\$8,109	\$7,299
(Less) Property Taxes	(\$130)	(\$84)	(\$133)	\$0
(Less) HOA	(\$2,700)	(\$3,000)	(\$3,600)	(\$4,800)
(Less) Utilities	(\$3,540)	(\$4,068)	(\$2,868)	(\$2,388)
(Less) Hazard Insurance <sup>(3)</sup>	(\$1,050)	(\$1,150)	(\$800)	(\$700)
(Less) Mortgage Insurance	(\$86)	(\$55)	(\$88)	\$0
Income Available for Mortgage	\$603	\$400	\$619	(\$589)
Supported Mortgage	\$11,200	\$7,400	\$11,500	(\$10,900)
Down Payment @5%	\$600	\$400	\$600	(\$600)
<b>Home Price @30% AMI</b>	<b>\$11,800</b>	<b>\$7,800</b>	<b>\$12,100</b>	<b>\$0</b>
<u>Expense Assumptions</u>				
- HOA	\$225	\$250	\$300	\$400
- Utilities <sup>(1)</sup>	\$295	\$339	\$239	\$199
<u>Common Assumptions</u>				
- Mortgage Interest Rate	3.50% Freddie Mac avg. 30-year fixed rate mortgages, 1/2019- 12/2020.			
- Down Payment	5.00% City of Goleta affordable prices.			
- Property Taxes (% of sales price)	1.15% Average, recently sold homes in Goleta.			
- Mortgage Insurance <sup>(2)</sup>	0.80% loans up to \$625,000			
	1.00% loans over \$625,000			

<sup>(1)</sup> Utility allowances per Santa Barbara County Housing Authority (2021).

<sup>(2)</sup> Based on FHA mortgage insurance premium schedule.

<sup>(3)</sup> Estimated based on sample quotes for units in Goleta. For attached units, reflects a "walls-in" policy.

**Appendix A Table A-8**  
**Affordability Gaps: Existing Attached Units**  
**Affordable Housing In-Lieu Fee Analysis**  
**City of Goleta**

**Existing Attached Unit**

Average No. of Bedrooms	2.22
Median Unit Size	1,152
<b>Median Sales Price, Prior Year<sup>1</sup></b>	<b>\$605,000</b>

	<b>Affordable Prices</b>	<b>20% Inclusionary Requirement</b>	<b>Weighted Average Affordable Price</b>
Home Price @160% AMI	\$570,374	5%	
Home Price @110% AMI	\$363,268	5%	
Home Price @70% AMI	\$156,140	5%	\$284,855
Home Price @50% AMI	\$85,124	2.5%	
Home Price @30% AMI	\$14,152	2.5%	
		20%	
Gap @ 200% AMI	no gap		

	<b>Affordability Gaps</b>	<b>20% Inclusionary Requirement</b>	<b>Weighted Average Affordability Gap Per Aff Unit</b>
Gap @ 160% AMI	\$34,626	5%	
Gap @ 110% AMI	\$241,732	5%	
Gap @ 70% AMI	\$448,860	5%	\$320,145
Gap @ 50% AMI	\$519,876	2.5%	
Gap @ 30% AMI	\$590,848	2.5%	
		20%	

1. Median sales price of attached units in Goleta, prior 12 months. Source: Corelogic, February 2021.

**Appendix A Table A-9**  
**Affordability Gap for Off-Site LIHTC Project**  
**Affordable Housing In-Lieu Fee Analysis**  
**City of Goleta**

	Extremely Low	Very Low	Low Income
<b>I. Affordable Prototype</b>			
Tenure			
Average No. of Bedrooms		Rental	2.25 Bedrooms
<b>II. Development Costs</b> <sup>[1]</sup>			
	Per Unit	Per Unit	Per Unit
Land		\$45,000	
Direct Construction (No Prevailing Wages)		\$250,000	
Indirect Costs		\$100,000	
Financing		<u>\$20,000</u>	
Total Development Costs		\$415,000	
<b>III. Supported Financing</b>			
	Per Unit	Per Unit	Per Unit
<u>Affordable Rents</u>			
Average Number of Bedrooms		2.25 BR	
Maximum TCAC Rent <sup>[2]</sup>	\$876	\$1,460	\$1,752
(Less) Utility Allowance <sup>[3]</sup>	<u>(\$77)</u>	<u>(\$77)</u>	<u>(\$77)</u>
Maximum Monthly Rent	\$799	\$1,384	\$1,676
<u>Net Operating Income (NOI)</u>			
Gross Potential Income			
Monthly	\$799	\$1,384	\$1,676
Annual	\$9,591	\$16,605	\$20,109
Other Income	\$75	\$75	\$75
(Less) Vacancy 5.0%	<u>(\$483)</u>	<u>(\$834)</u>	<u>(\$1,009)</u>
Effective Gross Income (EGI)	\$9,183	\$15,846	\$19,175
(Less) Operating Expenses	(\$5,900)	(\$5,900)	(\$5,900)
(Less) Property Taxes <sup>[4]</sup>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Operating Income (NOI)	\$3,283	\$9,946	\$13,275
<u>Permanent Financing</u>			
Permanent Loan 4.20%	\$48,000	\$146,000	\$195,000
Tax Credit Equity - 4% Credits <sup>[5]</sup>	<u>\$166,000</u>	<u>\$166,000</u>	<u>\$166,000</u>
Total Sources	\$214,000	\$312,000	\$361,000
<b>IV. Affordability Gap</b>			
	Per Unit	Per Unit	Per Unit
Supported Permanent Financing	\$214,000	\$312,000	\$361,000
(Less) Total Development Costs	<u>(\$415,000)</u>	<u>(\$415,000)</u>	<u>(\$415,000)</u>
Affordability Gap	<u>(\$201,000)</u>	<u>(\$103,000)</u>	<u>(\$54,000)</u>
<b>Off-Site Project LIHTC Gap</b>			<b>(\$103,000)</b>
<i>with mix of 25% ELI, 25% VL, 50% Low</i>			
<i>based on IHO affordability mix for ELI to Low</i>			

<sup>[1]</sup> Development costs estimated by KMA based on the recent projects identified in Appendix A, Table A-10.

<sup>[2]</sup> Maximum rents per Tax Credit Allocation Committee (TCAC) for projects utilizing Low Income Housing Tax Credits.

<sup>[3]</sup> Utility allowances from Santa Barbara County Housing Authority (January 2021). Assumes tenant pays for gas heat, gas stove, gas water heating, gas base charges and general electric.

<sup>[4]</sup> Assumes tax exemption for non-profit general partner.

<sup>[5]</sup> Estimated by KMA at 40% of cost based on recent 4% tax credit projects.

**Appendix A Table A-10**  
**Development Costs For Recent LIHTC Affordable Projects, Without Prevailing Wage**  
**Affordable Housing In-Lieu Fee Analysis**  
**Goleta, CA**

	<b>Centennial Gardens</b>	<b>Coastal Meadows</b>	<b>Vintage at Sycamore</b>	<b>Average</b>
Year for cost data	2020	2020	2020	
Jurisdiction	Santa Maria	Lompoc	Simi Valley	
Number of Units	118	40	99	86
Avg No. Bedrooms	2.68	3.00	1.01	2.2
Avg. unit size (SF)	1,455	1,385	570	1,137
No. stories	3	2	3	
Land	\$18,750	\$62,500	\$53,817	\$45,022
Direct Construction	\$249,579	\$337,517	\$164,688	\$250,595
Indirect Costs	\$84,662	\$126,048	\$83,126	\$97,945
Financing	<u>\$14,191</u>	<u>\$16,817</u>	<u>\$19,527</u>	<u>\$16,845</u>
Total Development Cost	\$367,182	\$542,881	\$321,158	\$410,407

**Appendix A Table A-11  
Comparison of Affordable Housing Requirements  
Affordable Housing In-Lieu Fee Analysis  
City of Goleta, CA**

	City of Goleta	City of Santa Barbara	County of Santa Barbara	Carpinteria	Ventura
<b>Year Adopted / Updated</b>	2020	FS: 2018 R: 2019 (Average Unit Density Program, select zones of city)	2013	2004	1981, 2004, 2006, Update Started in 2019
<b>Minimum Project Size</b> For In-lieu/Impact Fee For Build Requirement	Two units Five units	FS: Two units R: Five units FS: n/a R: Ten units	FS: Five units FS: n/a	FS: Five units	n/a In former RDA: 7 units Rest of City: FS: 15 units
<b>Impact / In-Lieu Fee</b>	"equal value to ...affordable units on site." In practice, \$80,645/unit owed.	FS: 2-9 units: \$21,757 / mkt unit. 10+ units:\$435,150 / unit owed. R: \$25/sf	Very Low and Low: South Coast: \$176,200/unit owed. Santa Maria: \$96,600. Santa Ynez: \$146,200. Lompoc: \$99,500. Mod/Above Mod: South Coast: \$658,300. Santa Maria: \$248,000. Santa Ynez: \$431,600. Lompoc: \$227,600	Only if onsite is infeasible. Median Sale Price in Prior Year less Affordable Price.	none
<b>Onsite Requirement/Option</b>	20% (or 15% w/add'l public benefit)	FS: 15% R:10%	Santa Maria / Lompoc: 5% Santa Ynez: 10% South Coast: 15%	FS: 12%	15%
<b>Income Levels</b>	5% Above mod, 5% mod, 5% low, 2.5% very low, 2.5 extremely low	Moderate If duplex, SFD: Above Moderate.	Santa Maria / Lompoc: VL, L Santa Ynez: VL, L Mod South Coast: VL, L, Mod. Above Mod	FS: 121% AMI	Moderate, Low, Very Low
<b>Other Compliance Options</b>	Offsite units, land dedication, acq/rehab, in-lieu fee	30% of units @160% AMI. Offsite, land dedication.	Residential Second Units can be substituted for Above Mod. Offsite units allowed in Coastal Zone.		Outside of RDA: 60+ units: 10% VL, or 15% Low, or 20% Moderate
<b>Comments</b>	Alternative compliance options require City Council to find onsite infeasible	Density Bonus if units onsite. Reduced in-lieu fee for units < 1700 sf. If <=4 units, 1 unit exempt.	Rental Projects Exempt. 5-19 unit projects: lower in-lieu fee. Density bonus for onsite units.	Separate Density Bonus Program to encourage affordable rentals.	Outside of RDA: Rental projects exempt.

Abbreviations:

R = Rental  
du = Dwelling Unit

R = Rental  
AMI =Area Median Income

FS = For Sale  
DU = dwelling unit

/sf = per square foot

MF = Multi-Family  
SF = Single Family

Notes: This chart presents an overview, and as a result, terms are simplified. For use other than general comparison, please consult the code and staff of the jurisdiction. Virtually all cities that do not allow fee payment by right allow developers to seek Council approval of fee payment instead of on-site units, in addition to providing options for off-site construction and land dedication.

Appendix A Table A-11  
 Comparison of Affordable Housing Requir  
 Affordable Housing In-Lieu Fee Analysis  
 City of Goleta, CA

	City of San Luis Obispo	Oxnard	Arroyo Grande	Pismo Beach
<b>Year Adopted / Updated</b>	1999, 2004	2002, 2020	2000, 2007	2000
<b>Minimum Project Size</b> For In-lieu/Impact Fee For Build Requirement	Five units n/a	Ten units	Two units Five units	Five units n/a
<b>Impact / In-Lieu Fee</b>	5% of building valuation Expansion Area: 15% of building valuation  Fees adjust up and down based on project density & unit size.	with City Council approval: SFD: \$36,000 / unit MF: \$35,000 / unit R: \$28,000 / unit	2-4 units, or with City Council approval: 5% of the value of new construction	5% of building permit value
<b>Onsite Requirement/Option</b>	3% Low or 5% Mod Expansion Area: 5% Low & 10% Mod	10%	5% VL or 10% L or 15% Mod (R or SFD only)	10%
Income Levels	Percentages adjust up and down based on project density & unit size.	FS: Low R: Very Low and Low		unspecified
<b>Other Compliance Options</b>	Land dedication	Land dedication.	Land dedication	Land dedication. Deed-restricting existing units.
<b>Comments</b>		In-lieu fees were updated in 2020. Prior to that, City did not approve fee payment requests bc fees were so low.	Fee recently increased from 1% to 5%.	

Abbreviations:

Notes: This chart presents an overview, and as a result, terms are simplified. For use other than general comparison, please consult the code and staff of the jurisdiction. Virtually all cities that do not allow fee payment by right allow developers to seek Council approval of fee payment instead of on-site units, in addition to providing options for off-site construction and land dedication.

## **Appendix B – Residential Nexus Analysis**

---



# KEYSER MARSTON ASSOCIATES

## **APPENDIX B**

### **RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS**

*Prepared for:*  
**City of Goleta**

*Prepared by:*  
**Keyser Marston Associates, Inc.**

**August 2021**

**TABLE OF CONTENTS**

	<i>Page</i>
<b>1.0 EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>2.0 INTRODUCTION.....</b>	<b>2</b>
2.1 City of Goleta Inclusionary Housing Requirements .....	2
2.2 Purpose of Study .....	3
2.3 Nexus Concept .....	3
2.4 Affordability Levels Addressed.....	4
2.5 Study Organization .....	5
2.6 Disclaimers.....	5
<b>3.0 RESIDENTIAL NEXUS ANALYSIS .....</b>	<b>6</b>
3.1 Overview of Methodology .....	6
3.2 Market Rate Units.....	7
3.3 Estimated Household Income .....	8
3.4 Jobs Generated by Household Expenditures.....	13
3.5 Housing Demand by Income Level .....	17
3.6 Housing Need by Affordability Level .....	23
3.7 Mitigation Costs .....	24
3.8 Total Nexus Cost .....	24
<b>4.0 AFFORDABILITY GAP ANALYSIS .....</b>	<b>31</b>
4.1 City-Assisted Affordable Unit Prototypes .....	31
4.2 Development Costs .....	31
4.3 Unit Values .....	32
4.4 Affordability Gap .....	32
<b>5.0 RESIDENTIAL MARKET SURVEY.....</b>	<b>38</b>
5.1 Residential Development Prototypes .....	38
5.2 Estimated Market Rate Home Prices .....	39
5.3 Estimated Market Rate Rents .....	41
<b>APPENDIX A: ADDITIONAL BACKGROUND AND NOTES ON SPECIFIC ASSUMPTIONS .50</b>	
<b>APPENDIX B: WORKER OCCUPATIONS AND COMPENSATION LEVELS.....</b>	<b>53</b>

**LIST OF TABLES**

Table 1-1. Nexus Analysis Findings – Cost of Mitigating Affordable Housing Impacts .....	1
Table 2-1. Income Categories Applicable to Inclusionary Units .....	2
Table 3-1. Prototypical Residential Units for Goleta .....	8
Table 3-2. Estimated Household Income, Purchasers of Ownership Housing Types .....	10
Table 3-3. Estimated Household Income Renters of New Market Rate Apartments.....	11
Table 3-4. Percent of Income Available for Expenditure .....	11
Table 3-5. Income Available for Expenditures .....	13
Table 3-6. Jobs Generated Per 100 Units .....	15
Table 3-7. IMPLAN Model Output – Employment Generated.....	16
Table 3-8. 2021 Income Limits for Santa Barbara County.....	17
Table 3-9. Estimated Number New Workers and Worker Households (Steps 1 - 3).....	19
Table 3-10. Illustration of Model Step 4a. ....	20
Table 3-11. Ratio of Household Income to Individual Worker Income .....	21
Table 3-12. Percent of Households by Size and No. of Workers .....	22
Table 3-13. Housing Need by Income Category per 100 Market Rate Units .....	23
Table 3-14. Affordability Gap .....	24
Table 3-15. Total Nexus Cost Per Market Rate Unit, Goleta.....	25
Table 3-16. Total Nexus Cost Per Square Foot.....	25
Table 3-17. Net New Households and Occupation Distribution.....	26
Table 3-18A. Extremely Low Income Employee Households by Occupation.....	27
Table 3-18B. Very Low-Income Employee Households by Occupation .....	28
Table 3-18C. Low-Income Employee Households by Occupation .....	29
Table 3-18D. Moderate-Income Employee Households by Occupation.....	30
Table 4-1. Unit Values for Affordable Units.....	32
Table 4-2. Affordability Gap Calculation .....	32
Table 4-3. Affordability Gaps Extremely Low / Very Low / Low .....	34
Table 4-4. Affordability Gaps Extremely Low / Very Low / Low .....	35
Table 4-5. Development Costs for Recent Affordable Housing Projects .....	36
Table 4-6. Affordability Gap Calculation for Moderate Income .....	37
Table 5-1. Residential Development Prototype Units .....	38
Table 5-2. Residential Development Projects Reviewed .....	39
Table 5-3. For-Sale Prototype Price Estimates.....	41
Table 5-4. Prototype Rent Estimates .....	41
Table 5-5. Recent Home Sales .....	42
Table 5-6. Average Effective Rents .....	45
Table 5-7. Recent and Pipeline Residential Projects.....	46

## 1.0 EXECUTIVE SUMMARY

This Residential Affordable Housing Nexus Analysis (“Residential Nexus Analysis”) presents the findings of an affordable housing nexus study. The Residential Nexus Analysis was prepared for the City of Goleta (City) to provide information regarding the cost of mitigating the impacts of new residential development on the need for affordable housing. The Residential Nexus Analysis is part of a range of analyses prepared to inform selection of an in-lieu fee under the City’s inclusionary program that applies to residential developments where on-site construction of affordable units cannot be achieved. A nexus analysis is not a requirement to implement a residential in-lieu fee. A city may impose a residential in-lieu fees as part of its police powers under the Constitution.

The Residential Nexus Analysis fee level conclusions are summarized in Table 1-1. Findings are based on the cost of delivering housing affordable to lower and moderate-income workers in retail, restaurants, and other services to residents of newly developed residential units.

<b>Table 1-1. Nexus Analysis Findings – Cost of Mitigating Affordable Housing Impacts</b>					
	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
Per Market Rate Unit	\$55,400	\$36,000	\$28,200	\$25,700	\$26,100
Per Square Foot	\$16.80	\$16.40	\$17.70	\$21.50	\$27.20

Note: nexus findings are not recommended fee levels. Per square foot findings reflect net rentable or net sellable square feet excluding parking areas, external corridors and other common areas.

Separate findings are provided for each of five residential project types analyzed. For single-family, two different prototypes are analyzed to address the range in unit sizes identified in the market survey, as described in Section 3.2. Findings represent results of an impact analysis only and **are not** recommended fee levels. The report entitled Residential Affordable Housing In-Lieu Fee Analysis and Recommendations (“In-Lieu Fee Report”), to which this Nexus Analysis is appended, provides a range of additional analyses and a set of recommendations regarding the establishment of in-lieu fees.

## 2.0 INTRODUCTION

This Residential Affordable Housing Nexus Analysis (“Residential Nexus Analysis”) presents the findings of an affordable housing nexus study. The Residential Nexus Analysis provides information regarding the cost of mitigating the impacts of new residential development on the need for affordable housing. The Residential Nexus Analysis is part of a range of analyses prepared to inform selection of an in-lieu fee under the City’s inclusionary program that applies to residential developments where on-site construction of affordable units cannot be achieved. A nexus analysis is not a requirement to implement a residential in-lieu fee. A city may impose the residential in-lieu fees as part of its police powers under the Constitution.

The report has been prepared by Keyser Marston Associates, Inc. (KMA) pursuant to a contract with the City. The Residential Nexus Analysis is a companion report to, and incorporated as Appendix B of, the Residential Affordable Housing In-Lieu Fee Analysis and Recommendations report (“In-Lieu Fee Report”), which presents a series of analyses and context materials to assist the City in establishment of in-lieu fees.

### 2.1 City of Goleta Inclusionary Housing Requirements

The City’s inclusionary housing requirements for new residential development are established in Chapter 17.28 of the Goleta Municipal Code (referred to for purposes of this study as the Inclusionary Housing Ordinance or “IHO”). The IHO was adopted in 2020 and applies to residential developments with two or more units. Though the IHO was recently adopted, the City’s inclusionary requirements date to Goleta’s incorporation as a City and was preceded by a policy established in the City’s General Plan Housing Element, Policy HE 2.5. The IHO implements this Housing Element policy.

Residential developments with five or more units are subject to an inclusionary requirement of 20%. Projects providing a public benefit, such as provision of parks or open space that exceeds requirements of the City’s code, are eligible for a reduced inclusionary requirement of 15%. Projects are required to provide affordable units for five income categories, as summarized in Table 2-1 below.

<b>Table 2-1. Income Categories Applicable to Inclusionary Units</b>		
	<b>With 20% Requirement</b>	<b>With 15% Requirement (requires public benefit)</b>
Extremely Low (up to 30% AMI)	2.5%	1%
Very Low (up to 50% AMI)	2.5%	1%
Low (up to 80% AMI)	5%	5%
Moderate (up to 120% AMI)	5%	4%
Above Moderate (up to 200% AMI)	<u>5%</u>	<u>4%</u>
Total	20%	15%

Source: City of Goleta Municipal Code, Chapter 17.28 and General Plan Policy HE 2.5  
AMI = Area Median Income.

On-site units are the preferred compliance method under the IHO and are required for projects that have five or more units, unless the City Council finds on-site units to be infeasible (see Goleta Municipal Code Section 17.28.050). Alternative means of compliance include providing off-site units, land dedication, acquisition and rehabilitation of existing, income-restricted units with terms that are about to expire, and payment of in-lieu fees as the final and least preferred method. Payment of in-lieu fees are allowed “by right” only for projects with two to four units and to meet fractional Inclusionary Unit obligations. Projects with five or more units may satisfy inclusionary requirements through an in-lieu fee only if the City Council finds development of on-site affordable units is infeasible and the in-lieu payment is demonstrated to be of equal value to the provision of the affordable units on site. The City does not yet have an in-lieu fee schedule; however, the companion Affordable Housing In-Lieu Fee Report provides information to support establishment of an in-lieu fee.

## **2.2 Purpose of Study**

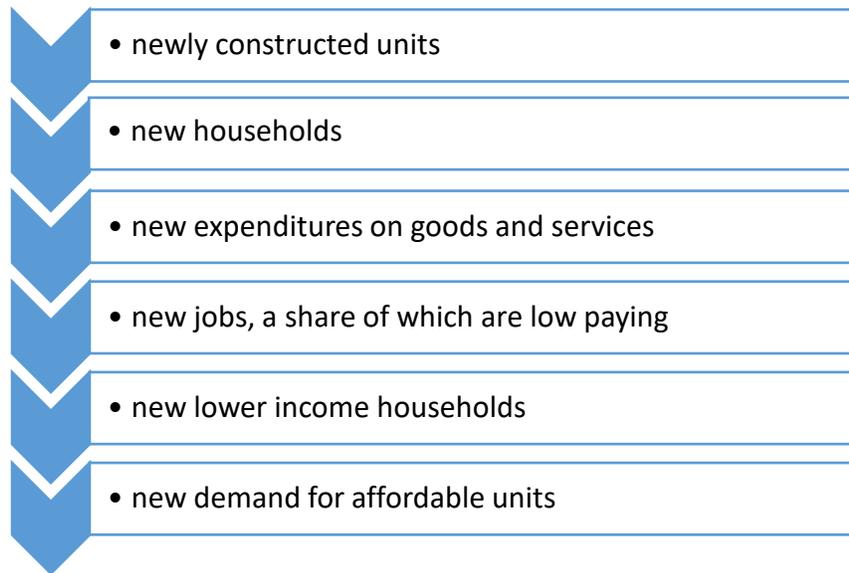
The Residential Nexus Analysis has been prepared to provide information regarding the cost of mitigating the impacts of new residential development on the need for affordable housing. The nexus analysis has not been prepared as a document to guide policy in the broader context. We caution against the use of this study, or any impact study for that matter, for purposes beyond the intended use. All nexus studies are limited and imperfect but can be helpful for addressing narrow concerns. Findings presented in this report represent the results of an impact analysis only and **are not** policy recommendations regarding potential fee levels.

## **2.3 Nexus Concept**

The Residential Nexus Analysis addresses various types of new residential units subject to the City’s IHO at this time and potentially in the future. The analysis within this nexus study quantifies linkages between new, market rate units (both rental and for-sale) and the increased demand for affordable housing.

The underlying concept of the Residential Nexus Analysis is that newly constructed market rate units represent net new households in Goleta. These households will consume goods and services, either through purchases of goods and services or ‘consumption’ of government services. New consumption translates to jobs; a portion of the jobs are at lower compensation levels; low compensation jobs relate to “lower and moderate-income” households, which collectively is comprised of the Extremely Low, Very Low, Low and Moderate Income categories, that cannot afford market rate units in Goleta and therefore need affordable housing.

## Residential Nexus Analysis Concept



### 2.4 Affordability Levels Addressed

Households are grouped by income category based on income limits published by the California Department of Housing and Community Development (HCD). The analysis uses income limits for 2021, the most current available at the time the analysis was prepared. The 2021 median income for a family of four in Santa Barbara County is \$90,100. Table 3-8 identifies income limits for all applicable income categories and household sizes.

The analysis within this nexus study addresses the following four income or affordability tiers:

- Extremely Low: households earning up to 30% Area Median Income (AMI);
- Very Low: households earning over 30% AMI up to 50% AMI;
- Low: households earning over 50% AMI up to 80% of AMI; and,
- Moderate: households earning over 80% AMI up to 120% of AMI.

Although the IHO also establishes an inclusionary requirement with respect to Above Moderate income households with incomes over 120% of AMI up to 200% of AMI, this income tier is not included for purposes of the nexus analysis. The reason is that existing units affordable to households within the Above Moderate income category were found to be available in Goleta, as shown in Section 4 of the In-Lieu Fee Report. As housing options are available to households in the Above Moderate income category at market rate, the nexus study assumes that this income group is able to meet its housing needs through the private housing market without a need for City assistance. Notwithstanding the ability of Above Moderate households to afford *existing* available units, *new* for-sale units are generally out of reach for a broad spectrum of Above Moderate income households. Continuing to include the Above Moderate income

category as part of the IHO helps to expand housing opportunities for this income group and promote mixed income and inclusive communities in Goleta for a broad spectrum of households. Thus, the approach taken for purposes of this nexus study in no way precludes the City from continuing to ensure housing that is affordable to the Above Moderate income category continues to be included as part of new housing developments through application of the City's IHO.

## **2.5 Study Organization**

This study is organized into the following sections and appendices:

- Section 1.0 provides an executive summary;
- Section 2.0 provides an introduction;
- Section 3.0 presents the residential nexus analysis;
- Section 4.0 provides the affordability gap analysis;
- Section 5.0 contains the market survey to identify estimated prices and rents for new residential units in Goleta;
- Appendix A provides a discussion of specific factors in relation to the nexus concept; and
- Appendix B includes detailed tables on worker occupations and compensation levels, which are a key input into the nexus analyses.

## **2.6 Disclaimers**

This study has been prepared using the best and most recent data available at the time of the analysis. Local data and sources were used wherever possible. Major sources include the U.S. Census Bureau's American Community Survey, California Employment Development Department (EDD) and the IMPLAN model. While we believe all sources used are sufficiently sound and accurate for the purposes of this analysis, we cannot guarantee their accuracy. Keyser Marston Associates, Inc. assumes no liability for information from these and other sources.

### 3.0 RESIDENTIAL NEXUS ANALYSIS

The Residential Nexus Analysis establishes the link between new market rate residential development in Goleta and the need for affordable housing. The study concludes with a determination of affordable fee levels that reflect the cost of mitigating the increased affordable housing need.

#### 3.1 Overview of Methodology

Following is an overview of the steps used to identify the affordable housing impacts of new market rate residential development:

- *Market sales prices and rents* – Sales prices and rents of new market rate units in Goleta are estimated based on the market survey in Section 5.
- *Household Income of Market Rate Buyers and Renters* – The household income required to purchase or rent new market units is estimated along with the share of income available for expenditures on goods and services.
- *Jobs* – The number of jobs associated with delivery of goods and services to residents of the new market rate units is estimated using IMPLAN, a widely used economic analysis tool used for quantifying the impacts of changes in a local economy, including employment impacts from changes in personal income. The analysis includes jobs at establishments that serve new residents directly (e.g., supermarkets, banks, schools, etc.), jobs generated by increased demand at firms which service or supply these establishments, and jobs generated when the new employees spend their wages in the local economy and generate additional jobs.
- *Worker Housing Needs* – The number of jobs by industry is translated into an estimate of the number of worker households by affordability level using data on worker occupations, incomes, and household characteristics.

To illustrate the linkages by looking at a simplified example, we can take an average household that buys a house at a certain price. From that price, we estimate the gross income of the household (from mortgage rates and lending practices) and the portion of income available for expenditures. Households will “purchase” or consume a range of goods and services, such as purchases at the supermarket or services at the bank. Purchases in the local economy in turn generate employment. The jobs generated are at different compensation levels. Some of the jobs are low paying and as a result, even when there is more than one worker in the household, there are some lower and moderate income households who cannot afford market rate housing.

### *Net New Underlying Assumption*

An underlying assumption of the Residential Nexus Analysis is that households that purchase or rent new units represent net new households in Goleta. If purchasers or renters have relocated from elsewhere in the local area, vacancies have been created in another location and will be filled. If existing units are removed to redevelop a site to higher density, then there could be a need for recognition of the existing households in that all new units might not represent net new households, depending on the program design and number of units removed relative to new units.

Since the analysis addresses net new households in Goleta and the impacts generated by their consumption expenditures, it quantifies net new demands for affordable units to accommodate new worker households. As such, the impact results do not address, nor in any way include, existing deficiencies in the supply of affordable housing.

### *Geographic Area of Impact*

The analysis quantifies impacts occurring within Santa Barbara County. While much of the impact will occur within Goleta, some impacts will be experienced elsewhere in the county and beyond. IMPLAN is used to compute the jobs generated within the county and sorts out those that occur beyond the county boundaries. The analysis then establishes the worker housing needs by income level without assumptions as to where worker households live.

In summary, the Residential Nexus Analysis quantifies all the job impacts occurring within Santa Barbara County and related housing needs. Job impacts, like most types of impacts, occur irrespective of jurisdictional boundaries. And like other types of impact analyses, such as traffic studies, impacts beyond city boundaries occur and are relevant. See Appendix A for additional notes and discussion about specific assumptions used within this study.

## **3.2 Market Rate Units**

This section describes the prototypical market rate residential units analyzed in the Residential Nexus Analysis. The market rate prototype units are representative of new residential units currently being built in Goleta or that are likely to be built in Goleta over the next several years. Household income is estimated based on the amount necessary for the mortgage or rent payments associated with the prototypical new market rate units and becomes the basis for the input to the IMPLAN model. These are the starting points of the chain of linkages that connect new market rate units to additional demand for affordable residential units.

KMA reviewed residential projects in the development pipeline in Goleta including projects under construction, approved, proposed, or recently completed within the City of Goleta. Information regarding the pipeline projects was used to define five prototype projects representative of residential development in Goleta. KMA then undertook a market survey of

residential projects to estimate current sale prices and rent levels for the five residential prototypes. Estimated sales prices and rent levels are summarized in Table 3-1. Market data supporting these estimates is presented in Section 5 of this study.

Two single-family prototypes are analyzed to capture the range of unit and lot sizes for single-family projects consistent with recent and proposed developments in Goleta. The single-family, large lot prototype has lot and unit sizes similar to the Harvest Hill development and larger units within the Shelby development. The single-family prototype is similar to unit and lot sizes for the Village at Los Carneros project. Table 5-7 summarizes the characteristics of recent and pipeline projects reviewed in identifying these prototypes.

	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
Avg. Unit Size	3,300 SF	2,200 SF	1,600 SF	1,200 SF	960 SF
Avg. No. of Bedrooms	4.00	3.50	3.00	2.00	1.70
Representative Density	2 du/acre	8 du/acre	15 du/acre	20 du/acre	22 du/acre
Avg. Sale Price or Rent	\$2,000,000	\$1,100,000	\$800,000	\$690,000	\$3,264/month
Per Square Foot	\$606 /SF	\$500 /SF	\$500 /SF	\$575 /SF	\$3.40 /SF

Source: KMA market survey presented in Section 5.

It is important to note that the residential prototypes are intended to reflect average or typical residential projects in the local market rather than any specific project. It would be expected that the characteristics and pricing or rents of specific projects will vary to some degree from the residential prototypes analyzed.

### **3.3 Estimated Household Income**

The incomes of households who purchase or rent the prototypical new residential units is estimated based on their price and rent levels.

#### *Household Income of Purchasers of Ownership Units*

To estimate household incomes for purchasers of new ownership units, the following representative lending terms are used:

- Down payment of 20% representative for new purchase loans originated locally.<sup>1</sup>
- 30-year fixed rate mortgage.
- Interest rate of 3.5% based on the average for 30-year fixed rate mortgages issued over the previous two years.<sup>2</sup>

In addition to the mortgage, housing costs include homeowners' insurance, homeowner association dues, and property taxes. Estimates for each are identified in Table 3-2. These additional costs are considered along with the mortgage payment as part of housing expenses for purposes of determining mortgage eligibility.<sup>3</sup>

The analysis estimates gross household income based on the assumption that total housing costs represent, on average, approximately 35% of gross income. The assumption that housing expenses represent 35% of gross income is reflective of the local average for new purchase loans<sup>4</sup> and is consistent with criteria used by lenders to determine mortgage eligibility.<sup>5</sup>

Table 3-2 presents the analysis of household income required for ownership units.

---

<sup>1</sup> Reflects the median down payment for new purchase loans originated for new purchase loans originated in zip codes corresponding to Santa Barbara County derived from Freddie Mac data for loans issued in the first quarter of 2020, the most recent period available.

<sup>2</sup> Based on Freddie Mac Primary Mortgage Market Survey weekly average of mortgage rates for 30-year fixed rate mortgages during the period from January 2019 through December 2020.

<sup>3</sup> Housing expenses are combined with other debt payments such as credit cards and auto loans to compute a Debt To Income (DTI) ratio which is a key criteria used for determining mortgage eligibility.

<sup>4</sup> Freddie Mac data for the 1<sup>st</sup> Quarter of 2020 on new purchase loans originated in zip codes starting with 930, 931, 932 and 934\*\* which include Santa Barbara County, indicates an average debt to income ratio of 38%; however, most households have other forms of debt such as credit cards, student loans, and auto loans that are included as part of this ratio and the ratio considering housing costs only would be lower. Application of a 35% ratio is also consistent with the California Health and Safety Code standard for relating income to housing costs for ownership units.

<sup>5</sup> Fannie Mae mortgage underwriting eligibility criteria establishes a debt to income threshold of 36% above which tighter credit standards apply. A debt to income ratio of up to 45% is permitted for borrowers meeting specified credit criteria; however, most households have other forms of debt such as credit cards, student loans, and auto loans that would be considered as part of this ratio.

<b>Table 3-2. Estimated Household Income, Purchasers of Ownership Housing Types</b>				
	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>
Sales Price	\$2,000,000	\$1,100,000	\$800,000	\$690,000
<b>Mortgage</b>				
Percent Down	20%	20%	20%	20%
Loan Amount	\$1,600,000	\$880,000	\$640,000	\$552,000
Interest Rate	3.50%	3.50%	3.50%	3.50%
Monthly Payment	\$7,180	\$3,950	\$2,880	\$2,480
Annual Payment	\$86,200	\$47,400	\$34,500	\$29,700
Property Taxes <sup>(1)</sup>	\$23,000	\$12,700	\$9,200	\$7,900
<b>HOA Dues <sup>(2)</sup></b>				
Monthly	\$250	\$275	\$300	\$450
Annual	\$3,000	\$3,300	\$3,600	\$5,400
Hazard Insurance <sup>(3)</sup>	\$2,000	\$1,100	\$800	\$700
Annual Housing Cost	\$114,200	\$64,500	\$48,100	\$43,700
% of Income Spent on Housing	35%	35%	35%	35%
<b>Annual Household Income Required</b>	<b>\$326,000</b>	<b>\$184,000</b>	<b>\$137,000</b>	<b>\$125,000</b>

(1) Property taxes estimated based on effective rate of 1.15% inclusive of ad valorem taxes, applicable voter approved rates, fixed charges, special taxes and assessments.

(2) HOA dues estimated based on recent developments in Goleta.

(3) Insurance rates estimated based on sample insurance quotes.

Basis for other loan underwriting assumptions is described in report text.

### *Apartment Units*

Household income for renter households is estimated based on the assumption that housing costs, including rent and utilities, represents on average 30% of gross household income. The 30% factor was selected for consistency with the California Health and Safety Code standard for relating income to affordable rent levels.<sup>6</sup> The estimate is summarized in Table 3-3.

<sup>6</sup> Health and Safety Code Section 50052.5 defines affordable rent levels based on 30% of income.

<b>Table 3-3. Estimated Household Income Renters of New Market Rate Apartments</b>	
Monthly Rent	\$3,264
Monthly Utilities <sup>(1)</sup>	\$110
Total Monthly Housing Cost	\$3,377
Annual Housing Cost	\$40,528
% of Income Spent on Rent <sup>(2)</sup>	30%
<b>Annual Household Income Required</b>	<b>\$135,000</b>

(1) Monthly utilities include direct-billed utilities and landlord reimbursements estimated based on County Housing Authority utility allowance schedule.

(2) While landlords may permit rental payments to represent a slightly higher share of total income, 30% represents an average. This relationship is established in the California Health and Safety Code and used throughout housing policy to relate income to affordable rental housing costs.

### *Household Income Available for Expenditures*

The input into the IMPLAN model used in this analysis is the net income available for expenditures. To arrive at income available for expenditures, gross income must be adjusted for federal and State income taxes, contributions to Social Security and Medicare, savings, and payments on household debt. Per KMA correspondence with the producers of the IMPLAN model (IMPLAN Group LLC), other taxes including sales tax, gas tax, and property tax are handled internally within the model as part of the analysis of expenditures. Payroll deduction for medical benefits and pre-tax medical expenditures are also handled internally within the model. Housing costs are addressed separately, as described below, and so are not deducted as part of this adjustment step. Table 3-4 shows the calculation of income available for expenditures.

<b>Table 3-4. Percent of Income Available for Expenditure</b>					
	Single Family, Large Lot	Single Family	Townhomes	Condominiums	Apartments
Gross Income	100%	100%	100%	100%	100%
<u>Less:</u>					
Federal Income Taxes	16.2%	11.1%	11.1%	11.1%	11.1%
State Income Taxes	6.2%	4.4%	3.7%	3.4%	3.9%
FICA Tax Rate	6.70%	7.65%	7.65%	7.65%	7.65%
Savings & other deductions	<u>12%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>	<u>6%</u>
Subtotal Deductions	41%	29%	28%	28%	29%
<b>Percent of Income Available for Expenditures</b>	<b>59%</b>	<b>71%</b>	<b>72%</b>	<b>72%</b>	<b>71%</b>

Income available for expenditures is estimated at approximately 59% to 72% of gross income, depending on the market rate prototype. Estimates are based on data from the Internal Revenue Service and California Franchise Tax Board tax tables. Data from the Internal Revenue Service indicates that households earning between \$200,000 and \$500,000 per year who itemize deductions<sup>7</sup> on their tax returns pay an average of 16.2% of gross income for federal taxes. Households earning between \$100,000 and \$200,000 per year pay an average of 11.1% of gross income for federal taxes and the average within this income category is approximately the same regardless of whether deductions are itemized, or the standard deduction is used. Estimates reflect IRS data for 2018 tax returns, which incorporates the changes to the federal tax code enacted in December 2017. State taxes are estimated to range from 3.4% to 6.2% of gross income, based on tax rates per the California Franchise Tax Board. The employee share of FICA payroll taxes for Social Security and Medicare is 7.65% of gross income. A ceiling of \$142,800 per employee applies to the 6.2% Social Security portion of this tax rate, resulting in a lower average payroll tax rate estimated for residents of the Single-family, Large Lot prototype.

Savings and repayment of household debt represent another necessary adjustment to gross income. Savings includes various IRA and 401(k) type programs as well as non-retirement household savings and investments. Debt repayment includes auto loans, credit cards, and all other non-mortgage debt. Overall, savings and repayment of debt are estimated to represent a combined 6% of gross income based on a 20-year average derived from United States Bureau of Economic Analysis data.

Data suggests that savings rate varies by income, however, with high income households saving a larger percentage of their gross income than the average. Data published by the National Bureau of Economic Research indicate that the average savings rate for households varies by income percentile, with households in the top 10% of income nationwide saving, on average, 20% of their income annually (the average for 2000-2012).<sup>8</sup> Due to the high cost of housing and other living expenses in Goleta, it is likely that savings rates do not approach the national average until households are at a much higher income level. For the purposes of the nexus analysis, we assume that households purchasing the single-family, large lot prototype unit are saving 12% of their income. Purchasers of the single-family, townhome and condominium units and apartment renters are assumed to have an average level of savings of 8%.<sup>9</sup>

---

<sup>7</sup> As homeowners are generally eligible to deduct mortgage interest and property taxes, itemized deductions are assumed.

<sup>8</sup> Emmanuel Saez and Gabriel Zucman. "Wealth Inequality in the United States Since 1913: Evidence from Capitalized Income Tax Data." National Bureau of Economic Research, Working Paper 20625. October 2014.

<sup>9</sup> The nexus methodology calculates the minimum household income required to purchase the market rate units, by assuming households spend 35% of income on housing. These households, therefore, are not likely to be saving 20% of their gross income in addition to their housing expense. However, they are still high income households and therefore are likely to be saving more than the national average of 6%. The higher savings rate of 12% for households living in single family, large lot prototype was selected to make the analysis more conservative than assuming an 6% savings rate.

The percentage of income available for expenditure for input into the IMPLAN model is prior to deducting housing costs. The reason is for consistency with the IMPLAN model, which defines housing costs as expenditures. The IMPLAN model addresses the fact that expenditures on housing do not generate employment to the degree other expenditures such as retail or restaurants do, but there is some limited maintenance and property management employment generated.

After deducting income taxes, Social Security, Medicare, savings, and repayment of debt, for purchasers of one of the new ownership prototypes, the estimated income available for expenditures is 59% - 72%. These are the factors used to adjust from gross income to the income available for expenditures for input into the IMPLAN model. As indicated above, other forms of taxation, such as property tax, are handled internally within the IMPLAN model.

#### *Adjustment for Rental Vacancy*

Spending for occupants of rental units is adjusted downward by 5% to account for standard operational vacancy of the rental units, a level of vacancy considered average for rental units in a healthy market. Estimates of household income available for expenditures are presented in Table 3-5 below.

<b>Table 3-5. Income Available for Expenditures</b>					
	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
Gross Household Income	\$326,000	\$184,000	\$137,000	\$125,000	\$135,000
Percent Income available for Expenditures	59%	71%	72%	72%	71%
Adjustment for 5% rental unit vacancy					95%
Household Income Available for Expenditure <sup>(1)</sup>					
One Unit	\$192,300	\$130,600	\$98,600	\$90,000	\$91,100
100 Units [input to IMPLAN]	\$19,230,000	\$13,060,000	\$9,860,000	\$9,000,000	\$9,110,000

(1) Calculated as gross household income multiplied by the percent available for expenditures. For the apartment, a vacancy adjustment is also applied.

The nexus analysis is conducted on 100-unit modules for ease of presentation, and to avoid awkward fractions. The spending associated with 100 market rate residential units is the input into the IMPLAN model.

### **3.4 Jobs Generated by Household Expenditures**

Consumer spending by residents of new housing units will create jobs, particularly in sectors such as restaurants, healthcare, and retail, which are closely connected to the expenditures of

residents. The widely used economic analysis tool, IMPLAN was used to quantify these new jobs by industry sector.

### *IMPLAN Model Description*

The IMPLAN model is an economic analysis software package now commercially available through the IMPLAN Group, LLC. IMPLAN was originally developed by the U.S. Forest Service, the Federal Emergency Management Agency, and the U.S. Department of the Interior Bureau of Land Management and has been in use since 1979 and refined over time. It has become a widely used tool for analyzing economic impacts for a broad range of applications from major construction projects to natural resource programs.

IMPLAN is based on an input-output accounting of commodity flows within an economy from producers to intermediate and final consumers. The model establishes a matrix of supply chain relationships between industries and also between households and the producers of household goods and services. Assumptions about the portion of inputs or supplies for a given industry likely to be met by local suppliers, and the portion supplied from outside the region or study area are derived internally within the model using data on the industrial structure of the region.

The output or result of the model is generated by tracking changes in purchases for final use (final demand) as they filter through the supply chain. Industries that produce goods and services for final demand or consumption must purchase inputs from other producers, which in turn, purchase goods and services. The model tracks these relationships through the economy to the point where leakages from the region stop the cycle. This allows the user to identify how a change in demand for one industry will affect a list of over 500 other industry sectors. The projected response of an economy to a change in final demand can be viewed in terms of economic output, employment, or income.

Datasets are available for each county and state, so the model can be tailored to the specific economic conditions of the region being analyzed. This analysis uses the dataset for Santa Barbara County. As will be discussed, much of the employment impact is in local-serving sectors, such as retail, eating and drinking establishments, and medical services. A significant portion of these jobs will be in Goleta or nearby. In addition, the employment impacts will extend throughout the county and beyond based on where jobs are located that serve Goleta residents. In fact, impacts will likely extend outside of the county as well; however, consistent with the conservative approach taken in the nexus analysis, only the impacts that occur within Santa Barbara County are included in the analysis.

### *Application of the IMPLAN Model to Estimate Job Growth*

The IMPLAN model was applied to link income to household expenditures to job growth. Employment generated by the household income of residents is analyzed in modules of 100

residential units to simplify communication of the results and avoid awkward fractions. The IMPLAN model distributes spending among various types of goods and services (industry sectors) based on data from the U.S. Bureau of Labor Statistics, 2019 Consumer Expenditure Survey and the U.S. Bureau of Economic Analysis, 2019 Input-Output Accounts, to estimate employment generated.

Job creation, driven by increased demand for products and services, was projected for each of the industries that will serve the new households. The employment generated by this new household spending is summarized in Table 3-6.

<b>Table 3-6. Jobs Generated Per 100 Units</b>					
	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
Annual Household Expenditures (100 Units)	\$19,230,000	\$13,060,000	\$9,860,000	\$9,000,000	\$9,110,000
Total Jobs Generated	124.7	79.6	61.5	56.1	56.8

Table 3-7 provides a detailed summary of employment generated by industry. The table shows industries sorted by projected employment. The Consumer Expenditure Survey published by the Bureau of Labor Statistics tracks expenditure patterns by income level. IMPLAN uses these data to reflect the pattern by income bracket. Estimated employment is shown for each IMPLAN industry sector representing 1% or more of total employment. The jobs that are generated are heavily retail jobs, jobs in restaurants and other eating establishments, and in services that are provided locally such as health care. The jobs counted in the IMPLAN model cover all jobs, full and part time, similar to the U.S. Census and all reporting agencies (unless otherwise indicated).

**TABLE 3-7  
IMPLAN MODEL OUTPUT  
EMPLOYMENT GENERATED BY HOUSEHOLD EXPENDITURES  
RESIDENTIAL NEXUS ANALYSIS  
GOLETA, CA**

<b>Jobs Generated by Industry <sup>1</sup></b>	<b>Single Family, Large Lot</b>	<b>Single Family</b>	<b>Townhomes</b>	<b>Condominiums</b>	<b>Apartments</b>	<b>% of Jobs</b>
<i>Per 100 Market Rate Units</i>						
Full-service restaurants	8.0	5.0	3.9	3.6	3.6	6%
Limited-service restaurants	6.2	4.7	4.0	3.6	3.7	6%
All other food and drinking places	<u>3.6</u>	<u>2.3</u>	<u>1.8</u>	<u>1.6</u>	<u>1.6</u>	<u>3%</u>
Subtotal Restaurant	17.7	12.0	9.6	8.8	8.9	15%
Retail - Food and beverage stores	2.9	2.2	1.7	1.6	1.6	3%
Retail - General merchandise stores	2.1	1.6	1.3	1.2	1.2	2%
Retail - Miscellaneous store retailers	1.8	1.4	1.1	1.0	1.0	2%
Retail - Clothing and clothing accessories stores	1.7	1.3	1.0	1.0	1.0	2%
Retail - Nonstore retailers	1.6	1.2	1.0	0.9	0.9	1%
Retail - Health and personal care stores	1.4	1.1	0.9	0.8	0.8	1%
Retail - Sporting goods, hobby, musical instrument and book stores	0.9	0.7	0.5	0.5	0.5	1%
Retail - Electronics and appliance stores	0.8	0.6	0.5	0.4	0.5	1%
Retail - Furniture and home furnishings stores	0.8	0.6	0.5	0.4	0.4	1%
Retail - Motor vehicle and parts dealers	0.8	0.6	0.5	0.4	0.4	1%
Retail - Building material and garden equipment and supplies stores	0.6	0.5	0.4	0.3	0.3	1%
Retail - Gasoline stores	<u>0.4</u>	<u>0.3</u>	<u>0.3</u>	<u>0.2</u>	<u>0.2</u>	<u>0%</u>
Subtotal Retail and Service	15.9	12.1	9.6	8.7	8.9	15%
Hospitals	7.4	2.6	2.8	2.5	2.6	5%
Offices of physicians	4.8	3.2	2.6	2.3	2.4	4%
Nursing and community care facilities	0.9	0.7	1.5	1.4	1.4	2%
Offices of dentists	1.4	1.0	0.9	0.8	0.9	1%
Medical and diagnostic laboratories	0.4	0.3	0.2	0.2	0.2	0%
Other ambulatory health care services	0.3	0.2	0.2	0.1	0.1	0%
Outpatient care centers	1.3	0.9	0.8	0.7	0.7	1%
Offices of other health practitioners	0.9	0.7	0.9	0.8	0.8	1%
Home health care services	<u>0.9</u>	<u>0.8</u>	<u>0.7</u>	<u>0.6</u>	<u>0.6</u>	<u>1%</u>
Subtotal Healthcare	18.2	10.4	10.5	9.6	9.7	15%
Junior colleges, colleges, universities, and professional schools	2.6	1.5	0.6	0.6	0.6	2%
Elementary and secondary schools	2.8	0.6	0.5	0.5	0.5	1%
Other educational services	<u>1.2</u>	<u>1.3</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1%</u>
Subtotal Education	6.6	3.5	1.6	1.5	1.5	4%
Automotive repair and maintenance, except car washes	1.9	2.4	1.1	1.0	1.0	2%
Car washes	0.8	1.0	0.5	0.4	0.4	1%
Child day care services	1.1	0.5	0.4	0.3	0.4	1%
Dry-cleaning and laundry services	1.1	0.6	0.4	0.4	0.4	1%
Employment services	2.5	1.5	1.2	1.1	1.1	2%
Fitness and recreational sports centers	1.1	0.6	0.4	0.4	0.4	1%
Individual and family services	5.9	2.8	2.2	2.0	2.1	4%
Insurance agencies, brokerages, and related activities	0.8	0.5	0.4	0.4	0.4	1%
Labor and civic organizations	1.4	0.8	0.6	0.6	0.6	1%
Landscape and horticultural services	0.9	0.4	0.3	0.3	0.3	1%
Monetary authorities and depository credit intermediation	1.1	0.6	0.4	0.4	0.4	1%
Other financial investment activities	2.7	1.1	0.7	0.6	0.6	2%
Other personal services	1.5	1.2	0.7	0.6	0.6	1%
Personal care services	1.7	1.3	1.0	0.9	0.9	2%
Private households	2.7	1.4	0.7	0.6	0.6	2%
Religious organizations	2.3	1.1	0.9	0.9	0.9	2%
Securities and commodity contracts intermediation and brokerage	1.6	0.7	0.5	0.4	0.4	1%
Transit and ground passenger transportation	1.5	1.0	0.7	0.6	0.6	1%
Veterinary services	0.4	0.6	0.1	0.1	0.1	0%
All Other	33.2	21.4	16.9	15.4	15.6	27%
<b>Total Number of Jobs Generated</b>	<b>124.7</b>	<b>79.6</b>	<b>61.5</b>	<b>56.1</b>	<b>56.8</b>	<b>100%</b>

<sup>1</sup> Estimated employment generated by expenditures of households within 100 prototypical market rate units for Industries representing more than 1% of total employment. Employment estimates are based on the IMPLAN Group's economic model, IMPLAN, for Santa Barbara County. Includes both full- and part-time jobs.

### 3.5 Housing Demand by Income Level

This section presents a summary of the analysis linking the employment growth associated with residential development, or the output of the IMPLAN model (see Section 3.4), to the estimated number of housing units required in each of four income categories for the five residential prototype units.

#### *Analysis Approach and Framework*

The analysis approach is to examine the employment growth for industries related to consumer spending by residents in 100-unit residential project modules. Then, through a series of linkage steps, the number of employees is converted to households and the number of housing units needed by affordability level. The findings are expressed in terms of numbers of affordable units per 100 market rate units.

Table 3-8 shows the 2021 Area Median Income (AMI) for Santa Barbara County, as well as the income limits for the four income categories evaluated: Extremely Low (30% of AMI), Very Low (50% of AMI), Low (80% of AMI), and Moderate (120% of AMI). The income definitions used in the analysis are those published by the California Department of Housing and Community Development (HCD).

	Household Size (Persons)					
	1	2	3	4	5	6 +
Extremely Low (0%-30% AMI)	\$26,250	\$30,000	\$33,750	\$37,450	\$40,450	\$43,450
Very Low (30%-50% AMI)	\$43,750	\$50,000	\$56,250	\$62,450	\$67,450	\$72,450
Low (50%-80% AMI)	\$70,050	\$80,050	\$90,050	\$100,050	\$108,100	\$116,100
Moderate (80%-120% AMI)	\$75,650	\$86,500	\$97,300	\$108,100	\$116,750	\$125,400
Median (100% of Median)	\$63,050	\$72,100	\$81,100	\$90,100	\$97,300	\$104,500

Source: California Department of Housing and Community Development.

The analysis is conducted using an analysis methodology that KMA developed and has applied to similar evaluations in many other jurisdictions. The analysis inputs are all local data to the extent possible and are fully documented in the following description.

#### *Analysis Steps*

The following is a description of each step of the analysis translating the estimated number of jobs by industry to an estimated number of housing units needed by income level.

### **Step 1 – Estimate of Total New Employees**

The estimated number of jobs generated by the household expenditures of residents who live in new market rate units is established in Section 3-4 and summarized in Table 3-6.

### **Step 2 – Changing Industries Adjustment and Net New Jobs**

Similar to the U.S. economy, the local economy is constantly evolving, with job losses in some sectors and job growth in others. Over the past ten years, employment in some retail categories as well as governmental employment at both the local and federal levels have declined. Jobs lost in these declining sectors were replaced by job growth in other industry sectors.

Step 2 makes an adjustment to take ongoing changes in the economy into account recognizing that jobs added are not 100% net new in all cases. A 6% adjustment is used based on the long-term shifts in employment that have occurred in some sectors of the local economy and the likelihood of continuing changes in the future. Long term declines in employment experienced in some sectors of the economy mean that some of the new jobs are being filled by workers that have been displaced from another industry and who are presumed to already have housing locally. The analysis makes the assumption that existing workers downsized from declining industries are available to fill a portion of new jobs.

The 6% downward adjustment used for purposes of the analysis was derived from California Employment Development Department data on employment by industry in Santa Barbara County over the ten-year period from March 2010 to March 2020. Over this period, approximately 1,600 jobs were lost in declining industry sectors while growing and stable industries added 25,000 jobs over the same period. The figures are used to establish a ratio between jobs lost in declining industries to jobs gained in growing and stable industries at 6%<sup>10</sup>. In effect, this adjustment assumes 6% of new jobs are filled by a worker downsized from a declining industry and who already lives locally. As the objective is to identify longer-term declines, the declines in employment that occurred after March 2020 due to the coronavirus pandemic were not used as the basis for this adjustment as many of the jobs lost have been or are expected to be restored as the economy recovers from the economic damage brought on by the pandemic.

The discount for changing industries is a conservative analysis assumption that may result in an understatement of impacts. The adjustment assumes workers down-sized from declining sectors of the local economy are available to fill a portion of the new service sector jobs. In reality, displaced workers from declining industry sectors of the economy are not always available to fill these new service jobs because they may retire or exit the workforce or may find employment in one of the other growing sectors of the local economy that is not oriented towards services to local residents.

---

<sup>10</sup> The 6% ratio is calculated as 1,600 jobs lost in declining sectors divided by 25,000 jobs gained in growing and stable sectors.

The estimated number of new jobs before and after this changing industry adjustment is summarized in Table 3-9.

### **Step 3 – Adjustment from Employees to Employee Households**

This step (Table 3-9) converts the number of employees to the number of employee households, recognizing that there is, on average, more than one worker per household, and thus the number of housing units in demand for new workers is reduced. The workers-per-worker-household ratio eliminates from the equation all non-working households, such as retired persons and students. The County average of 1.93 workers-per-worker-household, derived from U.S. Census Bureau 2015-2019 American Community Survey data, is used for this step in the analysis. The 1.93 ratio covers all workers, full- and part-time. This ratio is distinguished from the overall number of workers per household in that the denominator includes only households that have at least one worker. If the overall average number of workers per household in the County were used, it would have produced a greater demand for housing units. The number of jobs is divided by 1.93 to determine the number of worker households.

**Table 3-9. Estimated Number New Workers and Worker Households (Steps 1 - 3)**

	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
Total Jobs Generated (100 units)	124.7	79.6	61.5	56.1	56.8
Net New Jobs (after 6% changing industries adjustment)	117.2	74.8	57.8	52.8	53.4
Number of Worker Households (at 1.93 workers per worker household)	60.7	38.7	29.9	27.3	27.7

### **Step 4 – Occupational Distribution of Employees**

The occupational breakdown of employees is the first step to arrive at income level. The output from the IMPLAN model provides the number of employees by industry sector, shown in Table 3-7. The IMPLAN output is paired with data from the Department of Labor, Bureau of Labor Statistics May 2019 Occupational Employment Survey (OES) to estimate the occupational composition of employees within each industry sector.

#### **Step 4a – Translation from IMPLAN Industry Codes to NAICS Industry Codes**

The output of the IMPLAN model is jobs by industry sector using IMPLAN's own industry classification system, which consists of 544 industry sectors. The OES occupation data uses the

North American Industry Classification System (NAICS). Estimates of jobs by IMPLAN sector must be translated into estimates by NAICS code for consistency with the OES data. IMPLAN publishes a data set that links its own sectoring scheme to NAICS industry codes.

The NAICS system is organized into industry codes ranging from two- to six-digits. Two-digit codes are the broadest industry categories and six-digit codes are the most specific. Within a two-digit NAICS code, there may be several three-digit codes and within each three-digit code, several four-digit codes, etc. A chart published by IMPLAN relates each IMPLAN industry sector with one or more NAICS codes, with matching NAICS codes ranging from the two-digit level to the five-digit level. For purposes of the nexus analysis, all employment estimates must be aggregated to the four, or in some cases, five-digit NAICS code level to align with OES data which are organized by four and five-digit NAICS code. For some industry sectors, an allocation is necessary between more than one NAICS code. Where required, allocations are made proportionate to total employment from the OES.

Table 3-10 illustrates analysis Step 4a in which employment estimates by IMPLAN Code are translated to NAICS codes and then aggregated at the four and five-digit NAICS code level. The examples used are Child Day Care Centers and Hospitals. The process is applied to all the industry sectors.

<b>Table 3-10. Illustration of Model Step 4a.</b>						
A. IMPLAN Output by IMPLAN Industry Sector		B. Link to Corresponding NAICS Code		C. Aggregate at 4-Digit NAICS Code Level		
Jobs	IMPLAN Sector	Jobs	NAICS Code	Jobs	% Total	4-Digit NAICS
1.1	494 - Child day care services	1.1	6244 Child day care services	1.1	100%	6244 Child day care services
7.4	490 - Hospitals	7.4	622 Hospitals	6.8	92%	6221 General Medical and Surgical Hospitals
				0.3	4%	6222 Psychiatric and Substance Abuse Hospitals
				0.3	4%	6223 Specialty (except Psychiatric and Substance Abuse) Hospitals

Source: KMA, Bureau of Labor Statistics May 2019 Occupational Employment Survey.

#### **Step 4b – Apply OES Data to Estimate Occupational Distribution**

Employment estimates by four and five-digit NAICS code from step 4a are paired with data on occupational composition within each industry from the OES to generate an estimate of employment by detailed occupational category. Table 3-17 at the end of this section identifies the breakdown by major occupation category. Information on detailed occupational categories is provided in Appendix B. The three largest occupational categories are food preparation and

servicing (15 - 16%), office and administrative support (13%), and sales and related (11%-13%). Step 4 of Table 3-17 indicates the percentage and number of employee households by occupation associated with 100 market rate units.

### **Step 5 – Estimates of Employee Households Meeting the Lower Income Definitions**

In this step, occupations are translated to incomes based on recent Santa Barbara County wage and salary information from the California Employment Development Department (EDD). The wage and salary information summarized in Appendix B provided the income inputs to the analysis. Wages reported by EDD are adjusted upward where necessary to reflect the State minimum wage of \$14 per hour applicable to large employers, effective January 2021.

For each occupational category shown in Table 3-17, the OES data provides a distribution of specific occupations within the category. For example, within the Food Preparation and Serving Category, there are Supervisors, Cooks, Bartenders, Waiters and Waitresses, Dishwashers, etc. In total there are over 100 detailed occupation categories included in the analysis as shown in the Appendix B tables. Each of these over 100 occupation categories has a different distribution of wages, which was obtained from EDD and is specific to workers in Santa Barbara County as of 2020.

Household incomes are estimated from employee incomes based upon ratios between individual employee income and household income derived from 2015-2019 U.S. Census data shown in Table 3-11. The ratios adjust employee incomes upward even for households with only one worker in consideration of non-wage/salary income sources such as child support, disability, social security, investment income and others.

Individual Worker Income	One Worker Households	Two Worker Households	Three or More Workers
\$25,000-\$30,000	1.37	2.60	4.04
\$30,000-\$40,000	1.25	2.54	3.72
\$40,000-\$50,000	1.26	2.25	2.93
\$50,000-\$60,000	1.28	2.09	2.78
\$6,000-\$80,000	1.13	1.95	2.39
\$80,000-\$100,000	1.09	1.72	2.04
\$100,000-\$125,000	1.08	1.66	1.93
\$125,000-\$150,000	1.05	1.52	1.74
\$150,000-\$250,000	1.05	1.36	1.50
Over \$250,000	1.03	1.14	1.16

Source: KMA analysis of 2015 to 2019 American Community Survey Public Use Microdata Sample (PUMS) data for Santa Barbara County.

For each detailed occupational category, the estimated household incomes are compared to the HCD income criteria summarized in Table 3-8 to calculate the percent of worker households

that would fall into each income category for each of the possible combinations of household size and number of workers in the household.

At the end of Step 5, the nexus analysis has established a matrix indicating the percentages of households that would qualify in the affordable income tiers for every detailed occupational category and every potential combination of household size and number of workers in the household.

### **Step 6 – Household Size Distribution**

In this step, the household size distribution of workers is estimated using U.S. Census 2015-2019 American Community Survey (ACS) data for Santa Barbara County. Data for the County are used since workers are more representative of this larger area in which workers live. In addition to the distribution in household sizes, the data also account for a range in the number of workers in households of various sizes. Table 3-12 indicates the percentage distribution used in the analysis. Application of these percentage factors accounts for the following:

- Households have a range in size and a range in the number of workers.
- Large households generally have more workers than smaller households.

<b>Table 3-12. Percent of Households by Size and No. of Workers</b>		
<b>No. of Persons in Household</b>	<b>No. of Workers in Household</b>	<b>Percent of Total Households</b>
1	1	14.698%
2	1	13.901%
	2	16.308%
3	1	5.831%
	2	8.671%
	3	3.465%
4	1	4.4009%
	2	6.9667%
	3+	5.7836%
5	1	2.4403%
	2	3.8629%
	3+	3.2069%
6+	1	2.6850%
	2	4.2504%
	3+	3.5286%
<b>Total</b>		<b>100.0%</b>

Source: 2015-2019 American Community Survey data for Santa Barbara County.

The result of Step 6 is a distribution of Santa Barbara County working households by number of workers and household size.

### Step 7 – Estimate of Number of Households that Meet Size and Income Criteria

Step 7 is the final step to calculate the number of worker households meeting the size and income criteria for the four affordability tiers. The calculation combines results from Step 5 on percentage of worker households that would meet the income criteria at each potential household size / number of workers combination, with Step 6, the percentage of worker household having a given household size / number of workers combination. The result is the percent of households that fall into each affordability tier. The percentages are then multiplied by the number of households from Step 3 to arrive at the number of households in each affordability tier.

Table 3-18A, B, C, and D show the result after completing Steps 5, 6, and 7 for the Extremely Low, Very Low, Low, and Moderate Income tiers, respectively.

### 3.6 Housing Need by Affordability Level

Table 3-13 summarizes findings regarding worker housing need by affordability category for each 100 market rate units and the total number over 120% of Area Median Income.

<b>Table 3-13. Housing Need by Income Category per 100 Market Rate Units</b>					
	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
Extremely Low (0%-30% AMI)	4.3	2.9	2.2	2.0	2.1
Very Low (30%-50% AMI)	16.0	10.5	8.3	7.6	7.7
Low (50%-80% AMI)	15.4	9.8	7.6	6.9	7.0
Moderate (80%-120% AMI)	2.1	1.3	1.0	0.9	0.9
<b>Total, Less than 120% AMI</b>	<b>37.7</b>	<b>24.5</b>	<b>19.1</b>	<b>17.5</b>	<b>17.7</b>
Greater than 120% AMI	23.0	14.3	10.8	9.9	10.0
<b>Total, New Households</b>	<b>60.7</b>	<b>38.7</b>	<b>29.9</b>	<b>27.3</b>	<b>27.7</b>

Housing demand for new worker households earning less than 120% of AMI ranges from 37.7 units per 100 single-family, large lot detached units to 17.7 per 100 market rate apartments units. The finding that many jobs in sectors that serve new residents are low-paying and that workers require affordable housing is not surprising. As noted above, direct consumer spending results in employment concentrated in lower paid occupations including food preparation, administrative and retail sales.

The largest share of demand for affordable housing is within the Very Low and Low Income categories and is more limited within the Extremely Low and Moderate Income categories. Demand is limited within the Extremely Low Income category as a result of the maximum income limits, which for a family of four is \$37,450, in combination with the State minimum wage which results in an annual income of approximately \$29,000 with full-time employment. This leaves a narrow band of incomes between minimum wage and the maximum income limit that

qualifies as Extremely Low. In addition, more than half of households in Santa Barbara County have multiple earners based on data from the 2015-2019 ACS. Households with multiple incomes generally will not qualify as Extremely Low Income based on the applicable HCD income limits. These two factors result in the finding that relatively few worker households qualify within the Extremely Low income category. Demand for housing within the Moderate income category is also limited because of the relatively narrow band of incomes that qualify as Moderate Income based on income criteria published by HCD and summarized in Table 3-8.

### 3.7 Mitigation Costs

This section takes the conclusions of the previous section on the number of households in the lower income categories associated with the market rate units and identifies the total cost of assistance required to make housing affordable. The findings represent the “total nexus cost” or the cost of mitigating the affordable housing impacts.

A key component of the analysis is the affordability gap, which represents the subsidy required to create each unit of affordable housing within each of the four categories of Area Median Income (AMI): Extremely Low (0% to 30% AMI), Very Low (30% to 50% AMI), Low (50% to 80% AMI), and Moderate (80% to 120% AMI). For Extremely Low, Very Low and Low Income units, the affordability gap assumes the City would assist affordable rental units financed with 4% tax credits. Moderate income units are also assumed to be assisted in an affordable rental unit; however, tax credit financing is not available for units above 80% AMI. This results in a larger financial gap for Moderate than Low or Very Low. See Section 4 for additional discussion and supporting calculations for the affordability gaps shown in Table 3-14, below.

<b>Table 3-14. Affordability Gap</b>	
Extremely Low (0% to 30% AMI)	\$250,000
Very Low (30% to 50% AMI)	\$152,000
Low (50% to 80% AMI)	\$103,000
Moderate (80% to 120% AMI)	\$221,000

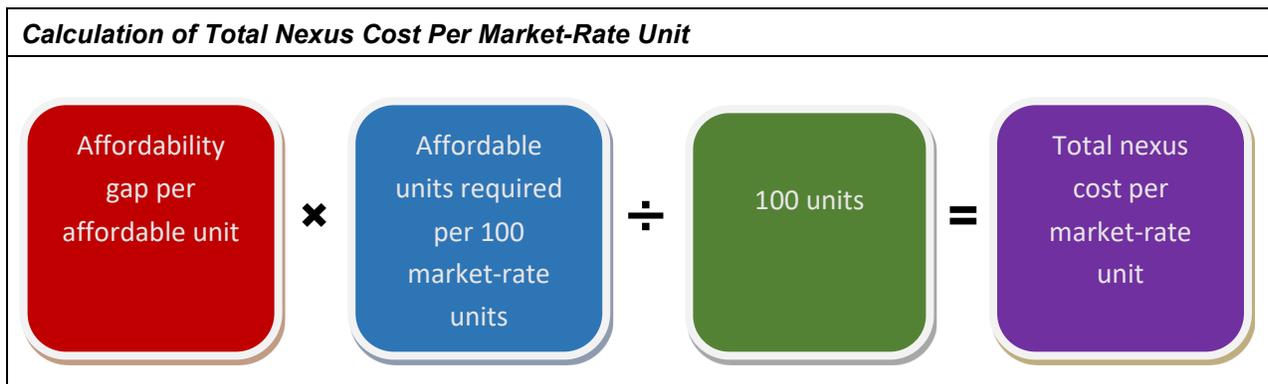
AMI = Area Median Income

### 3.8 Total Nexus Cost

The last step in the nexus analysis marries the findings on the numbers of households in each of the lower income ranges associated with the five prototypes to the affordability gaps, or the costs of delivering affordable housing in Goleta, to determine total nexus costs. Total nexus costs represent the cost of mitigating the affordable housing impacts of new residential development. Table 3-15 summarizes the resulting total nexus costs per market rate unit, for each of the prototypes.

<b>Table 3-15. Total Nexus Cost Per Market Rate Unit, Goleta</b>					
<i>Income Category</i>	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
	Extremely Low (0%-30% AMI)	\$10,700	\$7,100	\$5,600	\$5,100
Very Low (30%-50% AMI)	\$24,300	\$16,000	\$12,600	\$11,500	\$11,700
Low (50%-80% AMI)	\$15,800	\$10,100	\$7,800	\$7,100	\$7,200
Moderate (80%-120% AMI)	\$4,600	\$2,800	\$2,200	\$2,000	\$2,000
<b>Total Supported Fee / Nexus Cost</b>	<b>\$55,400</b>	<b>\$36,000</b>	<b>\$28,200</b>	<b>\$25,700</b>	<b>\$26,100</b>

The “Total Nexus Cost per Market Rate Unit” is the result of the following calculation:



The Total Nexus Costs indicated above, may also be expressed on a per square foot level. The square foot area of the prototype unit used throughout the analysis becomes the basis for the calculation (the per unit findings from above are divided by unit size to get the per square foot findings). The results per square foot of building area (based on net rentable or sellable square feet excluding parking areas, external corridors and other common areas) are presented in Table 3-16.

<b>Table 3-16. Total Nexus Cost Per Square Foot</b>					
<i>Unit Size (Sq. Ft.)</i>	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
	3,300 SF	2,200 SF	1,600 SF	1,200 SF	960 SF
Extremely Low (0%-30% AMI)	\$3.20	\$3.20	\$3.50	\$4.30	\$5.40
Very Low (30%-50% AMI)	\$7.40	\$7.30	\$7.90	\$9.60	\$12.20
Low (50%-80% AMI)	\$4.80	\$4.60	\$4.90	\$5.90	\$7.50
Moderate (80%-120% AMI)	\$1.40	\$1.30	\$1.40	\$1.70	\$2.10
<b>Total Nexus Costs</b>	<b>\$16.80</b>	<b>\$16.40</b>	<b>\$17.70</b>	<b>\$21.50</b>	<b>\$27.20</b>

These costs express the total linkage or nexus costs for the five prototype residential developments in the City of Goleta. **The totals are not recommended levels for fees; they represent technical analysis results only.**

**TABLE 3-17**  
**NET NEW HOUSEHOLDS AND OCCUPATION DISTRIBUTION**  
**EMPLOYEE HOUSEHOLDS GENERATED**  
**RESIDENTIAL NEXUS ANALYSIS**  
**GOLETA, CA**

	<i>Prototype 1</i> <b>Single Family, Large Lot</b>	<i>Prototype 2</i> <b>Single Family</b>	<i>Prototype 3</i> <b>Townhomes</b>	<i>Prototype 4</i> <b>Condominiums</b>	<i>Prototype 5</i> <b>Apartments</b>
Step 1 - Employees <sup>1</sup>	124.7	79.6	61.5	56.1	56.8
Step 2 - Adjustment for Changing Industries (6%) (2)	117.2	74.8	57.8	52.8	53.4
Step 3 - Adjustment for No. of Households (1.93) (3)	60.7	38.7	29.9	27.3	27.7
Step 4 - Occupation Distribution <sup>4</sup>					
Management Occupations	5.2%	5.0%	4.9%	4.9%	4.9%
Business and Financial Operations	5.5%	4.9%	4.7%	4.7%	4.7%
Computer and Mathematical	2.3%	2.1%	2.0%	2.0%	2.0%
Architecture and Engineering	0.4%	0.4%	0.4%	0.4%	0.4%
Life, Physical, and Social Science	0.5%	0.4%	0.4%	0.4%	0.4%
Community and Social Services	2.4%	2.0%	2.1%	2.1%	2.1%
Legal	0.5%	0.5%	0.6%	0.6%	0.6%
Education, Training, and Library	4.1%	3.1%	2.3%	2.3%	2.3%
Arts, Design, Entertainment, Sports, and Media	1.8%	1.7%	1.6%	1.6%	1.6%
Healthcare Practitioners and Technical	8.1%	7.1%	8.4%	8.4%	8.4%
Healthcare Support	7.3%	6.5%	7.8%	7.8%	7.8%
Protective Service	1.0%	0.9%	0.8%	0.8%	0.8%
Food Preparation and Serving Related	14.7%	15.5%	16.3%	16.3%	16.3%
Building and Grounds Cleaning and Maint.	4.7%	4.1%	3.5%	3.5%	3.5%
Personal Care and Service	4.3%	4.4%	4.2%	4.2%	4.2%
Sales and Related	11.3%	12.7%	12.7%	12.7%	12.7%
Office and Administrative Support	12.7%	12.8%	12.7%	12.7%	12.7%
Farming, Fishing, and Forestry	0.1%	0.1%	0.1%	0.1%	0.1%
Construction and Extraction	0.8%	0.8%	0.8%	0.8%	0.8%
Installation, Maintenance, and Repair	3.5%	4.7%	3.8%	3.8%	3.8%
Production	1.8%	1.9%	1.8%	1.8%	1.8%
Transportation and Material Moving	<u>7.3%</u>	<u>8.5%</u>	<u>7.9%</u>	<u>7.9%</u>	<u>7.9%</u>
<b>Totals</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Management Occupations	3.1	1.9	1.5	1.3	1.4
Business and Financial Operations	3.3	1.9	1.4	1.3	1.3
Computer and Mathematical	1.4	0.8	0.6	0.5	0.6
Architecture and Engineering	0.2	0.1	0.1	0.1	0.1
Life, Physical, and Social Science	0.3	0.2	0.1	0.1	0.1
Community and Social Services	1.4	0.8	0.6	0.6	0.6
Legal	0.3	0.2	0.2	0.2	0.2
Education, Training, and Library	2.5	1.2	0.7	0.6	0.6
Arts, Design, Entertainment, Sports, and Media	1.1	0.7	0.5	0.4	0.4
Healthcare Practitioners and Technical	4.9	2.8	2.5	2.3	2.3
Healthcare Support	4.4	2.5	2.3	2.1	2.1
Protective Service	0.6	0.3	0.3	0.2	0.2
Food Preparation and Serving Related	8.9	6.0	4.9	4.4	4.5
Building and Grounds Cleaning and Maint.	2.9	1.6	1.1	1.0	1.0
Personal Care and Service	2.6	1.7	1.2	1.1	1.2
Sales and Related	6.9	4.9	3.8	3.5	3.5
Office and Administrative Support	7.7	4.9	3.8	3.5	3.5
Farming, Fishing, and Forestry	0.0	0.0	0.0	0.0	0.0
Construction and Extraction	0.5	0.3	0.2	0.2	0.2
Installation, Maintenance, and Repair	2.1	1.8	1.1	1.0	1.1
Production	1.1	0.7	0.5	0.5	0.5
Transportation and Material Moving	<u>4.4</u>	<u>3.3</u>	<u>2.4</u>	<u>2.2</u>	<u>2.2</u>
<b>Totals</b>	<b>60.7</b>	<b>38.7</b>	<b>29.9</b>	<b>27.3</b>	<b>27.7</b>

- Notes:**
- <sup>1</sup> Estimated employment generated by expenditures of households within 100 prototypical market rate units from Table 3-7.
  - <sup>2</sup> The 6% adjustment is based upon job losses in declining sectors of the local economy over the 10 year period from March 2010 to March 2020. "Downsized" workers from declining sectors are assumed to fill a portion of new jobs in sectors serving residents. 6% adjustment for Santa Barbara County calculated as 1,600 jobs lost in declining sectors divided by 25,000 jobs gained in growing and stable sectors = 6%.
  - <sup>3</sup> Adjustment from number of workers to households using county average of 1.93 workers per worker household derived from the U.S. Census American Community Survey 2015 to 2019.
  - <sup>4</sup> See Appendix B Tables 1 - 6 for additional information on Major Occupation Categories.

**TABLE 3-18A**  
**EXTREMELY LOW INCOME EMPLOYEE HOUSEHOLDS<sup>1</sup> GENERATED**  
**RESIDENTIAL NEXUS ANALYSIS**  
**GOLETA, CA**

*Per 100 Market Rate Units*

	<i>Prototype 1</i>	<i>Prototype 2</i>	<i>Prototype 3</i>	<i>Prototype 4</i>	<i>Prototype 5</i>
	<b>Single Family, Large Lot</b>	<b>Single Family</b>	<b>Townhomes</b>	<b>Condominiums</b>	<b>Apartments</b>
<b>Step 5 &amp; 6 - Extremely Low Income Households (under 30% AMI) within Major Occupation Categories<sup>2</sup></b>					
Management	-	-	-	-	-
Business and Financial Operations	0.01	0.01	0.01	0.01	0.01
Computer and Mathematical	0.00	0.00	-	-	-
Architecture and Engineering	-	-	-	-	-
Life, Physical and Social Science	-	-	-	-	-
Community and Social Services	0.03	-	0.01	0.01	0.01
Legal	-	-	-	-	-
Education Training and Library	0.07	0.03	0.02	0.02	0.02
Arts, Design, Entertainment, Sports, & Media	-	-	-	-	-
Healthcare Practitioners and Technical	0.02	0.01	0.01	0.01	0.01
Healthcare Support	0.50	0.28	0.24	0.22	0.23
Protective Service	-	-	-	-	-
Food Preparation and Serving Related	1.10	0.74	0.60	0.55	0.55
Building Grounds and Maintenance	0.29	0.16	0.11	0.10	0.10
Personal Care and Service	0.27	0.15	0.11	0.10	0.10
Sales and Related	0.73	0.53	0.41	0.38	0.38
Office and Admin	0.37	0.26	0.20	0.18	0.18
Farm, Fishing, and Forestry	-	-	-	-	-
Construction and Extraction	-	-	-	-	-
Installation Maintenance and Repair	0.12	0.10	0.06	0.06	0.06
Production	-	-	-	-	-
Transportation and Material Moving	-	-	-	-	-
ELI Households - Major Occupations	3.51	2.26	1.78	1.63	1.65
ELI Households <sup>1</sup> - all other occupations	0.76	0.59	0.45	0.41	0.41
<b>Total ELI Households<sup>1</sup></b>	<b>4.27</b>	<b>2.86</b>	<b>2.23</b>	<b>2.04</b>	<b>2.06</b>

(1) Includes households earning from zero through 30% of Santa Barbara County Area Median Income.

(2) See Appendix B Tables 1 - 6 for additional information on Major Occupation Categories and estimated household incomes by household size.

**TABLE 3-18B**  
**VERY LOW-INCOME EMPLOYEE HOUSEHOLDS<sup>1</sup> GENERATED**  
**RESIDENTIAL NEXUS ANALYSIS**  
**GOLETA, CA**

*Per 100 Market Rate Units*

	<i>Prototype 1</i>	<i>Prototype 2</i>	<i>Prototype 3</i>	<i>Prototype 4</i>	<i>Prototype 5</i>
	<b>Single Family, Large Lot</b>	<b>Single Family</b>	<b>Townhomes</b>	<b>Condominiums</b>	<b>Apartments</b>
<b>Step 5 &amp; 6 - Very Low Income Households (30%-50% AMI) within Major Occupation Categories <sup>2</sup></b>					
Management	0.11	0.07	0.06	0.05	0.05
Business and Financial Operations	0.16	0.10	0.07	0.06	0.07
Computer and Mathematical	0.06	0.03	-	-	-
Architecture and Engineering	-	-	-	-	-
Life, Physical and Social Science	-	-	-	-	-
Community and Social Services	0.27	-	0.12	0.11	0.11
Legal	-	-	-	-	-
Education Training and Library	0.47	0.25	0.18	0.16	0.17
Arts, Design, Entertainment, Sports, & Media	-	-	-	-	-
Healthcare Practitioners and Technical	0.18	0.11	0.10	0.09	0.09
Healthcare Support	1.64	0.94	0.86	0.78	0.79
Protective Service	-	-	-	-	-
Food Preparation and Serving Related	3.26	2.18	1.77	1.62	1.64
Building Grounds and Maintenance	1.05	0.57	0.38	0.35	0.36
Personal Care and Service	0.94	0.55	0.41	0.37	0.37
Sales and Related	2.39	1.69	1.32	1.21	1.22
Office and Admin	2.13	1.44	1.11	1.01	1.02
Farm, Fishing, and Forestry	-	-	-	-	-
Construction and Extraction	-	-	-	-	-
Installation Maintenance and Repair	0.49	0.41	0.26	0.24	0.24
Production	-	-	-	-	-
Transportation and Material Moving	-	-	-	-	-
<b>Very Low Income Households - Major Occupations</b>	<b>13.14</b>	<b>8.34</b>	<b>6.64</b>	<b>6.06</b>	<b>6.13</b>
<b>Very Low Income Households<sup>1</sup> - all other occupations</b>	<b>2.83</b>	<b>2.19</b>	<b>1.67</b>	<b>1.52</b>	<b>1.54</b>
<b>Total Very Low Inc. Households<sup>1</sup></b>	<b>15.97</b>	<b>10.54</b>	<b>8.31</b>	<b>7.58</b>	<b>7.67</b>

(1) Includes households earning from 30% through 50% of Santa Barbara County Area Median Income.

(2) See Appendix B Tables 1 - 6 for additional information on Major Occupation Categories and estimated household incomes by household size.

**TABLE 3-18C**  
**LOW-INCOME EMPLOYEE HOUSEHOLDS<sup>1</sup> GENERATED**  
**RESIDENTIAL NEXUS ANALYSIS**  
**GOLETA, CA**

*Per 100 Market Rate Units*

	<i>Prototype 1</i>	<i>Prototype 2</i>	<i>Prototype 3</i>	<i>Prototype 4</i>	<i>Prototype 5</i>
	<b>Single Family, Large Lot</b>	<b>Single Family</b>	<b>Townhomes</b>	<b>Condominiums</b>	<b>Apartments</b>
<b>Step 5 &amp; 6 - Low Income Households (50%-80% AMI) within Major Occupation Categories<sup>2</sup></b>					
Management	0.51	0.31	0.24	0.22	0.22
Business and Financial Operations	0.80	0.48	0.37	0.33	0.34
Computer and Mathematical	0.26	0.16	-	-	-
Architecture and Engineering	-	-	-	-	-
Life, Physical and Social Science	-	-	-	-	-
Community and Social Services	0.43	-	0.19	0.17	0.18
Legal	-	-	-	-	-
Education Training and Library	0.77	0.36	0.21	0.19	0.19
Arts, Design, Entertainment, Sports, & Media	-	-	-	-	-
Healthcare Practitioners and Technical	0.61	0.35	0.33	0.30	0.31
Healthcare Support	1.06	0.61	0.56	0.51	0.52
Protective Service	-	-	-	-	-
Food Preparation and Serving Related	2.11	1.41	1.14	1.04	1.06
Building Grounds and Maintenance	0.68	0.37	0.25	0.23	0.23
Personal Care and Service	0.66	0.46	0.33	0.30	0.31
Sales and Related	1.70	1.21	0.93	0.85	0.86
Office and Admin	2.37	1.49	1.15	1.05	1.06
Farm, Fishing, and Forestry	-	-	-	-	-
Construction and Extraction	-	-	-	-	-
Installation Maintenance and Repair	0.67	0.57	0.36	0.33	0.34
Production	-	-	-	-	-
Transportation and Material Moving	-	-	-	-	-
Low Households - Major Occupations	12.63	7.77	6.07	5.54	5.60
Low Households <sup>1</sup> - all other occupations	2.72	2.04	1.53	1.39	1.41
<b>Low Inc. Households<sup>1</sup></b>	<b>15.35</b>	<b>9.81</b>	<b>7.59</b>	<b>6.93</b>	<b>7.01</b>

(1) Includes households earning from 50% through 80% of Santa Barbara County Area Median Income.

(2) See Appendix B Tables 1 - 6 for additional information on Major Occupation Categories and estimated household incomes by household size.

**TABLE 3-18D**  
**MODERATE INCOME EMPLOYEE HOUSEHOLDS<sup>1</sup> GENERATED**  
**RESIDENTIAL NEXUS ANALYSIS**  
**GOLETA, CA**

*Per 100 Market Rate Units*

	<i>Prototype 1</i>	<i>Prototype 2</i>	<i>Prototype 3</i>	<i>Prototype 4</i>	<i>Prototype 5</i>
	<b>Single Family, Large Lot</b>	<b>Single Family</b>	<b>Townhomes</b>	<b>Condominiums</b>	<b>Apartments</b>
<b>Step 5 &amp; 6 - Moderate (80%-120% AMI) Employee Households within Major Occupation Categories<sup>2</sup></b>					
Management	0.16	0.10	0.08	0.07	0.07
Business and Financial Operations	0.19	0.11	0.08	0.07	0.08
Computer and Mathematical	0.07	0.04	-	-	-
Architecture and Engineering	-	-	-	-	-
Life, Physical and Social Science	-	-	-	-	-
Community and Social Services	0.08	-	0.03	0.03	0.03
Legal	-	-	-	-	-
Education Training and Library	0.12	0.05	0.03	0.03	0.03
Arts, Design, Entertainment, Sports, & Media	-	-	-	-	-
Healthcare Practitioners and Technical	0.22	0.09	0.12	0.11	0.11
Healthcare Support	0.08	0.05	0.05	0.04	0.04
Protective Service	-	-	-	-	-
Food Preparation and Serving Related	0.17	0.11	0.09	0.08	0.08
Building Grounds and Maintenance	0.07	0.04	0.02	0.02	0.02
Personal Care and Service	0.06	0.05	0.04	0.03	0.03
Sales and Related	0.15	0.10	0.08	0.07	0.07
Office and Admin	0.27	0.17	0.13	0.12	0.12
Farm, Fishing, and Forestry	-	-	-	-	-
Construction and Extraction	-	-	-	-	-
Installation Maintenance and Repair	0.09	0.08	0.05	0.04	0.04
Production	-	-	-	-	-
Transportation and Material Moving	-	-	-	-	-
Moderate Households - Major Occupations	1.73	1.00	0.80	0.73	0.74
Moderate Households <sup>1</sup> - all other occupations	0.37	0.26	0.20	0.18	0.19
<b>Total Moderate Households (80% to 120% AMI)<sup>1</sup></b>	<b>2.10</b>	<b>1.26</b>	<b>1.00</b>	<b>0.91</b>	<b>0.92</b>

(1) Includes households earning from 80% through 120% of Santa Barbara County Area Median Income.

(2) See Appendix B Tables 1 - 6 for additional information on Major Occupation Categories and estimated household incomes by household size.

## 4.0 AFFORDABILITY GAP ANALYSIS

A key component of an impact analysis is the mitigation cost. In an affordable housing nexus analysis, the mitigation cost is the “affordability gap” - the financial gap between what lower income households can afford to pay and the cost of producing new housing. For Extremely Low, Very Low and Low Income units, the affordability gap analysis is based on the remaining financial gap after assistance available through federal Low Income Housing Tax Credits (LIHTC). For Moderate Income units, the affordability gap is based on the gap between the estimated development costs of a moderate income rental unit and the amount of investment that can be supported based on moderate income rents.

### 4.1 City-Assisted Affordable Unit Prototypes

For estimating the affordability gap, there is a need to match a household of each income level with a unit type and size according to governmental regulations and City practices and policies. The prototype affordable unit should reflect a modest unit consistent with what the City is likely to assist. The focus is on affordable projects developed for families rather than projects consisting of primarily studios or single room occupancy units too small to accommodate a typical-size worker household.

It is assumed that the City will assist in development of multi-family rental units averaging approximately 2.25 bedrooms per unit consistent with recent and proposed affordable rental projects being developed in nearby communities.

KMA also analyzed the affordability gap associated with a Moderate income for-sale unit. As the affordability gap for a Moderate income for-sale unit was found to be greater than a Moderate income rental unit, the lower cost rental unit gap was used as a conservative assumption for purposes of the analysis.

### 4.2 Development Costs

KMA prepared an estimate of total development costs for the affordable housing prototypes described above (inclusive of land acquisition costs, direct construction costs, indirect costs of development and financing). The development cost estimate reflects the average for six multi-family affordable rental projects in nearby cities, listed below. Costs for each project are summarized in Table 4-4.

- Escalante Meadows (Guadalupe)
- Centennial Gardens (Santa Maria)
- Coastal Meadows (Lompoc)
- Mountain View Apartments (Fillmore)
- Vintage at Sycamore (Simi Valley)
- Westview Village Ph III (Ventura)

The projects were selected as the nearest projects to Goleta that reflect recent 2020 development cost information and new construction. The most recent multi-family affordable rental project in Goleta was part of the Los Carneros development; however, costs are as of 2016, not recent enough to use for purposes of the affordability gap analysis. Other recent projects such as Isla Vista Apartments were not used because they represent rehabilitation of existing units rather than new construction. Based on cost data for the six recent projects, the total development cost for the prototype rental affordable unit is estimated to be \$544,000 per unit.

### 4.3 Unit Values

For the Extremely Low, Very Low, and Low-Income rental units, unit values are based upon the funding sources assumed to be available for the project. Funding sources include tax-exempt permanent debt financing supported by the project's operating income, a deferred developer fee, and equity generated by 4% federal low income housing tax credits. The highly competitive 9% federal tax credits are not assumed because of the limited number of projects that receive an allocation in any given year per geographic region. Other affordable housing subsidy sources such as CDBG, HOME, AHP, Section 8, and various federal and state funding programs are also limited and difficult to obtain and therefore are not assumed in this analysis as available to offset the cost of mitigating the affordable housing impacts of new development. For the Moderate income rental, the unit value reflects the estimated debt and equity investment supportable based on the project's net operating income. Tax credit financing is not available to offset the cost of the Moderate income unit. The estimated unit values are summarized in Table 4-1. Further detail on how the unit values are derived is provided in Table 4-3.

<i>Income Group</i>	<i>Unit Tenure / Type</i>	<i>Unit Value</i>
Extremely Low (Under 30% AMI)	Rental	\$294,000
Very Low (30% to 50% AMI)	Rental	\$392,000
Low (50% to 80% AMI)	Rental	\$441,000
Moderate (80% to 120% AMI)	Rental	\$323,000

### 4.4 Affordability Gap

The affordability gap is the difference between the cost of developing the affordable units and the unit value based on the restricted affordable rent. The resulting affordability gaps are as presented in Table 4-2.

	<i>Unit Value</i>	<i>Development Cost</i>	<i>Affordability Gap</i>
Extremely Low (Under 30% AMI)	\$294,000	\$544,000	\$250,000
Very Low (30% to 50% AMI)	\$392,000	\$544,000	\$152,000
Low (50% to 80% AMI)	\$441,000	\$544,000	\$103,000
Moderate (80% to 120% AMI)	\$323,000	\$544,000	\$221,000

Detailed analysis tables supporting the affordability gap calculations are provided in Tables 4-3 and 4-4.

KMA also analyzed the affordability gap associated with a Moderate income for-sale unit consisting of a three-bedroom townhome unit at approximately 15 units per acre with wood frame construction. The affordability gap for Moderate Income for-sale unit is estimated at approximately \$248,000, about 12% greater than the \$221,000 estimated with a Moderate Income rental unit. For purpose of the analysis, the lower cost rental unit gap was used. The analysis for a Moderate Income for-sale unit is provided in Tables 4-5 and 4-6.

**TABLE 4-3**  
**AFFORDABLE RENTAL UNIT AFFORDABILITY GAP**  
**RESIDENTIAL NEXUS STUDY**  
**GOLETA, CA**

	Extremely Low	Very Low	Low Income	Moderate Income
<b>I. Affordable Prototype</b>				
Tenure				
Average No. of Bedrooms			Rental	
			2.25 Bedrooms	
<b>II. Development Costs</b> <sup>[1]</sup>				
	Per Unit	Per Unit	Per Unit	Per Unit
Land		\$45,000		
Direct Construction		\$335,000		
Indirect Costs		\$134,000		
Financing		<u>\$30,000</u>		
Total Development Costs		\$544,000		
<b>III. Supported Financing</b>				
	Per Unit	Per Unit	Per Unit	Per Unit
<u>Affordable Rents</u>				
Average Number of Bedrooms		2.25 BR		
Maximum TCAC Rent <sup>[2]</sup>	\$876	\$1,460	\$1,752	\$2,292
(Less) Utility Allowance <sup>[3]</sup>	<u>(\$77)</u>	<u>(\$77)</u>	<u>(\$77)</u>	<u>(\$77)</u>
Maximum Monthly Rent	\$799	\$1,384	\$1,676	\$2,216
<u>Net Operating Income (NOI)</u>				
Gross Potential Income				
Monthly	\$799	\$1,384	\$1,676	\$2,216
Annual	\$9,591	\$16,605	\$20,109	\$26,588
Other Income	\$75	\$75	\$75	\$75
(Less) Vacancy 5.0%	<u>(\$483)</u>	<u>(\$834)</u>	<u>(\$1,009)</u>	<u>(\$1,333)</u>
Effective Gross Income (EGI)	\$9,183	\$15,846	\$19,175	\$25,329
(Less) Operating Expenses	<u>(\$5,900)</u>	<u>(\$5,900)</u>	<u>(\$5,900)</u>	<u>(\$5,900)</u>
(Less) Property Taxes <sup>[4]</sup>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$3,600)</u>
Net Operating Income (NOI)	\$3,283	\$9,946	\$13,275	\$15,829
<u>Permanent Financing</u>				
Permanent Loan 4.20%	\$48,000	\$146,000	\$195,000	\$232,000
Deferred Developer Fee	\$28,000	\$28,000	\$28,000	\$28,000
4% Tax Credit Equity/Developer Equity <sup>[5]</sup>	<u>\$218,000</u>	<u>\$218,000</u>	<u>\$218,000</u>	<u>\$63,000</u>
Total Sources	\$294,000	\$392,000	\$441,000	\$323,000
<b>IV. Affordability Gap</b>				
	Per Unit	Per Unit	Per Unit	Per Unit
Supported Permanent Financing	\$294,000	\$392,000	\$441,000	\$323,000
(Less) Total Development Costs	<u>(\$544,000)</u>	<u>(\$544,000)</u>	<u>(\$544,000)</u>	<u>(\$544,000)</u>
Affordability Gap	<u>(\$250,000)</u>	<u>(\$152,000)</u>	<u>(\$103,000)</u>	<u>(\$221,000)</u>

[1] Development costs estimated by KMA based on recent projects in summarized in Table 4-4

[2] Maximum rents per Tax Credit Allocation Committee (TCAC) for projects utilizing Low Income Housing Tax Credits.

[3] Utility allowances from Santa Barbara County Housing Authority (January 2021). Assumes tenant pays for gas heat, gas stove, gas water heating, gas base charges and general electric.

[4] Assumes tax exemption for non-profit general partner for units under 80% AMI. Property taxes for Moderate Income estimated based on estimated value with affordability restriction and a 1.15% tax rate.

[5] Estimated by KMA at 40% of cost based on recent 4% tax credit projects in the County and surrounding area. Moderate Income units over 80% AMI are not eligible for tax credits. Supported equity for moderate income is estimated based on a capitalization rate of 4.9%, which reflects a 0.5% premium over a market rate cap rate of 4.4% less debt financing. A cap rate is used rather than a return on cost as the developer receives a return through a developer fee included in project costs.

**TABLE 4-4  
DEVELOPMENT COSTS FOR RECENT AFFORDABLE HOUSING PROJECTS  
RESIDENTIAL NEXUS STUDY  
GOLETA, CA**

	<b>Escalante Meadows</b>	<b>Centennial Gardens</b>	<b>Coastal Meadows</b>	<b>Westview Village Ph III</b>	<b>Mountain View Apts</b>	<b>Vintage at Sycamore</b>	<b>Average</b>
Year for cost data	2020	2020	2020	2020	2020	2020	
Jurisdiction	Guadalupe	Santa Maria	Lompoc	Ventura	Fillmore	Simi Valley	
Number of Units	40	118	40	105	77	99	80
Avg No. Bedrooms	2.70	2.68	3.00	2.30	1.77	1.01	2.2
Avg. unit size (SF)	1,001	1,455	1,385	1,066	1,056	570	1,089
No. stories	2	3	2	2	3	3	
Land	\$84,163	\$18,750	\$62,500	\$63,377	\$46,394	\$53,817	\$54,834
Direct Construction	\$469,434	\$249,579	\$337,517	\$403,734	\$377,234	\$164,688	\$333,698
Indirect Costs	\$145,656	\$84,662	\$126,048	\$160,153	\$158,483	\$83,126	\$126,355
Financing	<u>\$32,283</u>	<u>\$14,191</u>	<u>\$16,817</u>	<u>\$35,777</u>	<u>\$30,068</u>	<u>\$19,527</u>	<u>\$24,777</u>
Total Development Cost	\$731,535	\$367,182	\$542,881	\$663,041	\$612,179	\$321,158	\$539,663

**TABLE 4-5  
 MODERATE INCOME FOR-SALE UNIT AFFORDABILITY GAP  
 RESIDENTIAL NEXUS STUDY  
 GOLETA, CA**

---

Moderate  
(110% AMI)

**I. Affordable Prototype**

Tenure	For Sale
Density	15 du
Average Number of Bedrooms	3 BR

**II. Development Costs**

Per Unit

Land	\$70,000
Direct Construction	\$400,000
Indirect Costs	\$160,000
Financing	<u>\$20,000</u>
Total Development Costs	\$650,000

**III. Affordability Gap**

Per Unit

Affordable Sales Price (Table 4-6)	\$402,400
(Less) Total Development Costs	(\$650,000)
Affordability Gap	<u>(\$247,600)</u>

**TABLE 4-6**  
**AFFORDABLE SALES PRICE CALCULATION**  
**NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS STUDY**  
**CITY OF GOLETA, CA**

	<b>Townhome</b>
Unit Size (Bedroom)	3-Bedroom
Household Size	<u>4-person HH</u>
Santa Barbara County 2020 Median Income	\$90,100
<b>Moderate Income Home Price at 110% of AMI</b>	\$99,110
% for Housing Costs	35%
Available for Housing Costs	\$34,689
(Less) Property Taxes	(\$4,600)
(Less) HOA	(\$2,400)
(Less) Utilities	(\$3,348)
(Less) Hazard Insurance <sup>(3)</sup>	(\$700)
(Less) Mortgage Insurance	<u>(\$3,040)</u>
Income Available for Mortgage	\$20,601
Supported Mortgage	\$382,300
Down Payment @5%	\$20,100
<b>Home Price @110% AMI</b>	<b><u>\$402,400</u></b>
<u>Expense Assumptions</u>	
- HOA	\$200
- Utilities <sup>(1)</sup>	\$279
<u>Common Assumptions</u>	
- Mortgage Interest Rate	3.50% Freddie Mac avg. 30-year fixed rate mortgages, 2019 and 2020
- Down Payment	5.00% City of Goleta affordable prices.
- Property Taxes (% of sales price)	1.15% Average, recently sold homes in Goleta.
- Mortgage Insurance <sup>(2)</sup>	0.80% loans up to \$625,000
	1.00% loans over \$625,000

(1) Utility allowances per Santa Barbara County Housing Authority (2021).

(2) Based on FHA mortgage insurance premium schedule.

(3) Estimated based on sample quotes for units in Goleta. Reflects a "walls-in" policy.

## 5.0 RESIDENTIAL MARKET SURVEY

One of the underlying components of the nexus study is the identification of residential building prototypes that are expected to be developed in Goleta, and what the market prices and rents for those prototypes will be. These market prices and rents are then used to estimate the incomes of the new households that will live in the new units and quantify the number and types of jobs created as a result of their demand for goods and services. This section describes the residential building prototypes used for the analysis, summarizes the residential market data researched, and describes the market price and rent conclusions drawn therefrom.

### 5.1 Residential Development Prototypes

KMA identified representative development prototypes anticipated to be developed in Goleta based on recent and pipeline development projects. Table 4-1 summarizes the basic characteristics of the residential prototypes that have been identified.

	<i>Single Family, Large Lot</i>	<i>Single Family</i>	<i>Townhomes</i>	<i>Condominiums</i>	<i>Apartments</i>
Avg. Unit Size	3,300 SF	2,200 SF	1,600 SF	1,200 SF	960 SF
Avg. No. of Bedrooms	4	3.5	3	2	1.70
Representative Density	2 du/acre	8 du/acre	15 du/acre	20 du/acre	22 du/acre
Parking Type	Attached Garage	Attached Garage	Attached Garage	Underground Garage	Surface / Carport

*Source: Prototype densities and unit sizes based on pipeline development projects in Goleta; rents and sale prices estimated by KMA based on market data summarized in Section 5-2 and 5-3.*

The residential development prototypes were defined based on a review of programmatic information for projects under construction, approved, or recently built in the City of Goleta. The list of projects reviewed is summarized in Table 5-2. A summary of programmatic details for these projects is presented in Table 5-7 at the end of this section.

<b>Table 5-2. Residential Development Projects Reviewed</b>		
<b>Unit Type</b>	<b>Project Name</b>	<b>Project Status</b>
Single-family, Large Lot	Harvest Hill	Built 2017-2020
Single-family and Single-family, Large Lot	Shelby	In Review
Single-family	Avila and Veleros at Los Carneros*	Built
Single-family & Small Attached	Kenwood Village	In Review
Townhomes	Baliza and Marisol at Los Carneros*	Built
Townhomes	Old Town Village / Winslowe	Built
Townhomes	Citrus Village	Built
Condos	Olas at Los Carneros*	Built as apartments rather than condos (became Arrive II)
Apartments	Arrive and Arrive II at Los Carneros*	Built
Apartments	Cortona Apartments	Under Construction
Apartments	Heritage Ridge	In Review
Apartments	Hollister Village	Built

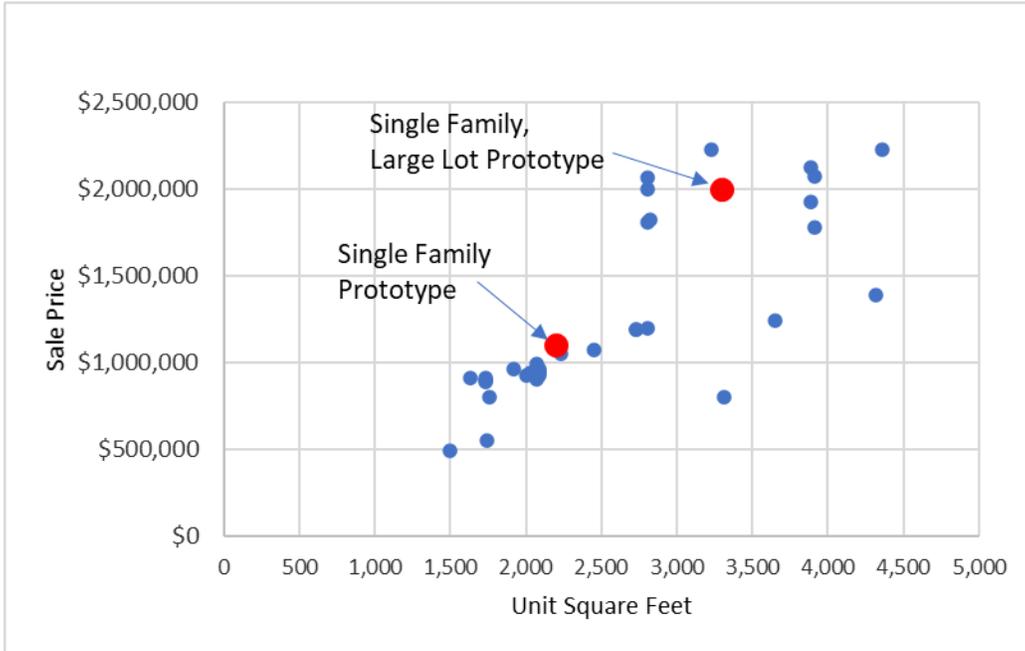
\* Components of the Larger Village at Los Carneros development are broken out to depict the range of unit types.  
Note: project status is as of late 2020.

## 5.2 Estimated Market Rate Home Prices

Home price estimates reflect market sales data for new and newer units available as of late 2020. To estimate market pricing for prototype for-sale units, KMA reviewed data on sales for new and newer units in Goleta built since 2000. The sales data reviewed includes sales occurring from January 2018 through December 2020.

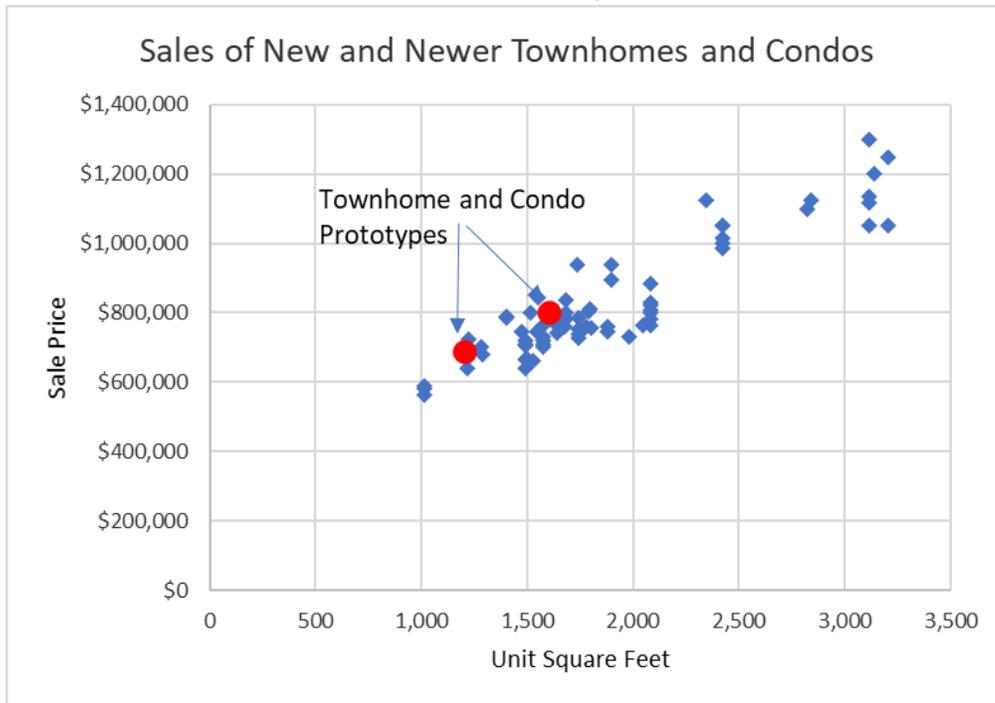
Chart 1 and 2 summarize sales data for single-family detached, townhomes and condominium units. Tables 5-5 at the end of this section provides the underlying sales data presented in the charts.

**Chart 1 – New Single-family Detached Sales**  
 Sales for Units Built Since 2000 and Sold January 2018 to December 2020



Sources: CoreLogic and Redfin.

**Chart 2 – Newer Townhome and Condo Sales**  
 for Units Built Since 2000 and Sold January 2018 to December 2020



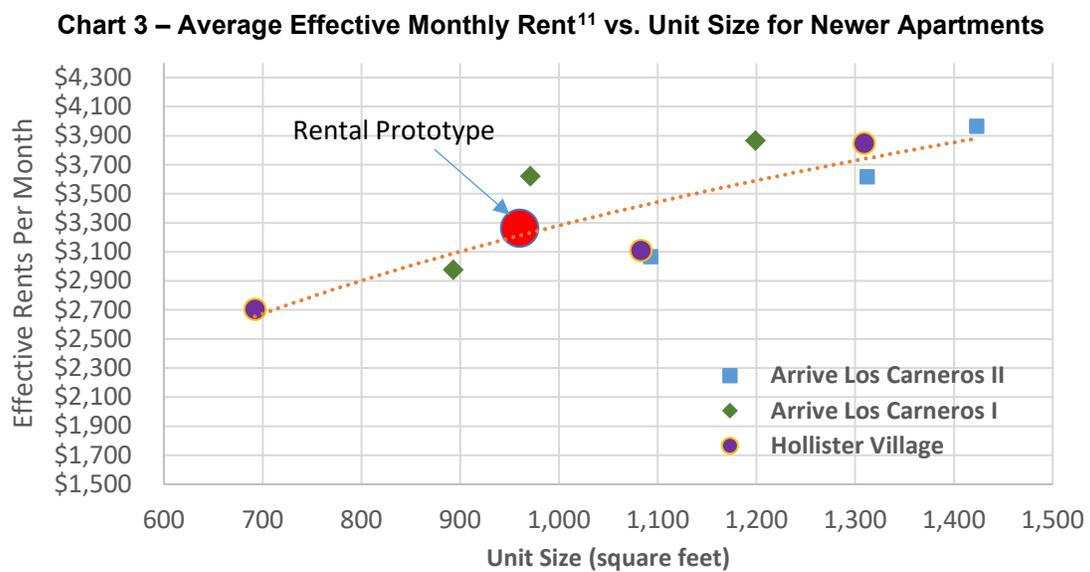
Sources: CoreLogic and Redfin

The sales data formed the basis for KMA’s price estimates. Table 5-3 summarizes the estimated for-sale prototype pricing based on the market data.

	<i>Average Unit Size</i>	<i>Sale Price</i>	<i>Price \$/SF</i>
Single-family, Large Lot	3,300 sq. ft.	\$2,000,000	\$606/SF
Single-family	2,200 sq. ft.	\$1,100,000	\$500/SF
Townhome	1,600 sq. ft.	\$800,000	\$500/SF
Condo	1,200 sq. ft.	\$690,000	\$575/SF

### 5.3 Estimated Market Rate Rents

KMA estimated market rents for newly developed rental units in Goleta based on rents for three apartment properties built in Goleta since 2015 including Arrive Los Carneros I and II and Hollister Village, as shown in Chart 3.



Source: CoStar

Based on these rent comparables, KMA estimates the average monthly rent for the apartment prototype (new construction) with a 960 square foot average unit size would be in the range of \$3,264 per month or approximately \$3.40 per square foot per month. Rental market data supporting these estimates are presented in Table 5-6. Rent estimates are summarized in Table 5-4.

	<i>Average Unit Size</i>	<i>Average Price/Rent</i>	<i>Rent \$/SF</i>
Apartment	960 sq. ft.	\$3,264	\$3.40/SF/Mo

<sup>11</sup> Effective monthly rent refers to rent after deducting concessions. As one example, free rent for the first month.

**Table 5-5**  
**Sales of Newer Homes in Goleta**  
**Residential Nexus Analysis**  
**City of Goleta**

Development	Sale Date	Yr Built	# Bed	# Bath	SF	Lot SF	Sale Price	Price / SF
<b>January 2018- December 2020</b>								
<b>TOWNHOMES / CONDOS</b>								
<b>Los Carneros</b>								
6611 Calle Koral	11/20/2020	2017	4	3	1,739	1,306	\$938,000	\$539
6527 Calle Koral	10/16/2020	2017	2	3	1,573		\$710,000	\$451
6547 Calle Koral	9/16/2020	2017	3	2.5	1,624		\$775,000	\$477
58 Rip Curl Pl	8/21/2020	2019	2	3	1,491		\$705,000	\$473
6584 Calle Koral	8/7/2020	2018	3	2	1,282		\$700,000	\$546
30 Rip Curl Pl	8/6/2020	2019	2	2	1,218		\$669,000	\$549
6526 Longboard Ct	2/21/2020	2017	2	3	1,573		\$730,000	\$464
6574 Calle Koral	1/17/2020	2018	3	3	1,548		\$745,000	\$481
6596 Calle Koral	12/30/2019	2019	2	2.5			\$672,000	
6590 Pipeline Pl	10/18/2019	2019	3	3	1,681		\$835,000	\$497
6524 Longboard Ct	10/10/2019	2017	2	3	1,573		\$719,000	\$457
50 Rip Curl Pl	8/30/2019	2019	3	3	1,681		\$798,414	\$475
6525 Calle Koral	8/27/2019	2017	3	2.5	1,494		\$720,000	\$482
38 Rip Curl Pl	7/29/2019	2019	3	3			\$850,000	
6616 Sand Castle Pl Unit C-1	5/24/2019	2017	4	3	2,347		\$1,125,000	\$479
6559 Calle Koral	5/10/2019	2017	3	2.5	1,674		\$760,000	\$454
6630 Sand Castle Pl Unit C-8	4/19/2019						\$995,000	
6721 Calle Koral	4/16/2019	2018	3	3	1,494		\$663,990	\$444
6717 Calle Koral	4/9/2019	2019	2	3	1,491		\$640,985	\$430
6600 Sand Castle Pl	4/5/2019	2018	3	3	1,681		\$779,990	\$464
6584 Pipeline Pl	3/13/2019	2018	2	2	1,218		\$641,643	\$527
6578 Pipeline Pl	3/6/2019	2018	3	3	1,880		\$760,447	\$404
6576 Pipeline Pl	2/22/2019	2018	3	3	1,880		\$745,000	\$396
6574 Pipeline Pl	2/22/2019	2019	3	2.5	1,290	1,056	\$681,000	\$528
6639 Calle Koral	1/4/2019	2017	3	2.5			\$705,000	
6705 Calle Koral	12/18/2018	2019	2	3	1,491		\$707,580	\$475
<b>City Ventures Winslowe</b>								
570 Bolinas Way #101	12/4/2020	2019	3	2.5	2,083		\$885,000	\$425
5668 Surfrider Way #103	9/9/2020	2018	3	4	1,780		\$760,000	\$427
542 Asilomar Way #101	8/31/2020	2020	3	2			\$802,191	
542 Asilomar Way #107	8/28/2020	2020	4	3			\$809,861	
529 Asilomar Way #103	6/30/2020	2020	4	3.5	2,083		\$830,334	\$399
5659 Stinson Way #102	6/30/2020	2020	4	3.5	1,742		\$785,000	\$451
5661 Ekwill St #103	3/31/2020	2020	3	3	2,047		\$763,901	\$373
5683 Stinson Way #103	1/29/2020	2019	3	3			\$838,027	
507 Bolinas Way #102	12/31/2019	2019	4	3.5	1,742		\$753,064	\$432
570 Bolinas Way #102	12/31/2019	2019	3	2.5	2,083		\$782,610	\$376
500 Bolinas Way #116	12/12/2019	2019	2	2			\$853,766	
507 Bolinas Way #103	10/18/2019	2019	3	3			\$721,506	
500 Bolinas Way #103	10/17/2019	2019	4	3			\$823,701	
507 Bolinas Way #101	9/20/2019	2019	3	2.5	1,792		\$802,990	\$448
567 Bolinas Way #104	6/28/2019	2019	3	2.5	1,742		\$726,018	\$417
5701 Surfrider Way #101	6/28/2019	2019	3	2.5	2,083		\$807,305	\$388
5690 Surfrider Way #107	4/8/2019	2018	3	2			\$729,990	
532 Bolinas Way #102	4/3/2019	2019	4	3.5	2,083		\$763,798	\$367
5685 Surfrider Way #101	3/20/2019	2018	3	2.5	2,083		\$799,990	\$384
5674 Surfrider Way #105	3/15/2019	2018	3	2.5	1,981		\$729,990	\$368
5680 Surfrider Way #104	2/1/2019	2018	3	2.5	1,742		\$737,154	\$423
5696 Surfrider Way #104	1/25/2019	2018	2	2.5	1,640		\$742,161	\$453
576 Asilomar Way #105	12/27/2018	2018	3	2.5	1,801		\$756,695	\$420
567 Bolinas Way #105	12/21/2018	2018	3	2.5	1,796		\$811,773	\$452
5673 Surfrider Way #101	12/18/2018	2018	3	2.5	2,083		\$820,000	\$394

**Table 5-5**  
**Sales of Newer Homes in Goleta**  
**Residential Nexus Analysis**  
**City of Goleta**

<b>Development</b>	<b>Sale Date</b>	<b>Yr Built</b>	<b># Bed</b>	<b># Bath</b>	<b>SF</b>	<b>Lot SF</b>	<b>Sale Price</b>	<b>Price / SF</b>
<b>January 2018- December 2020</b>								
<b>Willow Creek Condos</b>								
345 Kellogg Way 19	09/03/2020	2008	3	3	1,576	573	\$765,000	\$485
345 Kellogg Way 25	09/01/2020	2007	2	3	1,016	512	\$590,000	\$581
345 Kellogg Way 32	08/21/2020	2008	3	3	1,474	617	\$745,000	\$505
345 Kellogg Way 35	06/26/2020	2008	3	3	1,516	661	\$800,000	\$528
345 Kellogg Way 27	02/11/2020	2008	2	3	1,016	496	\$580,000	\$571
345 Kellogg Way 34	11/19/2018	2008	3	3	1,497	625	\$670,000	\$448
345 Kellogg Way 13	09/19/2018	2008	3	3	1,576	605	\$700,000	\$444
345 Kellogg Way 24	06/12/2018	2007	2	3	1,016	474	\$565,000	\$556
345 Kellogg Way 15	02/27/2018	2008	3	3	1,530	566	\$660,000	\$431
<b>The Hideaway</b>								
7965 Whimbrel Ln	09/02/2020	2015	3	3	1,899	1,354	\$895,000	\$471
156 Sanderling Ln	08/31/2020	2015	3	3	2,421	1,623	\$985,000	\$407
174 Sanderling Ln	08/11/2020	2015	4	3	2,421	1,614	\$1,000,000	\$413
207 Sanderling Ln	08/03/2020	2014	4	3	2,421	1,634	\$1,050,000	\$434
230 Sanderling Ln	07/08/2020	2015	4	4	3,116	1,719	\$1,050,000	\$337
192 Sanderling Ln	3/31/2020	2014	4	3			\$1,010,000	
35 Sanderling Ln	01/27/2020	2014	4	3	2,421	1,630	\$1,015,000	\$419
15 Sanderling Ln	12/05/2019	2014	4	3	2,421	1,615	\$1,050,000	\$434
102 Sanderling Ln	06/05/2019	2014	3	4	2,823	1,699	\$1,099,000	\$389
100 Sanderling Ln 11	05/29/2019	2014	4	4	3,116	1,730	\$1,115,000	\$358
20 Sanderling Ln	04/15/2019	2014	4	4	3,114	1,763	\$1,135,000	\$364
50 Sanderling Ln	12/12/2018	2014	4	4	3,138	1,786	\$1,200,000	\$382
7811 Whimbrel Ln	11/15/2018	2015	2	2	1,550	1,264	\$842,000	\$543
220 Sanderling Ln	08/14/2018	2015	3	4	3,207	1,776	\$1,050,000	\$327
70 Sanderling Ln	08/03/2018	2014	3	4	2,838	1,733	\$1,125,000	\$396
72 Sanderling Ln	06/12/2018	2014	3	4	3,114	1,761	\$1,298,000	\$417
7805 Whimbrel Ln	05/07/2018	2015	3	3	1,899	1,335	\$939,000	\$494
10 Sanderling Ln	03/02/2018	2013	4	4	3,207	1,777	\$1,249,000	\$389
<b>Storke Ranch</b>								
554 Springbrook Ct	09/13/2020	2000	2	3	1,222	579	\$725,000	\$593
595 Poppyfield Pl	12/27/2019	2000	2	3	1,222	579	\$682,000	\$558
566 Springbrook Ct	12/02/2019	2000	2	3	1,222	579	\$690,000	\$565
554 Poppyfield Pl	05/28/2019	2000	3	3	1,405	608	\$790,000	\$562
590 Poppyfield Pl	05/03/2019	2000	3	3	1,655	731	\$775,000	\$468
559 Poppyfield Pl	06/25/2018	2000	2	2	1,222	578	\$679,000	\$556
589 Sweet Rain Pl	06/22/2018	2000	2	3	1,222	578	\$680,000	\$556
569 Sweet Rain Pl	06/14/2018	2000	3	3	1,655	731	\$789,000	\$477
587 Poppyfield Pl	06/05/2018	2000	3	3	1,405	617	\$785,000	\$559

**Table 5-5**  
**Sales of Newer Homes in Goleta**  
**Residential Nexus Analysis**  
**City of Goleta**

Development	Sale Date	Yr Built	# Bed	# Bath	SF	Lot SF	Sale Price	Price / SF
<b>January 2018- December 2020</b>								
<b>SINGLE FAMILY DETACHED</b>								
<b>Elacora / Los Carneros</b>								
6626 Calle Koral Unit A-7	7/17/2020	2017	3	3	2,092		\$949,000	\$454
6646 Calle Koral	11/5/2019	2017	3	3	2,092		\$925,000	\$442
6630 Calle Koral	9/23/2019	2017	3	2.5	2,092		\$960,000	\$459
6658 Sand Castle Pl	7/30/2019	2019	4	3	2,450		\$1,074,424	\$439
36 Rip Curl Pl	7/26/2019	2019	3	2.5			\$860,000	
<b>Storke Ranch</b>								
6864 Buttonwood Ln	08/20/2020	2000	3	3	1,920	2,614	\$960,000	\$500
518 High Grove Ave	08/16/2019	2000	4	3	2,229	7,405	\$1,050,000	\$471
6797 Sweetwater Way	06/18/2019	2000	3	3	1,733	4,356	\$910,000	\$525
6899 Evening Song Ct	06/12/2019	2000	4	3	2,068	6,098	\$995,000	\$481
506 High Grove Ave	06/05/2019	2000	4	3	2,731	6,970	\$1,190,000	\$436
6793 Sweetwater Way	03/20/2019	2000	4	3	2,000	3,485	\$925,000	\$463
525 High Grove Ave	12/17/2018	2000	4	3	2,068	5,663	\$905,000	\$438
529 Peppergrass Ct	09/26/2018	2000	3	3	1,733	3,049	\$897,000	\$518
6831 Sweetwater Way	05/14/2018	2000	3	3	1,733	3,049	\$885,000	\$511
6820 Shadowbrook Dr	05/08/2018	2000	4	3	2,731	9,583	\$1,190,000	\$436
525 Peppergrass Ct	03/09/2018	2000	4	3	2,085	3,049	\$950,000	\$456
<b>The Bluffs</b>								
7755 Kestrel Ln	11/12/2020	2010	4	4.5		9,583	\$1,955,000	
251 Elderberry Dr	07/24/2020	2013	3	4	3,889	12,197	\$1,925,000	\$495
7778 Heron Ct	07/08/2020	2008	4	5	4,361	10,454	\$2,225,000	\$510
227 Elderberry Dr	03/02/2020	2007	3	4	3,912	9,583	\$1,774,500	\$454
355 Island Oak Ln	01/31/2020	2013	3	4	2,808	9,583	\$1,810,000	\$645
7726 Kestrel Ln	12/31/2019	2012	3	4	2,825	10,454	\$1,824,000	\$646
304 Elderberry Dr	01/15/2019	2013	3	4	3,889	10,454	\$2,125,000	\$546
339 Island Oak Ln	12/01/2018	2013	3	4	2,808	10,019	\$2,000,000	\$712
7785 Goldfield Ct	06/15/2018	2007	3	4	3,912	12,197	\$2,075,000	\$530
7732 Kestrel Ln	04/13/2018	2009	3	4	3,229	12,197	\$2,225,000	\$689
7744 Kestrel Ln	03/20/2018	2010	3	4	2,808	12,197	\$2,062,500	\$735
<b>Other</b>								
330 Ocean Walk Ln	9/24/2020	2016	4	4	2,031	1,061	\$937,500	\$462
220 Sea Cove Ln	08/10/2020	2014	3	3	1,740	886	\$548,000	\$315
284 King Daniel Ln	08/05/2020	2000	4	3	2,803	6,970	\$1,200,000	\$428
7739 Jenna Dr	05/05/2020	2001	3	2	1,634	6,534	\$910,000	\$557
6213 Avenida Gorrión	08/06/2019	2006	4	4	3,652	11,761	\$1,245,000	\$341
2413 Pacific Coast Dr	10/16/2018	2016	4	3	1,758	1,061	\$801,000	\$456
2213 Pacific Coast Dr	09/13/2018	2014	2	3	1,497	1,048	\$490,000	\$327
12 Violet Ln	08/23/2018	2004	4	4	3,313	10,890	\$799,000	\$241
256 Royal Linda Dr	08/23/2018	2001	4	4	4,318	8,712	\$1,385,000	\$321

Sources: Corelogic Listsource and Redfin.

**Table 5-6**  
**Average Effective Rents - Recently Built Units in Goleta**  
**Residential Nexus Analysis**  
**City of Goleta**

Source: CoStar

Building Name	Year Built	Stories	One Bedroom				Two Bedroom				Three Bedroom				All Units			
			% of Units	SF/ Unit	Effective Rent	Rent/ SF	% of Units	SF/ Unit	Effective Rent	Rent/ SF	% of Units	SF/ Unit	Effective Rent	Rent/ SF	Avg BRs	SF/ Unit	Effective Rent	Rent/ SF
Arrive Los Carneros II (designed as condos)	2020	3	62.5%	1,093	\$3,067	\$2.81	25%	1,312	\$3,616	\$2.76	12.5%	1,423	\$3,965	\$2.79	1.50	1,189	\$3,317	\$2.79
Arrive Los Carneros	2018	3	30%	893	\$2,978	\$3.33	66%	971	\$3,622	\$3.73	4%	1,199	\$3,867	\$3.22	1.74	957	\$3,441	\$3.60
Hollister Village	2015	3	36%	692	\$2,705	\$3.91	46%	1,083	\$3,110	\$2.87	19%	1,309	\$3,849	\$2.94	1.83	986	\$3,104	\$3.25
<b>Average Rents</b>			<b>43%</b>	<b>893</b>	<b>\$2,917</b>	<b>\$3.35</b>	<b>46%</b>	<b>1,122</b>	<b>\$3,449</b>	<b>\$3.12</b>	<b>12%</b>	<b>1,310</b>	<b>\$3,894</b>	<b>\$2.98</b>	<b>1.69</b>	<b>1,044</b>	<b>\$3,287</b>	<b>\$3.21</b>

**Table 5-7  
Summary of Recent and Planned  
Residential Construction  
Residential Nexus Analysis  
City of Goleta**

	SINGLE FAMILY DETACHED			
Project	Harvest Hill	Shelby	Avila at Los Carneros (Elacora)	Veleros at Los Carneros (Elacora)
Address	Cambridge Drive	7400 Cathedral Oaks	Los Carneros Rd	Los Carneros Rd
Status	Built 2017-2020	Approved	Sold	Sold
Site Size	5.59 acres (gross)	14.38 acres (gross)	5.35 acres	
Density	1 dua	4 dua	10 dua	
Units	Net lots: .46 ac- 1.31 ac 7 units	Lots: 7500 - 13,270 sf (excl. open space) 60 lots	Average lot size: 5,076 sf 28 units	
Unit Size Range	2,868 sf - 3,867 sf	3BR: 4BR: 3,886 sf	3BR: 2,029 sf 4BR: 2,116 sf	3BR: 1,738 sf 4 BR: 2,279 -2,417 sf
Average Unit Size	3,029 sf	2,275 sf	2,100 sf (est)	2,200 sf (est)
Bedroom Mix	14% 3BR 71% 4BR 14% 5BR	93% 3BR 7% 4BR	3BR 4BR	3, 4, 5 BR
Avg Bedrooms	4.0 BRs	3.1 BRs		
Building Type	One and two-story homes	Two-story homes	Two story homes alley style	Two-story homes
Off Street Parking/unit				

**Table 5-7  
Summary of Recent and Planned  
Residential Construction  
Residential Nexus Analysis  
City of Goleta**

	SFD, 2- & 3-PLEX	TOWNHOMES			
Project	Kenwood Village	Baliza at Los Carneros	Marisol at Los Carneros	Old Town Village (Winslowe City Ventures)	(rented) Citrus Village
Address	7300 Calle Real	Los Carneros Rd	Los Carneros Rd	Kellogg Avenue	7388 Calle Real
Status	Approved			Sold	Built
Site Size	10 acres	11.85 acres		9.79 acres (net)	0.94 acres
Density	6 dua	15 dua		18 dua	11 dua
Units	60 units	177 total units		175 homes	10 units
Unit Size Range	SFD; 1,691 - 2,555 sf SF Attached: 1,337 - 1,765 sf	2BR: 1,491 - 1,495 sf 3BR: 1,491 - 1,569 sf	2BR; 1,218 sf 3BR: 1,289 - 1,880 sf Larger 3BR have 4BR option.	2BR: 1,636 sf 3BR: 1,721 - 2,069 sf	3 BRs 1,430 sf - 1,478 sf
Average Unit Size	1,761 sf	1,600 sf (estimate from sales data)		1,818 sf	1,434 sf
Bedroom Mix	25% 2BR 75% 3BR	2BR and 3BR	2 to 4 BR	21% 2BR 79% 3BR (opt. 4BRs)	1 BR 2BR 100% 3BR
Avg Bedrooms	2.8 BRs			2.8 BRs	3.0 BRs
Building Type	Two story buildings w/garages	Two-story townhomes in 3, 4, 5, and 6-plex bldgs	Two-story townhomes	Two and Three-story attached units. Live/work spaces.	Five two-story duplexes
Off Street Parking/unit	2.42 sp/unit			2.8 sp/unit	2.75 sp/unit

**Table 5-7  
Summary of Recent and Planned  
Residential Construction  
Residential Nexus Analysis  
City of Goleta**

	CONDOS	APARTMENTS	
<b>Project</b>	<b>Olas at Los Carneros</b> [Became Arrive II Apartments]	<b>Arrive at Los Carneros</b>	<b>Arrive II Los Carneros</b> [formerly Olas at Los Carneros Condos]
<b>Address</b>	Los Carneros Rd	Los Carneros Rd	Los Carneros Rd
<b>Status</b>		Built 2018	Built 2020
<b>Site Size</b>	4.37 acres	3.08 acres (net)	4.37 acres
<b>Density</b>	20 dua	24 dua	20 dua
<b>Units</b>	88 units	74 units	88 units
<b>Unit Size Range</b>	1BR: 1,093 sf 2BR:1,312 sf 3BR:1,423 sf	1BR: 893 sf 2BR: 971 sf 3BR: 1,199 sf	1BR: 1,093 sf 2BR:1,312 sf 3BR:1,423 sf
<b>Average Unit Size</b>	1,189 sf	957 sf	1,189 sf
<b>Bedroom Mix</b>	63% 1 BR 25% 2BR 13% 3BR	30% 1 BR 66% 2BR 4% 3BR	63% 1 BR 25% 2BR 13% 3BR
<b>Avg Bedrooms</b>	1.5 BRs	1.7 BRs	1.5 BRs
<b>Building Type</b>	Three stories over partial subterranean garage	Three stories with podium, partial subterranean parking.	Three stories. Built as condos.
<b>Off Street Parking/unit</b>			

**Table 5-7  
Summary of Recent and Planned  
Residential Construction  
Residential Nexus Analysis  
City of Goleta**

	APARTMENTS		
Project	Cortona Apartments	Heritage Ridge	Hollister Village
Address	6830 Cortona	Los Carneros Rd Workforce & Snr. Units	100 Baldwin Dr
Status	Opening 2021	Approved	Built 2015
Site Size	8.86 acres	14.05 acres (net)	13.08 acres
Density	20 dua	25 dua	20 dua
Units	176 units	353 units	266 units
Unit Size Range		(Above incl. senr.) Workforce Units: One BR: 681 - 686 sf 2BR: 798 - 847 sf 3BR: 988 sf	1BR: 678 - 720 sf 2BR: 951 -1,194 sf 3BR: 1282 - 1,357 sf
Average Unit Size	907 sf (estimated)	747 EST sf	986 sf
Bedroom Mix	38% 1 BR 57% 2BR 6% 3BR	67% 1 BR 23% 2BR 11% 3BR	36% 1 BR 45% 2BR 19% 3BR
Avg Bedrooms	1.7 BRs	1.4 BRs	1.8 BRs
Building Type	Two and three story buildings.	Two and three story buildings w/ carports.	Three floors
Off Street Parking/unit	1.86 sp/unit	1.6 sp/unit	

**APPENDIX A: ADDITIONAL BACKGROUND AND NOTES ON SPECIFIC ASSUMPTIONS**

---

## **A. No Excess Supply of Affordable Housing**

An assumption of this Residential Nexus Analysis is that there is no excess supply of affordable housing available to absorb or offset new demand; therefore, new affordable units are needed to mitigate the new affordable housing demand generated by development of new market rate residential units. Based on a review of the current Census information for Goleta, conditions are consistent with this underlying assumption. According to the Census (2015 to 2019 ACS), approximately 40% of all households in the City were paying thirty percent or more of their income on housing. For households with income of less than \$75,000 per year, a group that includes approximately 41% of all households in Goleta, 71% were paying thirty percent or more of their income on housing. In addition, housing vacancy is minimal.

## **B. Geographic Area of Impact**

The Residential Nexus Analysis quantifies impacts occurring within Santa Barbara County. While many of the impacts will occur within the City, some impacts will be experienced elsewhere in Santa Barbara County and beyond. The IMPLAN model computes the jobs generated within the county and sorts out those that occur beyond the county boundaries. The analysis evaluates the income structure of jobs and their worker households, without assumptions as to where the worker households live.

In summary, the nexus analysis quantifies all the job impacts occurring within the county and related worker households. Job impacts, like most types of impacts, occur irrespective of political boundaries. And like other types of impact analyses, such as traffic, impacts beyond city boundaries may be mitigated by the city. For clarification, counting all impacts associated with new housing units does not result in double counting, even if all jurisdictions were to adopt similar programs. The impact of a new housing unit is only counted once, in the jurisdiction in which it occurs.

## **C. Affordability Gap**

The use of the affordability gap for establishing a total nexus cost is grounded in the concept that a jurisdiction will be responsible for delivering affordable units to mitigate impacts. The nexus analysis has established that units will be needed at one or more different affordability levels and that the financing sources available vary based on the income/affordability level.

The units assisted by the public sector for affordable households are usually small in square foot area (for the number of bedrooms) and modest in finishes and amenities. As a result, in some communities these units are similar in physical configuration to what the market is delivering at market rate, in other communities they may be smaller and more modest than what the market is delivering. Parking, for example, is usually the minimum permitted by the code. KMA tries to develop a total development cost summary that represents the lower half of the average range, but not so low as to be unrealistic.

#### **D. The Burden of Paying for Affordable Housing**

Goleta's inclusionary housing program does not place all burden for the creation of affordable housing on new residential construction. The burden of affordable housing is also borne by many sectors of the economy and society. A most important source of funding for affordable housing development comes from the federal government in the form of tax credits (which result in reduced income tax payment by tax credit investors in exchange for equity funding).

Additionally, there are other federal grant and loan programs administered by the Department of Housing and Urban Development and other federal agencies. The State of California also plays a major role with several special financing and funding programs. Much of the state money is funded by voter approved bond measures paid for by all Californians.

Local governments play a large role in affordable housing. In addition, private sector lenders play an important role. Then there is the non-profit sector, both sponsors and developers that build much of the affordable housing.

In summary, all levels of government and many private parties, for profit and non-profit contribute to supplying affordable housing. Residential developers are not being asked to bear the burden alone any more than they are assumed to be the only source of demand or cause for needing affordable housing in our communities. Based on past experience, affordable housing requirements placed on residential development will satisfy only a small percentage of the affordable housing needs in the City of Goleta.

**APPENDIX B: WORKER OCCUPATIONS AND COMPENSATION LEVELS**

---

**RESIDENTIAL NEXUS APPENDIX B TABLE 1  
 WORKER OCCUPATION DISTRIBUTION, 2019  
 SERVICES TO HOUSEHOLDS EARNING \$100 - \$150K, RESIDENT SERVICES  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA**

---

<b>Major Occupations (2% or more)</b>	<b>Worker Occupation Distribution<sup>1</sup> Services to Households Earning \$100,000 to \$150,000</b>
Management Occupations	4.7%
Business and Financial Operations Occupations	4.5%
Community and Social Service Occupations	2.0%
Educational Instruction and Library Occupations	2.2%
Healthcare Practitioners and Technical Occupations	8.1%
Healthcare Support Occupations	7.4%
Food Preparation and Serving Related Occupations	15.6%
Building and Grounds Cleaning and Maintenance Occupations	3.4%
Personal Care and Service Occupations	4.0%
Sales and Related Occupations	12.2%
Office and Administrative Support Occupations	12.2%
Installation, Maintenance, and Repair Occupations	3.7%
All Other Worker Occupations - Services to Households Earning \$100,000 to \$150,000	<u>20.1%</u>
<b>INDUSTRY TOTAL</b>	100.0%

---

<sup>1</sup> Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

RESIDENTIAL NEXUS APPENDIX B TABLE 2  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>3</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>6</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Management Occupations</i>						
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	33.3%	1.6%
Sales Managers	\$132,500	\$139,000	\$201,000	\$231,000	4.2%	0.2%
Administrative Services and Facilities Managers	\$106,000	\$115,000	\$176,000	\$205,000	3.4%	0.2%
Computer and Information Systems Managers	\$186,600	\$197,000	\$255,000	\$279,000	4.1%	0.2%
Financial Managers	\$143,800	\$150,000	\$218,000	\$251,000	8.1%	0.4%
Food Service Managers	\$64,200	\$73,000	\$125,000	\$154,000	5.7%	0.3%
Medical and Health Services Managers	\$124,700	\$135,000	\$207,000	\$241,000	7.3%	0.3%
Property, Real Estate, and Community Association Managers	\$67,300	\$76,000	\$131,000	\$161,000	9.6%	0.5%
Social and Community Service Managers	\$93,900	\$103,000	\$162,000	\$192,000	3.3%	0.2%
Personal Service and Entertainment and Recreation Managers	\$133,600	\$140,000	\$203,000	\$233,000	4.1%	0.2%
All Other Management Occupations	<u>\$117,800</u>	<u>\$127,000</u>	<u>\$195,000</u>	<u>\$228,000</u>	<u>16.9%</u>	<u>0.8%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$117,800</b>	<b>\$125,000</b>	<b>\$187,000</b>	<b>\$217,000</b>	<b>100.0%</b>	<b>4.7%</b>
<i>Business and Financial Operations Occupations</i>						
Buyers and Purchasing Agents	\$73,900	\$84,000	\$144,000	\$177,000	3.1%	0.1%
Human Resources Specialists	\$72,700	\$83,000	\$142,000	\$174,000	6.9%	0.3%
Management Analysts	\$83,000	\$91,000	\$143,000	\$170,000	6.2%	0.3%
Training and Development Specialists	\$71,600	\$81,000	\$140,000	\$171,000	3.8%	0.2%
Market Research Analysts and Marketing Specialists	\$68,000	\$77,000	\$133,000	\$163,000	9.3%	0.4%
Project Management and Business Operations Specialists	\$71,300	\$81,000	\$139,000	\$171,000	12.4%	0.6%
Accountants and Auditors	\$85,400	\$93,000	\$147,000	\$175,000	16.0%	0.7%
Personal Financial Advisors	\$157,000	\$166,000	\$214,000	\$235,000	8.2%	0.4%
Financial, Investment, and Risk Specialists	\$93,900	\$103,000	\$162,000	\$192,000	9.9%	0.4%
All Other Business and Financial Operations Occupations	<u>\$87,300</u>	<u>\$95,000</u>	<u>\$151,000</u>	<u>\$179,000</u>	<u>24.0%</u>	<u>1.1%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$87,300</b>	<b>\$96,000</b>	<b>\$152,000</b>	<b>\$180,000</b>	<b>100.0%</b>	<b>4.5%</b>
<i>Community and Social Service Occupations</i>						
Educational, Guidance, and Career Counselors and Advisors	\$86,600	\$95,000	\$149,000	\$177,000	4.5%	0.1%
Marriage and Family Therapists	\$70,400	\$80,000	\$137,000	\$168,000	3.3%	0.1%
Rehabilitation Counselors	\$35,900	\$45,000	\$91,000	\$133,000	5.7%	0.1%
Substance abuse, behavioral, and mental health counselors	\$60,700	\$69,000	\$118,000	\$145,000	15.7%	0.3%
Child, Family, and School Social Workers	\$58,300	\$75,000	\$122,000	\$162,000	8.0%	0.2%
Healthcare Social Workers	\$63,900	\$73,000	\$125,000	\$153,000	7.4%	0.2%
Mental Health and Substance Abuse Social Workers	\$80,600	\$88,000	\$139,000	\$165,000	6.1%	0.1%
Social and Human Service Assistants	\$46,400	\$59,000	\$105,000	\$136,000	19.1%	0.4%
Community and Social Service Specialists, All Other	\$52,700	\$68,000	\$110,000	\$146,000	3.1%	0.1%
Clergy	\$78,400	\$89,000	\$153,000	\$187,000	10.2%	0.2%
Directors, Religious Activities and Education	\$70,100	\$80,000	\$137,000	\$168,000	6.6%	0.1%
All Other Community and Social Service Occupations	<u>\$61,600</u>	<u>\$70,000</u>	<u>\$120,000</u>	<u>\$147,000</u>	<u>10.3%</u>	<u>0.2%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$61,600</b>	<b>\$72,000</b>	<b>\$123,000</b>	<b>\$154,000</b>	<b>100.0%</b>	<b>2.0%</b>

RESIDENTIAL NEXUS APPENDIX B TABLE 2  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>o</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>6</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Educational Instruction and Library Occupations</i>						
Preschool Teachers, Except Special Education	\$37,500	\$47,000	\$95,000	\$139,000	14.4%	0.3%
Elementary School Teachers, Except Special Education	\$83,200	\$91,000	\$143,000	\$170,000	6.8%	0.2%
Secondary School Teachers	\$78,800	\$89,000	\$154,000	\$188,000	4.7%	0.1%
Self-Enrichment Teachers	\$45,900	\$58,000	\$103,000	\$135,000	13.6%	0.3%
Substitute Teachers, Short-Term	\$39,700	\$50,000	\$101,000	\$147,000	4.1%	0.1%
Tutors and Teachers and Instructors, All Other*	\$70,300	\$80,000	\$137,000	\$168,000	7.2%	0.2%
Teaching Assistants, Except Postsecondary*	\$36,600	\$46,000	\$93,000	\$136,000	13.7%	0.3%
All Other Educational Instruction and Library Occupations	<u>\$50,700</u>	<u>\$65,000</u>	<u>\$106,000</u>	<u>\$141,000</u>	<u>35.5%</u>	<u>0.8%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$50,700</b>	<b>\$62,000</b>	<b>\$109,000</b>	<b>\$146,000</b>	<b>100.0%</b>	<b>2.2%</b>
<i>Healthcare Practitioners and Technical Occupations</i>						
Pharmacists	\$161,200	\$170,000	\$220,000	\$241,000	4.4%	0.4%
Physical Therapists	\$102,900	\$111,000	\$171,000	\$199,000	3.0%	0.2%
Registered Nurses	\$111,300	\$120,000	\$185,000	\$215,000	29.0%	2.3%
Physicians and Ophthalmologists, Except Pediatric	\$194,600	\$205,000	\$265,000	\$291,000	5.2%	0.4%
Dental Hygienists	\$143,200	\$150,000	\$217,000	\$249,000	4.2%	0.3%
Clinical Laboratory Technologists and Technicians	\$73,300	\$83,000	\$143,000	\$175,000	3.6%	0.3%
Pharmacy Technicians	\$51,100	\$65,000	\$107,000	\$142,000	6.0%	0.5%
Licensed Practical and Licensed Vocational Nurses	\$62,200	\$71,000	\$121,000	\$149,000	8.0%	0.6%
Medical Dosimetrists, Records, Health Technicians	\$53,400	\$68,000	\$111,000	\$148,000	3.6%	0.3%
All Other Healthcare Practitioners and Technical Occupations	<u>\$106,200</u>	<u>\$115,000</u>	<u>\$176,000</u>	<u>\$205,000</u>	<u>33.0%</u>	<u>2.7%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$106,200</b>	<b>\$116,000</b>	<b>\$175,000</b>	<b>\$204,000</b>	<b>100.0%</b>	<b>8.1%</b>
<i>Healthcare Support Occupations</i>						
Home Health and Personal Care Aides	\$30,000	\$38,000	\$76,000	\$111,000	51.9%	3.9%
Nursing Assistants	\$38,300	\$48,000	\$97,000	\$142,000	16.7%	1.2%
Dental Assistants	\$50,700	\$65,000	\$106,000	\$141,000	7.1%	0.5%
Medical Assistants	\$37,800	\$47,000	\$96,000	\$140,000	12.5%	0.9%
All Other Healthcare Support Occupations	<u>\$34,300</u>	<u>\$43,000</u>	<u>\$87,000</u>	<u>\$127,000</u>	<u>11.8%</u>	<u>0.9%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$34,300</b>	<b>\$43,000</b>	<b>\$85,000</b>	<b>\$124,000</b>	<b>100.0%</b>	<b>7.4%</b>

RESIDENTIAL NEXUS APPENDIX B TABLE 2  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>3</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>6</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Food Preparation and Serving Related Occupations</i>						
Supervisors of Food Preparation and Serving Workers	\$39,200	\$49,000	\$100,000	\$146,000	7.4%	1.2%
Cooks, Fast Food	\$29,100	\$40,000	\$76,000	\$118,000	4.0%	0.6%
Cooks, Restaurant	\$32,900	\$41,000	\$84,000	\$122,000	10.3%	1.6%
Food Preparation Workers	\$30,800	\$39,000	\$78,000	\$114,000	6.1%	0.9%
Bartenders	\$33,800	\$42,000	\$86,000	\$126,000	6.3%	1.0%
Fast Food and Counter Workers	\$29,100	\$40,000	\$76,000	\$118,000	29.5%	4.6%
Waiters and Waitresses	\$34,800	\$44,000	\$88,000	\$129,000	19.1%	3.0%
Dining Room and Cafeteria Attendants and Bartender Helpers	\$29,100	\$40,000	\$76,000	\$118,000	3.2%	0.5%
Dishwashers	\$29,100	\$40,000	\$76,000	\$118,000	3.9%	0.6%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$29,100	\$40,000	\$76,000	\$118,000	3.1%	0.5%
All Other Food Preparation and Serving Related Occupations	<u>\$31,900</u>	<u>\$40,000</u>	<u>\$81,000</u>	<u>\$119,000</u>	<u>7.2%</u>	<u>1.1%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$31,900</b>	<b>\$42,000</b>	<b>\$82,000</b>	<b>\$123,000</b>	<b>100.0%</b>	<b>15.6%</b>
<i>Building and Grounds Cleaning and Maintenance Occupations</i>						
Supervisors of Landscaping, Lawn, & Groundskeeping Workers	\$51,200	\$66,000	\$107,000	\$142,000	3.4%	0.1%
Janitors and Cleaners	\$34,500	\$43,000	\$88,000	\$128,000	44.1%	1.5%
Maids and Housekeeping Cleaners	\$31,500	\$40,000	\$80,000	\$117,000	12.5%	0.4%
Pest Control Workers	\$41,800	\$53,000	\$94,000	\$123,000	3.5%	0.1%
Landscaping and Groundskeeping Workers	\$33,500	\$42,000	\$85,000	\$124,000	30.2%	1.0%
All Other Building and Grounds Cleaning and Maint. Occupations	<u>\$34,700</u>	<u>\$44,000</u>	<u>\$88,000</u>	<u>\$129,000</u>	<u>6.3%</u>	<u>0.2%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$34,700</b>	<b>\$44,000</b>	<b>\$87,000</b>	<b>\$126,000</b>	<b>100.0%</b>	<b>3.4%</b>
<i>Personal Care and Service Occupations</i>						
Supervisors of Personal Service, Entert. & Rec. Workers	\$47,900	\$60,000	\$108,000	\$141,000	6.1%	0.2%
Animal Caretakers	\$36,000	\$45,000	\$91,000	\$134,000	10.8%	0.4%
Ushers, Lobby Attendants, and Ticket Takers	\$29,100	\$40,000	\$76,000	\$118,000	3.8%	0.2%
Amusement and Recreation Attendants	\$29,100	\$40,000	\$76,000	\$118,000	4.6%	0.2%
Hairdressers, Hairstylists, and Cosmetologists	\$39,100	\$49,000	\$99,000	\$145,000	18.3%	0.7%
Manicurists and Pedicurists	\$30,400	\$38,000	\$77,000	\$113,000	5.8%	0.2%
Childcare Workers	\$33,200	\$42,000	\$84,000	\$123,000	11.4%	0.5%
Exercise Trainers and Group Fitness Instructors	\$58,700	\$75,000	\$122,000	\$163,000	11.2%	0.4%
Recreation Workers	\$33,500	\$42,000	\$85,000	\$124,000	7.1%	0.3%
All Other Personal Care and Service Occupations	<u>\$39,100</u>	<u>\$49,000</u>	<u>\$99,000</u>	<u>\$145,000</u>	<u>20.9%</u>	<u>0.8%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$39,100</b>	<b>\$49,000</b>	<b>\$95,000</b>	<b>\$137,000</b>	<b>100.0%</b>	<b>4.0%</b>
<i>Sales and Related Occupations</i>						
First-Line Supervisors of Retail Sales Workers	\$46,000	\$58,000	\$104,000	\$135,000	9.0%	1.1%
Cashiers	\$29,200	\$40,000	\$76,000	\$118,000	26.6%	3.2%
Counter and Rental Clerks	\$36,000	\$45,000	\$91,000	\$134,000	4.7%	0.6%
Retail Salespersons	\$32,900	\$41,000	\$84,000	\$122,000	36.5%	4.4%
Securities, Commodities, and Financial Services Sales	\$64,000	\$73,000	\$125,000	\$153,000	3.6%	0.4%
Sales Representatives	\$63,000	\$71,000	\$123,000	\$151,000	5.2%	0.6%
Sales Reps., Wholesale & Manuf., Except Tech. and Scientific	\$75,500	\$86,000	\$147,000	\$181,000	3.1%	0.4%
All Other Sales and Related Occupations	<u>\$37,800</u>	<u>\$47,000</u>	<u>\$96,000</u>	<u>\$140,000</u>	<u>11.4%</u>	<u>1.4%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$37,800</b>	<b>\$47,000</b>	<b>\$91,000</b>	<b>\$129,000</b>	<b>100.0%</b>	<b>12.2%</b>

RESIDENTIAL NEXUS APPENDIX B TABLE 2  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>2</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>3</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Office and Administrative Support Occupations</i>						
First-Line Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	7.3%	0.9%
Billing and Posting Clerks	\$45,400	\$57,000	\$102,000	\$133,000	3.2%	0.4%
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	8.0%	1.0%
Customer Service Representatives	\$41,300	\$52,000	\$93,000	\$121,000	14.4%	1.8%
Receptionists and Information Clerks	\$34,800	\$44,000	\$88,000	\$129,000	10.3%	1.3%
Medical Secretaries and Administrative Assistants	\$43,700	\$55,000	\$99,000	\$128,000	5.9%	0.7%
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	11.1%	1.4%
Office Clerks, General	\$40,400	\$51,000	\$91,000	\$119,000	16.6%	2.0%
All Other Office and Administrative Support Occupations	<u>\$44,700</u>	<u>\$56,000</u>	<u>\$101,000</u>	<u>\$131,000</u>	<u>23.2%</u>	<u>2.8%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$44,700</b>	<b>\$56,000</b>	<b>\$100,000</b>	<b>\$131,000</b>	<b>100.0%</b>	<b>12.2%</b>
<i>Installation, Maintenance, and Repair Occupations</i>						
Supervisors of Mechanics, Installers, and Repairers	\$78,400	\$89,000	\$153,000	\$187,000	8.2%	0.3%
Automotive Body and Related Repairers	\$62,500	\$71,000	\$122,000	\$149,000	8.1%	0.3%
Automotive Service Technicians and Mechanics	\$45,600	\$58,000	\$103,000	\$134,000	21.7%	0.8%
Bus and Truck Mechanics and Diesel Engine Specialists	\$52,800	\$68,000	\$110,000	\$147,000	4.6%	0.2%
Maintenance and Repair Workers, General	\$45,600	\$58,000	\$103,000	\$134,000	33.8%	1.2%
All Other Installation, Maintenance, and Repair Occupations	<u>\$51,300</u>	<u>\$66,000</u>	<u>\$107,000</u>	<u>\$143,000</u>	<u>23.7%</u>	<u>0.9%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$51,300</b>	<b>\$64,000</b>	<b>\$110,000</b>	<b>\$142,000</b>	<b>100.0%</b>	<b>3.7%</b>
						79.9%

<sup>1</sup> The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks. Compensations are adjusted upward where necessary to reflect the State minimum wage of \$14/hour effective January 1, 2021.

<sup>2</sup> Occupation percentages are based on the 2019 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to Santa Barbara County as of 2019 and are adjusted by EDD to the first quarter of 2020.

<sup>3</sup> Including occupations representing 3% or more of the major occupation group

<sup>4</sup> Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-11.

**RESIDENTIAL NEXUS APPENDIX B TABLE 3  
 WORKER OCCUPATION DISTRIBUTION, 2019  
 SERVICES TO HOUSEHOLDS EARNING \$150K - \$200K, RESIDENT SERVICES  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA**

---

<b>Major Occupations (2% or more)</b>	<b>Worker Occupation Distribution<sup>1</sup> Services to Households Earning \$150k - \$200k</b>
IMPLAN MODEL RESIDUAL	4.4%
Management Occupations	4.8%
Business and Financial Operations Occupations	4.7%
Computer and Mathematical Occupations	2.0%
Educational Instruction and Library Occupations	2.9%
Healthcare Practitioners and Technical Occupations	6.8%
Healthcare Support Occupations	6.3%
Food Preparation and Serving Related Occupations	14.8%
Building and Grounds Cleaning and Maintenance Occupations	3.9%
Personal Care and Service Occupations	4.2%
Sales and Related Occupations	12.1%
Office and Administrative Support Occupations	12.2%
All Other Worker Occupations - Services to Households Earning \$150k - \$200k	<u>20.8%</u>
<b>INDUSTRY TOTAL</b>	100.0%

---

<sup>1</sup> Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

RESIDENTIAL NEXUS APPENDIX B TABLE 4  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$150K - \$200K  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>3</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>2</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Page 1 of 4</i>						
<i>Management Occupations</i>						
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	34.7%	1.7%
Sales Managers	\$132,500	\$139,000	\$201,000	\$231,000	4.3%	0.2%
Administrative Services and Facilities Managers	\$106,000	\$115,000	\$176,000	\$205,000	3.3%	0.2%
Computer and Information Systems Managers	\$186,600	\$197,000	\$255,000	\$279,000	4.2%	0.2%
Financial Managers	\$143,800	\$150,000	\$218,000	\$251,000	8.5%	0.4%
Food Service Managers	\$64,200	\$73,000	\$125,000	\$154,000	5.4%	0.3%
Medical and Health Services Managers	\$124,700	\$135,000	\$207,000	\$241,000	5.8%	0.3%
Property, Real Estate, and Community Association Managers	\$67,300	\$76,000	\$131,000	\$161,000	9.0%	0.4%
Social and Community Service Managers	\$93,900	\$103,000	\$162,000	\$192,000	3.0%	0.1%
Personal Service and Entertainment and Recreation Managers	\$133,600	\$140,000	\$203,000	\$233,000	4.2%	0.2%
All Other Management Occupations	<u>\$118,700</u>	<u>\$128,000</u>	<u>\$197,000</u>	<u>\$230,000</u>	<u>17.7%</u>	<u>0.8%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$118,700</b>	<b>\$126,000</b>	<b>\$188,000</b>	<b>\$218,000</b>	<b>100.0%</b>	<b>4.8%</b>
<i>Business and Financial Operations Occupations</i>						
Human Resources Specialists	\$72,700	\$83,000	\$142,000	\$174,000	6.4%	0.3%
Management Analysts	\$83,000	\$91,000	\$143,000	\$170,000	6.1%	0.3%
Training and Development Specialists	\$71,600	\$81,000	\$140,000	\$171,000	3.9%	0.2%
Market Research Analysts and Marketing Specialists	\$68,000	\$77,000	\$133,000	\$163,000	9.0%	0.4%
Project Management and Business Operations Specialists	\$71,300	\$81,000	\$139,000	\$171,000	12.2%	0.6%
Accountants and Auditors	\$85,400	\$93,000	\$147,000	\$175,000	15.5%	0.7%
Personal Financial Advisors	\$157,000	\$166,000	\$214,000	\$235,000	9.3%	0.4%
Financial, Investment, and Risk Specialists	\$93,900	\$103,000	\$162,000	\$192,000	10.5%	0.5%
All Other Business and Financial Operations Occupations	<u>\$89,200</u>	<u>\$97,000</u>	<u>\$154,000</u>	<u>\$182,000</u>	<u>27.2%</u>	<u>1.3%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$89,200</b>	<b>\$98,000</b>	<b>\$154,000</b>	<b>\$182,000</b>	<b>100.0%</b>	<b>4.7%</b>
<i>Computer and Mathematical Occupations</i>						
Computer Systems Analysts	\$111,900	\$121,000	\$186,000	\$216,000	11.8%	0.2%
Information Security Analysts	\$101,200	\$109,000	\$168,000	\$196,000	3.5%	0.1%
Computer Network Support Specialists	\$73,400	\$83,000	\$143,000	\$176,000	3.5%	0.1%
Computer User Support Specialists	\$59,100	\$76,000	\$123,000	\$164,000	14.2%	0.3%
Network and Computer Systems Administrators	\$100,400	\$109,000	\$167,000	\$194,000	7.4%	0.1%
Database Administrators and Architects*	\$77,800	\$88,000	\$152,000	\$186,000	3.3%	0.1%
Computer Programmers	\$99,600	\$109,000	\$172,000	\$204,000	3.7%	0.1%
Software Developers and Software Quality Assurance Analysts	\$113,600	\$123,000	\$188,000	\$220,000	32.7%	0.7%
Web Developers and Digital Interface Designers*	\$83,200	\$91,000	\$143,000	\$170,000	4.7%	0.1%
Computer Occupations, All Other	\$80,300	\$88,000	\$138,000	\$164,000	6.5%	0.1%
All Other Computer and Mathematical Occupations	<u>\$96,000</u>	<u>\$105,000</u>	<u>\$166,000</u>	<u>\$196,000</u>	<u>8.8%</u>	<u>0.2%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$96,000</b>	<b>\$106,000</b>	<b>\$166,000</b>	<b>\$197,000</b>	<b>100.0%</b>	<b>2.0%</b>

RESIDENTIAL NEXUS APPENDIX B TABLE 4  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$150K - \$200K  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>3</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>2</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Educational Instruction and Library Occupations</i>						
Health Specialties Teachers, Postsecondary	\$105,400	\$114,000	\$175,000	\$204,000	3.6%	0.1%
Career/Technical Education Teachers, Postsecondary	\$85,000	\$93,000	\$147,000	\$174,000	4.3%	0.1%
Postsecondary Teachers, All Other	\$88,000	\$96,000	\$152,000	\$180,000	3.5%	0.1%
Preschool Teachers, Except Special Education	\$37,500	\$47,000	\$95,000	\$139,000	10.3%	0.3%
Elementary School Teachers, Except Special Education	\$83,200	\$91,000	\$143,000	\$170,000	5.1%	0.1%
Secondary School Teachers	\$78,800	\$89,000	\$154,000	\$188,000	3.6%	0.1%
Self-Enrichment Teachers	\$45,900	\$58,000	\$103,000	\$135,000	14.9%	0.4%
Substitute Teachers, Short-Term	\$39,700	\$50,000	\$101,000	\$147,000	3.3%	0.1%
Tutors and Teachers and Instructors, All Other*	\$70,300	\$80,000	\$137,000	\$168,000	8.7%	0.3%
Teaching Assistants, Except Postsecondary*	\$36,600	\$46,000	\$93,000	\$136,000	11.0%	0.3%
All Other Educational Instruction and Library Occupations	<u>\$58,200</u>	<u>\$75,000</u>	<u>\$121,000</u>	<u>\$162,000</u>	<u>31.8%</u>	<u>0.9%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$58,200</b>	<b>\$70,000</b>	<b>\$120,000</b>	<b>\$157,000</b>	<b>100.0%</b>	<b>2.9%</b>
<i>Healthcare Practitioners and Technical Occupations</i>						
Pharmacists	\$161,200	\$170,000	\$220,000	\$241,000	4.8%	0.3%
Registered Nurses	\$111,300	\$120,000	\$185,000	\$215,000	26.4%	1.8%
Nurse Practitioners	\$141,300	\$148,000	\$214,000	\$246,000	3.2%	0.2%
Physicians and Ophthalmologists, Except Pediatric	\$194,600	\$205,000	\$265,000	\$291,000	5.7%	0.4%
Dental Hygienists	\$143,200	\$150,000	\$217,000	\$249,000	4.2%	0.3%
Clinical Laboratory Technologists and Technicians	\$73,300	\$83,000	\$143,000	\$175,000	3.6%	0.2%
Pharmacy Technicians	\$51,100	\$65,000	\$107,000	\$142,000	6.7%	0.5%
Licensed Practical and Licensed Vocational Nurses	\$62,200	\$71,000	\$121,000	\$149,000	6.4%	0.4%
Medical Dosimetrists, Records, Health Technicians	\$53,400	\$68,000	\$111,000	\$148,000	3.6%	0.2%
All Other Healthcare Practitioners and Technical Occupations	<u>\$109,400</u>	<u>\$118,000</u>	<u>\$181,000</u>	<u>\$212,000</u>	<u>35.6%</u>	<u>2.4%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$109,400</b>	<b>\$119,000</b>	<b>\$179,000</b>	<b>\$209,000</b>	<b>100.0%</b>	<b>6.8%</b>
<i>Healthcare Support Occupations</i>						
Home Health and Personal Care Aides	\$30,000	\$38,000	\$76,000	\$111,000	55.1%	3.4%
Nursing Assistants	\$38,300	\$48,000	\$97,000	\$142,000	11.1%	0.7%
Dental Assistants	\$50,700	\$65,000	\$106,000	\$141,000	7.1%	0.4%
Medical Assistants	\$37,800	\$47,000	\$96,000	\$140,000	13.3%	0.8%
All Other Healthcare Support Occupations	<u>\$34,000</u>	<u>\$43,000</u>	<u>\$86,000</u>	<u>\$126,000</u>	<u>13.4%</u>	<u>0.8%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$34,000</b>	<b>\$43,000</b>	<b>\$84,000</b>	<b>\$122,000</b>	<b>100.0%</b>	<b>6.3%</b>

RESIDENTIAL NEXUS APPENDIX B TABLE 4  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$150K - \$200K  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>3</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>2</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Food Preparation and Serving Related Occupations</i>						
Supervisors of Food Preparation and Serving Workers	\$39,200	\$49,000	\$100,000	\$146,000	7.4%	1.1%
Cooks, Fast Food	\$29,100	\$40,000	\$76,000	\$118,000	4.0%	0.6%
Cooks, Restaurant	\$32,900	\$41,000	\$84,000	\$122,000	10.4%	1.5%
Food Preparation Workers	\$30,800	\$39,000	\$78,000	\$114,000	6.1%	0.9%
Bartenders	\$33,800	\$42,000	\$86,000	\$126,000	6.6%	1.0%
Fast Food and Counter Workers	\$29,100	\$40,000	\$76,000	\$118,000	29.7%	4.4%
Waiters and Waitresses	\$34,800	\$44,000	\$88,000	\$129,000	19.2%	2.8%
Dining Room and Cafeteria Attendants and Bartender Helpers	\$29,100	\$40,000	\$76,000	\$118,000	3.2%	0.5%
Dishwashers	\$29,100	\$40,000	\$76,000	\$118,000	3.9%	0.6%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$29,100	\$40,000	\$76,000	\$118,000	3.1%	0.5%
All Other Food Preparation and Serving Related Occupations	<u>\$31,900</u>	<u>\$40,000</u>	<u>\$81,000</u>	<u>\$119,000</u>	6.5%	1.0%
<b>Weighted Mean Annual Wage</b>	<b>\$31,900</b>	<b>\$42,000</b>	<b>\$82,000</b>	<b>\$123,000</b>	<b>100.0%</b>	<b>14.8%</b>
<i>Building and Grounds Cleaning and Maintenance Occupations</i>						
Supervisors of Landscaping, Lawn, & Groundskeeping Workers	\$51,200	\$66,000	\$107,000	\$142,000	3.5%	0.1%
Janitors and Cleaners	\$34,500	\$43,000	\$88,000	\$128,000	45.6%	1.8%
Maids and Housekeeping Cleaners	\$31,500	\$40,000	\$80,000	\$117,000	9.1%	0.4%
Pest Control Workers	\$41,800	\$53,000	\$94,000	\$123,000	4.3%	0.2%
Landscaping and Groundskeeping Workers	\$33,500	\$42,000	\$85,000	\$124,000	31.0%	1.2%
All Other Building and Grounds Cleaning and Maint. Occupations	<u>\$34,800</u>	<u>\$44,000</u>	<u>\$88,000</u>	<u>\$129,000</u>	6.5%	0.3%
<b>Weighted Mean Annual Wage</b>	<b>\$34,800</b>	<b>\$44,000</b>	<b>\$87,000</b>	<b>\$126,000</b>	<b>100.0%</b>	<b>3.9%</b>
<i>Personal Care and Service Occupations</i>						
Supervisors of Personal Service, Entert. & Rec. Workers	\$47,900	\$60,000	\$108,000	\$141,000	5.9%	0.2%
Animal Caretakers	\$36,000	\$45,000	\$91,000	\$134,000	13.9%	0.6%
Ushers, Lobby Attendants, and Ticket Takers	\$29,100	\$40,000	\$76,000	\$118,000	4.1%	0.2%
Amusement and Recreation Attendants	\$29,100	\$40,000	\$76,000	\$118,000	5.2%	0.2%
Hairdressers, Hairstylists, and Cosmetologists	\$39,100	\$49,000	\$99,000	\$145,000	17.5%	0.7%
Manicurists and Pedicurists	\$30,400	\$38,000	\$77,000	\$113,000	5.6%	0.2%
Childcare Workers	\$33,200	\$42,000	\$84,000	\$123,000	10.5%	0.4%
Exercise Trainers and Group Fitness Instructors	\$58,700	\$75,000	\$122,000	\$163,000	12.6%	0.5%
Recreation Workers	\$33,500	\$42,000	\$85,000	\$124,000	5.9%	0.2%
All Other Personal Care and Service Occupations	<u>\$39,300</u>	<u>\$49,000</u>	<u>\$100,000</u>	<u>\$146,000</u>	18.8%	0.8%
<b>Weighted Mean Annual Wage</b>	<b>\$39,300</b>	<b>\$50,000</b>	<b>\$96,000</b>	<b>\$138,000</b>	<b>100.0%</b>	<b>4.2%</b>
<i>Sales and Related Occupations</i>						
First-Line Supervisors of Retail Sales Workers	\$46,000	\$58,000	\$104,000	\$135,000	8.8%	1.1%
Cashiers	\$29,200	\$40,000	\$76,000	\$118,000	26.2%	3.2%
Counter and Rental Clerks	\$36,000	\$45,000	\$91,000	\$134,000	5.0%	0.6%
Retail Salespersons	\$32,900	\$41,000	\$84,000	\$122,000	35.8%	4.3%
Securities, Commodities, and Financial Services Sales	\$64,000	\$73,000	\$125,000	\$153,000	4.3%	0.5%
Sales Representatives	\$63,000	\$71,000	\$123,000	\$151,000	5.5%	0.7%
Sales Reps., Wholesale & Manuf., Except Tech. and Scientific	\$75,500	\$86,000	\$147,000	\$181,000	3.1%	0.4%
All Other Sales and Related Occupations	<u>\$38,200</u>	<u>\$48,000</u>	<u>\$97,000</u>	<u>\$142,000</u>	11.2%	1.4%
<b>Weighted Mean Annual Wage</b>	<b>\$38,200</b>	<b>\$48,000</b>	<b>\$91,000</b>	<b>\$130,000</b>	<b>100.0%</b>	<b>12.1%</b>

RESIDENTIAL NEXUS APPENDIX B TABLE 4  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$150K - \$200K  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>3</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>2</sup>	% of Total Workers	
		One Worker	Two Workers	Three+ Workers			
<i>Office and Administrative Support Occupations</i>							
First-Line Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	7.2%	0.9%	
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	8.1%	1.0%	
Customer Service Representatives	\$41,300	\$52,000	\$93,000	\$121,000	14.6%	1.8%	
Receptionists and Information Clerks	\$34,800	\$44,000	\$88,000	\$129,000	10.4%	1.3%	
Medical Secretaries and Administrative Assistants	\$43,700	\$55,000	\$99,000	\$128,000	5.1%	0.6%	
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	11.5%	1.4%	
Office Clerks, General	\$40,400	\$51,000	\$91,000	\$119,000	17.2%	2.1%	
All Other Office and Administrative Support Occupations	<u>\$44,600</u>	\$56,000	\$101,000	\$131,000	<u>25.9%</u>	<u>3.2%</u>	
	<b>Weighted Mean Annual Wage</b>	<b>\$44,600</b>	<b>\$56,000</b>	<b>\$100,000</b>	<b>\$130,000</b>	<b>100.0%</b>	<b>12.2%</b>
<i>Installation, Maintenance, and Repair Occupations</i>							
Supervisors of Mechanics, Installers, and Repairers	\$78,400	\$89,000	\$153,000	\$187,000	8.2%	0.4%	
Automotive Body and Related Repairers	\$62,500	\$71,000	\$122,000	\$149,000	10.9%	0.5%	
Automotive Service Technicians and Mechanics	\$45,600	\$58,000	\$103,000	\$134,000	27.7%	1.2%	
Bus and Truck Mechanics and Diesel Engine Specialists	\$52,800	\$68,000	\$110,000	\$147,000	4.9%	0.2%	
Maintenance and Repair Workers, General	\$45,600	\$58,000	\$103,000	\$134,000	26.6%	1.2%	
All Other Installation, Maintenance, and Repair Occupations	<u>\$51,800</u>	<u>\$66,000</u>	<u>\$108,000</u>	<u>\$144,000</u>	<u>21.6%</u>	<u>1.0%</u>	
	<b>Weighted Mean Annual Wage</b>	<b>\$51,800</b>	<b>\$64,000</b>	<b>\$111,000</b>	<b>\$143,000</b>	<b>100.0%</b>	<b>4.4%</b>

79.2%

<sup>1</sup> The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks. Compensations are adjusted upward where necessary to reflect the State minimum wage of \$14/hour effective January 1, 2021.

<sup>2</sup> Occupation percentages are based on the 2019 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to Santa Barbara County as of 2019 and are adjusted by EDD to the first quarter of 2020.

<sup>3</sup> Including occupations representing 3% or more of the major occupation group

<sup>4</sup> Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-11.

**RESIDENTIAL NEXUS APPENDIX B TABLE 5  
 WORKER OCCUPATION DISTRIBUTION, 2019  
 SERVICES TO HOUSEHOLDS EARNING \$200K+, RESIDENT SERVICES  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA**

---

<b>Major Occupations (2% or more)</b>	<b>Worker Occupation Distribution<sup>1</sup> Services to Households Earning \$200k+</b>
Management Occupations	4.9%
Business and Financial Operations Occupations	5.2%
Computer and Mathematical Occupations	2.2%
Community and Social Service Occupations	2.3%
Educational Instruction and Library Occupations	3.9%
Healthcare Practitioners and Technical Occupations	7.7%
Healthcare Support Occupations	7.0%
Food Preparation and Serving Related Occupations	14.1%
Building and Grounds Cleaning and Maintenance Occupations	4.5%
Personal Care and Service Occupations	4.2%
Sales and Related Occupations	10.8%
Office and Administrative Support Occupations	12.1%
Installation, Maintenance, and Repair Occupations	3.3%
All Other Worker Occupations - Services to Households Earning \$200k+	<u>17.7%</u>
<b>INDUSTRY TOTAL</b>	100.0%

---

<sup>1</sup> Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

RESIDENTIAL NEXUS APPENDIX B TABLE 6  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$200K+  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>3</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>5</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Page 1 of 4</i>						
<i>Management Occupations</i>						
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	32.1%	1.6%
Sales Managers	\$132,500	\$139,000	\$201,000	\$231,000	4.0%	0.2%
Administrative Services and Facilities Managers	\$106,000	\$115,000	\$176,000	\$205,000	3.5%	0.2%
Computer and Information Systems Managers	\$186,600	\$197,000	\$255,000	\$279,000	4.4%	0.2%
Financial Managers	\$143,800	\$150,000	\$218,000	\$251,000	9.4%	0.5%
Food Service Managers	\$64,200	\$73,000	\$125,000	\$154,000	5.0%	0.2%
Medical and Health Services Managers	\$124,700	\$135,000	\$207,000	\$241,000	6.6%	0.3%
Property, Real Estate, and Community Association Managers	\$67,300	\$76,000	\$131,000	\$161,000	8.4%	0.4%
Social and Community Service Managers	\$93,900	\$103,000	\$162,000	\$192,000	3.7%	0.2%
Personal Service and Entertainment and Recreation Managers	\$133,600	\$140,000	\$203,000	\$233,000	4.3%	0.2%
All Other Management Occupations	<u>\$119,500</u>	<u>\$129,000</u>	<u>\$198,000</u>	<u>\$231,000</u>	<u>18.7%</u>	<u>0.9%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$119,500</b>	<b>\$127,000</b>	<b>\$189,000</b>	<b>\$220,000</b>	<b>100.0%</b>	<b>4.9%</b>
<i>Business and Financial Operations Occupations</i>						
Human Resources Specialists	\$72,700	\$83,000	\$142,000	\$174,000	6.2%	0.3%
Management Analysts	\$83,000	\$91,000	\$143,000	\$170,000	6.1%	0.3%
Training and Development Specialists	\$71,600	\$81,000	\$140,000	\$171,000	3.5%	0.2%
Market Research Analysts and Marketing Specialists	\$68,000	\$77,000	\$133,000	\$163,000	8.3%	0.4%
Project Management and Business Operations Specialists	\$71,300	\$81,000	\$139,000	\$171,000	11.9%	0.6%
Accountants and Auditors	\$85,400	\$93,000	\$147,000	\$175,000	15.1%	0.8%
Personal Financial Advisors	\$157,000	\$166,000	\$214,000	\$235,000	12.0%	0.6%
Financial, Investment, and Risk Specialists	\$93,900	\$103,000	\$162,000	\$192,000	11.7%	0.6%
All Other Business and Financial Operations Occupations	<u>\$92,100</u>	<u>\$101,000</u>	<u>\$159,000</u>	<u>\$188,000</u>	<u>25.2%</u>	<u>1.3%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$92,100</b>	<b>\$101,000</b>	<b>\$157,000</b>	<b>\$185,000</b>	<b>100.0%</b>	<b>5.2%</b>
<i>Computer and Mathematical Occupations</i>						
Computer Systems Analysts	\$111,900	\$121,000	\$186,000	\$216,000	12.6%	0.3%
Information Security Analysts	\$101,200	\$109,000	\$168,000	\$196,000	3.7%	0.1%
Computer Network Support Specialists	\$73,400	\$83,000	\$143,000	\$176,000	3.5%	0.1%
Computer User Support Specialists	\$59,100	\$76,000	\$123,000	\$164,000	14.0%	0.3%
Computer Network Architects	\$116,100	\$126,000	\$193,000	\$225,000	3.1%	0.1%
Network and Computer Systems Administrators	\$100,400	\$109,000	\$167,000	\$194,000	7.6%	0.2%
Database Administrators and Architects*	\$77,800	\$88,000	\$152,000	\$186,000	3.4%	0.1%
Computer Programmers	\$99,600	\$109,000	\$172,000	\$204,000	3.7%	0.1%
Software Developers and Software Quality Assurance Analysts	\$113,600	\$123,000	\$188,000	\$220,000	31.7%	0.7%
Web Developers and Digital Interface Designers*	\$83,200	\$91,000	\$143,000	\$170,000	4.3%	0.1%
Computer Occupations, All Other	\$80,300	\$88,000	\$138,000	\$164,000	6.5%	0.1%
All Other Computer and Mathematical Occupations	<u>\$96,800</u>	<u>\$106,000</u>	<u>\$167,000</u>	<u>\$198,000</u>	<u>5.9%</u>	<u>0.1%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$96,800</b>	<b>\$107,000</b>	<b>\$167,000</b>	<b>\$199,000</b>	<b>100.0%</b>	<b>2.2%</b>

RESIDENTIAL NEXUS APPENDIX B TABLE 6  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$200K+  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>3</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>5</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Community and Social Service Occupations</i>						
Educational, Guidance, and Career Counselors and Advisors	\$86,600	\$95,000	\$149,000	\$177,000	6.8%	0.2%
Rehabilitation Counselors	\$35,900	\$45,000	\$91,000	\$133,000	6.1%	0.1%
Substance abuse, behavioral, and mental health counselors	\$60,700	\$69,000	\$118,000	\$145,000	12.9%	0.3%
Child, Family, and School Social Workers	\$58,323	\$75,000	\$122,000	\$162,000	8.7%	0.2%
Healthcare Social Workers	\$63,900	\$73,000	\$125,000	\$153,000	6.7%	0.2%
Mental Health and Substance Abuse Social Workers	\$80,600	\$88,000	\$139,000	\$165,000	5.1%	0.1%
Social and Human Service Assistants	\$46,363	\$58,000	\$105,000	\$136,000	19.6%	0.4%
Community and Social Service Specialists, All Other	\$52,700	\$68,000	\$110,000	\$146,000	3.3%	0.1%
Clergy	\$78,400	\$89,000	\$153,000	\$187,000	10.7%	0.2%
Directors, Religious Activities and Education	\$70,100	\$80,000	\$137,000	\$168,000	7.2%	0.2%
All Other Community and Social Service Occupations	<u>\$61,600</u>	<u>\$70,000</u>	<u>\$120,000</u>	<u>\$147,000</u>	<u>12.9%</u>	<u>0.3%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$61,600</b>	<b>\$63,000</b>	<b>\$107,000</b>	<b>\$135,000</b>	<b>100.0%</b>	<b>2.3%</b>
<i>Educational Instruction and Library Occupations</i>						
Preschool Teachers, Except Special Education	\$37,500	\$47,000	\$95,000	\$139,000	11.4%	0.4%
Elementary School Teachers, Except Special Education	\$83,200	\$91,000	\$143,000	\$170,000	9.9%	0.4%
Middle School Teachers	\$72,900	\$83,000	\$142,000	\$174,000	4.2%	0.2%
Secondary School Teachers	\$78,800	\$89,000	\$154,000	\$188,000	7.0%	0.3%
Self-Enrichment Teachers	\$45,900	\$58,000	\$103,000	\$135,000	9.0%	0.4%
Substitute Teachers, Short-Term	\$39,700	\$50,000	\$101,000	\$147,000	4.6%	0.2%
Tutors and Teachers and Instructors, All Other*	\$70,300	\$80,000	\$137,000	\$168,000	5.4%	0.2%
Teaching Assistants, Except Postsecondary*	\$36,600	\$46,000	\$93,000	\$136,000	14.0%	0.6%
All Other Educational Instruction and Library Occupations	<u>\$54,900</u>	<u>\$70,000</u>	<u>\$115,000</u>	<u>\$153,000</u>	<u>34.5%</u>	<u>1.4%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$54,900</b>	<b>\$67,000</b>	<b>\$116,000</b>	<b>\$153,000</b>	<b>100.0%</b>	<b>3.9%</b>
<i>Healthcare Practitioners and Technical Occupations</i>						
Pharmacists	\$161,200	\$170,000	\$220,000	\$241,000	4.1%	0.3%
Registered Nurses	\$111,300	\$120,000	\$185,000	\$215,000	32.7%	2.5%
Physicians and Ophthalmologists, Except Pediatric	\$194,600	\$205,000	\$265,000	\$291,000	5.5%	0.4%
Dental Hygienists	\$143,200	\$150,000	\$217,000	\$249,000	3.2%	0.2%
Clinical Laboratory Technologists and Technicians	\$73,300	\$83,000	\$143,000	\$175,000	4.0%	0.3%
Pharmacy Technicians	\$51,100	\$65,000	\$107,000	\$142,000	5.4%	0.4%
Licensed Practical and Licensed Vocational Nurses	\$62,200	\$71,000	\$121,000	\$149,000	5.7%	0.4%
Medical Dosimetrists, Records, Health Technicians	\$53,400	\$68,000	\$111,000	\$148,000	3.7%	0.3%
All Other Healthcare Practitioners and Technical Occupations	<u>\$108,000</u>	<u>\$117,000</u>	<u>\$179,000</u>	<u>\$209,000</u>	<u>35.6%</u>	<u>2.7%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$108,000</b>	<b>\$117,000</b>	<b>\$177,000</b>	<b>\$207,000</b>	<b>100.0%</b>	<b>7.7%</b>

RESIDENTIAL NEXUS APPENDIX B TABLE 6  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$200K+  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>3</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>5</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Page 3 of 4</i>						
<i>Healthcare Support Occupations</i>						
Home Health and Personal Care Aides	\$30,000	\$38,000	\$76,000	\$111,000	59.2%	4.1%
Nursing Assistants	\$38,300	\$48,000	\$97,000	\$142,000	11.8%	0.8%
Dental Assistants	\$50,700	\$65,000	\$106,000	\$141,000	5.5%	0.4%
Medical Assistants	\$37,800	\$47,000	\$96,000	\$140,000	12.0%	0.8%
All Other Healthcare Support Occupations	<u>\$33,400</u>	<u>\$42,000</u>	<u>\$85,000</u>	<u>\$124,000</u>	<u>11.6%</u>	<u>0.8%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$33,400</b>	<b>\$37,000</b>	<b>\$74,000</b>	<b>\$107,000</b>	<b>100.0%</b>	<b>7.0%</b>
<i>Food Preparation and Serving Related Occupations</i>						
Supervisors of Food Preparation and Serving Workers	\$39,200	\$49,000	\$100,000	\$146,000	7.4%	1.0%
Cooks, Fast Food	\$29,100	\$40,000	\$76,000	\$118,000	3.9%	0.5%
Cooks, Restaurant	\$32,900	\$41,000	\$84,000	\$122,000	10.3%	1.4%
Food Preparation Workers	\$30,800	\$39,000	\$78,000	\$114,000	6.0%	0.8%
Bartenders	\$33,800	\$42,000	\$86,000	\$126,000	6.9%	1.0%
Fast Food and Counter Workers	\$29,100	\$40,000	\$76,000	\$118,000	29.3%	4.1%
Waiters and Waitresses	\$34,800	\$44,000	\$88,000	\$129,000	19.0%	2.7%
Dining Room and Cafeteria Attendants and Bartender Helper:	\$29,100	\$40,000	\$76,000	\$118,000	3.2%	0.5%
Dishwashers	\$29,100	\$40,000	\$76,000	\$118,000	3.9%	0.5%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$29,100	\$40,000	\$76,000	\$118,000	3.1%	0.4%
All Other Food Preparation and Serving Related Occupations	<u>\$31,900</u>	<u>\$40,000</u>	<u>\$81,000</u>	<u>\$119,000</u>	<u>7.1%</u>	<u>1.0%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$31,900</b>	<b>\$39,000</b>	<b>\$76,000</b>	<b>\$115,000</b>	<b>100.0%</b>	<b>14.1%</b>
<i>Building and Grounds Cleaning and Maintenance Occupations</i>						
Supervisors of Landscaping, Lawn, & Groundskeeping Work	\$51,200	\$66,000	\$107,000	\$142,000	3.6%	0.2%
Janitors and Cleaners	\$34,500	\$43,000	\$88,000	\$128,000	45.3%	2.1%
Maids and Housekeeping Cleaners	\$31,500	\$40,000	\$80,000	\$117,000	9.1%	0.4%
Pest Control Workers	\$41,800	\$53,000	\$94,000	\$123,000	4.4%	0.2%
Landscaping and Groundskeeping Workers	\$33,500	\$42,000	\$85,000	\$124,000	31.1%	1.4%
All Other Building and Grounds Cleaning and Maint. Occupati	<u>\$34,900</u>	<u>\$44,000</u>	<u>\$89,000</u>	<u>\$130,000</u>	<u>6.6%</u>	<u>0.3%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$34,900</b>	<b>\$44,000</b>	<b>\$87,000</b>	<b>\$126,000</b>	<b>100.0%</b>	<b>4.5%</b>
<i>Personal Care and Service Occupations</i>						
Supervisors of Personal Service, Entert. & Rec. Workers	\$47,900	\$60,000	\$108,000	\$141,000	6.1%	0.3%
Animal Caretakers	\$36,000	\$45,000	\$91,000	\$134,000	10.9%	0.5%
Ushers, Lobby Attendants, and Ticket Takers	\$29,100	\$40,000	\$76,000	\$118,000	4.0%	0.2%
Amusement and Recreation Attendants	\$29,100	\$40,000	\$76,000	\$118,000	5.8%	0.2%
Hairdressers, Hairstylists, and Cosmetologists	\$39,100	\$49,000	\$99,000	\$145,000	15.6%	0.6%
Manicurists and Pedicurists	\$30,400	\$38,000	\$77,000	\$113,000	5.0%	0.2%
All Other Personal Care and Service Occupations	<u>\$36,500</u>	<u>\$46,000</u>	<u>\$93,000</u>	<u>\$136,000</u>	<u>52.6%</u>	<u>2.2%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$36,500</b>	<b>\$22,000</b>	<b>\$43,000</b>	<b>\$63,000</b>	<b>100.0%</b>	<b>4.2%</b>

RESIDENTIAL NEXUS APPENDIX B TABLE 6  
 AVERAGE ANNUAL WORKER COMPENSATION, 2020  
 SERVICES TO HOUSEHOLDS EARNING \$200K+  
 RESIDENTIAL NEXUS ANALYSIS  
 GOLETA, CA

Occupation <sup>3</sup>	2020 Avg. Compensation <sup>1</sup>	Household Income Estimate <sup>4</sup>			% of Total Occupation Group <sup>2</sup>	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
<i>Sales and Related Occupations</i>						
First-Line Supervisors of Retail Sales Workers	\$46,000	\$58,000	\$104,000	\$135,000	8.4%	0.9%
Cashiers	\$29,200	\$40,000	\$76,000	\$118,000	25.3%	2.7%
Counter and Rental Clerks	\$36,000	\$45,000	\$91,000	\$134,000	5.0%	0.5%
Retail Salespersons	\$32,900	\$41,000	\$84,000	\$122,000	33.9%	3.7%
Securities, Commodities, and Financial Services Sales	\$64,000	\$73,000	\$125,000	\$153,000	6.9%	0.7%
Sales Representatives	\$63,000	\$71,000	\$123,000	\$151,000	5.8%	0.6%
All Other Sales and Related Occupations	<u>\$37,800</u>	<u>\$47,000</u>	<u>\$96,000</u>	<u>\$140,000</u>	<u>14.7%</u>	<u>1.6%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$37,800</b>	<b>\$40,000</b>	<b>\$77,000</b>	<b>\$109,000</b>	<b>100.0%</b>	<b>10.8%</b>
<i>Office and Administrative Support Occupations</i>						
First-Line Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	7.2%	0.9%
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	8.0%	1.0%
Customer Service Representatives	\$41,300	\$52,000	\$93,000	\$121,000	14.1%	1.7%
Receptionists and Information Clerks	\$34,800	\$44,000	\$88,000	\$129,000	9.6%	1.2%
Executive Secretaries and Executive Admin. Assistants	\$72,100	\$82,000	\$141,000	\$172,000	3.4%	0.4%
Medical Secretaries and Administrative Assistants	\$43,700	\$55,000	\$99,000	\$128,000	5.3%	0.6%
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	12.2%	1.5%
Office Clerks, General	\$40,400	\$51,000	\$91,000	\$119,000	17.0%	2.1%
All Other Office and Administrative Support Occupations	<u>\$45,900</u>	<u>\$58,000</u>	<u>\$103,000</u>	<u>\$135,000</u>	<u>23.4%</u>	<u>2.8%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$45,900</b>	<b>\$57,000</b>	<b>\$102,000</b>	<b>\$133,000</b>	<b>100.0%</b>	<b>12.1%</b>
<i>Installation, Maintenance, and Repair Occupations</i>						
Supervisors of Mechanics, Installers, and Repairers	\$78,400	\$89,000	\$153,000	\$187,000	8.2%	0.3%
Automotive Body and Related Repairers	\$62,500	\$71,000	\$122,000	\$149,000	7.3%	0.2%
Automotive Service Technicians and Mechanics	\$45,600	\$58,000	\$103,000	\$134,000	19.9%	0.7%
Bus and Truck Mechanics and Diesel Engine Specialists	\$52,800	\$68,000	\$110,000	\$147,000	4.6%	0.2%
Maintenance and Repair Workers, General	\$45,600	\$58,000	\$103,000	\$134,000	35.6%	1.2%
All Other Installation, Maintenance, and Repair Occupations	<u>\$51,200</u>	<u>\$66,000</u>	<u>\$107,000</u>	<u>\$142,000</u>	<u>24.5%</u>	<u>0.8%</u>
<b>Weighted Mean Annual Wage</b>	<b>\$51,200</b>	<b>\$64,000</b>	<b>\$110,000</b>	<b>\$142,000</b>	<b>100.0%</b>	<b>3.3%</b>

82.3%

<sup>1</sup> The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks. Compensations are adjusted upward where necessary to reflect the State minimum wage of \$14/hour effective January 1, 2021.

<sup>2</sup> Occupation percentages are based on the 2019 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to Santa Barbara County as of 2019 and are adjusted by EDD to the first quarter of 2020.

<sup>3</sup> Including occupations representing 3% or more of the major occupation group

<sup>4</sup> Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-11.