



TO: Planning Commission Chair and Members

FROM: Peter T. Imhof, Planning and Environmental Review Director

CONTACT: Anne Wells, Advance Planning Manager
J. Ritterbeck, Senior Planner

SUBJECT: Residential Affordable Housing In-Lieu Fee, Non-Residential Affordable Housing Development Impact Fee, and Associated Goleta Municipal Code Title 17 (Zoning) Ordinance Amendments

RECOMMENDATION:

Adopt Planning Commission Resolution No. 21-___, entitled “A Resolution of the Planning Commission of the City of Goleta, California, Recommending the City Council Adopt of Residential Affordable Housing In-Lieu Fees, Adopt a Non-Residential Development Impact Fee Nexus Study and Affordable Housing Development Impact Fees, and Adopt an Ordinance Amendment for Various Sections of Goleta Municipal Code Title 17 for Affordable Housing Fees, Case No. 21-0004-ORD.”

BACKGROUND:

Housing prices in Santa Barbara County and many other areas of California are among the highest in the nation. California’s housing element law recognizes the important role that local governments play in influencing the supply and affordability of housing. State housing element law, first enacted in 1969, directs local governments to use their land use and zoning powers to adequately provide for the housing needs of all economic segments of the community. Implementing State housing policy rests in part upon the effective application of local General Plan Housing Elements. While the City must respond to the requirements of State law, addressing local housing needs is an important part of retaining and enhancing the quality of life in Goleta.

The City’s Housing Element includes policies and programs intended to support the creation, maintenance, and preservation of affordable housing in the City. One of the critical barriers to the development of affordable housing identified in the Housing Element is funding. By adopting and implementing a new fee program to all new development, including redevelopment, the City would have the ability to uniformly calculate and collect

both residential in-lieu fees and non-residential impact fees to be used to subsidize or fully fund affordable housing throughout the City.

General Plan and Zoning Requirements – Residential In-Lieu Fees

The first subpolicy, HE 2.5 Inclusionary Housing, relates to residential development and directs the City as follows:

To the extent permitted by law, the City will require all residential developments, including but not limited to, single-family housing, multi-family housing, condominiums, townhouses, stock cooperatives, and land subdivisions to provide affordable housing.

The specific sub-points of the policy provide the City with the structure of how various size projects would calculate their share of affordable housing. These sub-points have already been codified in Title 17 (Zoning) of the Goleta Municipal Code in Chapter 17.28 when adopted in March 2020. The Residential Affordable Housing Fee Study provides guidance to the City as to how to calculate the amount of an “in-lieu” fee a development would need to pay if the developers are proposing to not build the required number of affordable housing units on site.

The City’s existing inclusionary housing program, as required in General Plan subpolicy HE 2.5 and Title 17 Chapter 17.28, requires 20% of the total number of units within new residential development be “affordable.” On-site affordable units are strongly preferred; however, an in-lieu payment is made to the City for small residential projects with two to four units and is also an option for projects with five or more units only if the City Council makes a technical finding that providing the required affordable units on site is infeasible.

The City has been implementing the in-lieu payment option on a case-by-case basis since adopting the first General Plan Housing Element in 2010 and does not yet have a formal in-lieu fee schedule. The Residential Affordable Housing Impact Fee Study provides the analysis necessary for the City to more accurately calculate the actual costs to create new affordable housing and determine the rate for in-lieu fees if a developer does not propose to build the required units on site. The recommended Title 17 Ordinance Amendments associated with the in-lieu fee would clarify and codify that the fees “shall be” implemented by way of a resolution adopted by the City Council.

General Plan and Zoning Requirements – Non-Residential Impact Fees

Within the Housing Element of the City’s General Plan/Coastal Land Use Plan (General Plan), there are three, specific policies relating to affordable housing fee studies. The first, subpolicy HE 2.2 Linkage of Housing and Jobs, relates to non-residential development, and directs the City to encourage adequate housing opportunities that meet the needs of the local workforce. Sub-point (b) of subpolicy HE 2.2 reads as follows:

- b. *Mitigation of Employee Housing Impacts.* The City will require new non-residential development and proposed expansion or intensification of existing non-residential development to contribute to providing affordable employee housing. The

proposed amount of floor area and type of non-residential use must be factors in establishing the requirement for individual projects. Alternatives to satisfy this requirement may, at the discretion of the City, include payment of a development impact fee, providing housing on site, housing assistance as part of employee benefit packages, or other alternatives of similar value. The City will prepare an Affordable Employee Housing Plan that includes details of the program, including the results of a development impact fee study and/or alternative programs.

Staff proposes that the City adopt a development impact fee to defray the demand on affordable housing created by non-residential development under the Mitigation Fee Act. (Government Code Sections 66000 et seq.) The Non-Residential Affordable Housing Impact Fee Study establishes the nexus between new commercial and industrial development's impacts on affordable housing and the fee proposed to be imposed. In order to impose the fee, the City Council will adopt a resolution adopting the study and fee. The recommended Title 17 Ordinance Amendments would codify the requisite development standards needed to implement subpolicy HE 2.2(b), which is currently missing from the City's zoning regulations.

General Plan – Affordable Housing Trust Fund

The third General Plan policy that is related to the fee studies is Housing Element subpolicy HE 2.8 Funding for Affordable Housing, which directs the City to develop ongoing and external sources of funding to support affordable housing. Sub-point (a) of the policy directs the City as follows:

- a. Maintain the collection of housing in-lieu payments, housing development impact fees for non-residential development, and any other voluntary donations, grants, and matching funds or other similar payments in a City-managed Affordable Housing Trust Fund(s) to be used in support of the production, acquisition of at-risk affordable housing units, or rehabilitation of affordable housing.

While these studies do not directly implement this sub-policy, a separate effort is currently underway to create a new Affordable Housing Policy Implementation Program. The fee studies help the City establish the funding mechanisms necessary to collect the in-lieu and impact fees. Consistent with subpolicy HE 2.8, housing fees are deposited in the Affordable Housing Trust Fund and used to produce or subsidize production of affordable housing. The management of these funds generated from the new "in-lieu" and "impact" fees will be detailed in the forthcoming Affordable Housing Policy Implementation Program. A Comprehensive Affordable Housing Finance Plan is also a work item for the Affordable Housing Implementation Program.

SB 2 Grant Award by State

On March 10, 2020, the City received a grant from the State of California's Department of Housing and Community Development (HCD) in the amount of \$160,000.00. After receiving the grant, the City requested and received authorization from HCD staff on July 13, 2020 to use most of these funds to conduct a Commercial / Housing Nexus Study and an Inclusionary Housing In-Lieu Fee Study. Subsequently, the City issued a Request for

Qualifications/Request for Proposals for the two fee studies. After the proposal review process, interviews and reference checks, Keyser Marston Associates, Inc. (KMA) was retained to conduct two separate studies for the City, one for residential development and the other for non-residential development, and to then compile the data and results into two separate reports. The contract, executed on October 6, 2020, is entirely funded by HCD grant.

Stakeholder and Public Outreach

In an effort to provide the public with up-to-date information about the status of the two fee studies, Advance Planning staff created a project webpage on the City's website located at:

(<https://www.cityofgoleta.org/city-hall/planning-and-environmental-review/advance-planning-division/housing-element-and-implementation-projects/fee-studies>).

The City held a virtual public outreach project kick-off meeting on February 11, 2021. The meeting was hosted by City staff from a number of departments and along with the consultant team from KMA, an overview of the project was presented and discussed. A copy of the presentation slides as well as a link to the video recording of the meeting are available on the project webpage.

Leveraging the stakeholder and public input from the February 2021 project kickoff meeting, KMA completed the technical analysis and along with City staff prepared the two sets of studies and reports. The four, combined documents provide the foundational information that address the recommended residential in-lieu fee and the non-residential impact fee.

The draft studies and draft reports were made available to the public and posted to the City's housing fees webpage on August 6, 2021. A public workshop was hosted by the City on August 24, 2021 to review the materials and offer an open forum for the public to provide staff with additional feedback. A link to the recording of the public workshop is posted to the housing fees project webpage and all public comments received at the workshop are also provided on the project webpage.

DISCUSSION:

Residential Affordable Housing In-Lieu Fee

A city can require the construction of on-site affordable units as a standard of development. A residential development that provides on-site affordable units is entitled to certain bonuses, including increased density, decreased parking ratios, and other incentives (Government Code section 65915). A residential developer may choose to pay an in-lieu fee instead of complying with the standard of development to build the required affordable units on site. The City studied what that fee should be in the Residential Affordable Housing In-Lieu Fee Report, which is included as Exhibit 1 to the draft City Council Resolution. The Council Resolution is included as Attachment A to the Planning Commission's draft Resolution, which is included as Attachment 1 of this staff report. The

fee report provides analysis and recommendations regarding establishing an in-lieu fee schedule for the City's inclusionary housing program. The In-Lieu Fee Report identifies a series of benchmarks to guide the City in creating an in-lieu fee schedule. The benchmarks include an analysis of fees estimated to be equivalent in cost to delivering affordable units either on site or in a separate stand-alone building financed with Low Income Housing Tax Credits. Additionally, the report identifies estimated compliance costs for past residential projects in the City and also looks at other existing in-lieu fees for eight comparison jurisdictions. The report then summarizes the various benchmarks that were evaluated and provides the supporting analyses.

For context, based upon a review of five, recent projects that provided an in-lieu payment to the City, the developers paid \$80,645.00 per affordable unit that would have otherwise been required to be built on site. The \$80,645.00 in-lieu payment converts to between \$5.00 and \$17.00 per square foot and, with a 15% requirement, converts to between \$4.00 to \$13.00 per square foot. Additionally, when other nearby comparable jurisdictions were evaluated, the study found that the City of Santa Barbara, the County of Santa Barbara, and Carpinteria have the highest in-lieu fees. For the City of Santa Barbara, rates equate to approximately \$20.00 to \$44.00 per square foot for projects of ten units or more, depending on the unit size. For the County, rates equate to \$23.00 to \$62.00 per square foot in the County. In Carpinteria, rates equate to \$12.00 to \$27.00 per square foot. Santa Barbara charges far less for smaller for-sale projects under ten units in size, estimated to be approximately \$5.00 to \$11.00 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 \$7.00 to \$12.00 per square foot.

Finally, the report provides recommendations for the City to establish an in-lieu fee schedule. The recommendations are based on the results of the analyses as well as the development standard in the City's inclusionary ordinance requiring that in-lieu payments, which require a developer to pay a fee of "equal value" to providing the affordable units on site. The recommendations in the report identify precise figures (i.e., For-Sale projects: \$28.10/sq.ft.; Rental projects: \$27.40/sq.ft.; and 2 - 4 unit projects: up to \$16.00/sq.ft.). These recommendations account for and reflect consideration of the analysis and contact materials presented in the report. In some instances, a jurisdiction may deviate from these recommended fee levels, if other considerations not presented in the report are factored in when determining the final rate for in-lieu fees.

Non-Residential Affordable Housing Impact Fee

The Non-Residential Affordable Housing Fees Report is included as Exhibit 1 to the draft City Council Resolution. As stated above, the Council Resolution is included as Attachment B to the Planning Commission's draft Resolution, which is included as Attachment 1 of this staff report. The fee report supports the City establishing a new affordable housing development impact fee for non-residential development in accordance with Government Code Section 66000 et seq. The City's Housing Element Policy HE 2.2(b), Mitigation of Employee Housing Impacts, requires new non-residential development to contribute to providing affordable employee housing. This policy also speaks to the City establishing a non-residential affordable housing impact fee through an impact fee study. The Non-Residential Fee Report summarizes the results of a nexus

analysis, which establishes the linkage to justify an impact fee and provides context for potential maximum fee levels as well as recommendations for adopting a new affordable housing impact fee program. Note that the maximum fees derived from the nexus study are technical results only and are not intended to be recommendations. Most jurisdictions nearly always set their affordable housing impact fees well below these maximum levels based on additional policy and/or political considerations.

Within the City, previous housing payments made by past non-residential projects to comply with Housing Element Policy HE 2.2(b) were determined by City staff on a project-by-project basis. Those payments have averaged approximately \$6.00 per square foot of building area, which equates to an estimated 1% to 2% of the total development cost for non-residential projects. This demonstrates an ability of future non-residential projects to sustain an impact fee at a similar level.

Based on the review of non-residential market conditions, development costs, housing fees in other jurisdictions, and overall fee burden in Goleta, the report recommends adoption of an affordable housing impact fee of up to approximately \$8.00 per square foot for Office and Medical, \$5.00 per square foot for Warehouse and Industrial, \$2.00 per square foot for Retail and Commercial, and \$4,800.00 per room for Hotel. The recommended impact fees for Warehouse and Industrial are somewhat lower than Office due to the lower rent and lower cost nature of these buildings, which can make them more sensitive to increased costs. The recommended fees for Retail are also lower based upon consideration of the comparatively high existing fees that already apply to Retail.

Goleta is the only jurisdiction in Santa Barbara County identified as having a General Plan policy to mitigate the impacts of non-residential development on the demand for housing, although there are approximately 50 jurisdictions in California with such programs. As noted in the report, the recommended fees from the report would establish Goleta's program within the upper half of the range of affordable housing impact fee programs within Southern California and the Central Coast, somewhat below the Cities of Santa Monica and West Hollywood and above the Cities of San Diego, Glendale and Los Angeles.

Title 17 Ordinance Amendments

On March 3, 2020, City Council adopted the New Zoning Ordinance as Goleta Municipal Code Title 17 (Title 17), which subsequently became effective on April 3, 2020. The City has conducted two rounds of amendments to Title 17. The initial round of amendments addressed "clean-up" items (adopted on October 6, 2020 and becoming effective on November 6, 2020) primarily related to changes in State law or to clarify various provisions in the Title. The second round of edits were presented for consideration by the City Council on September 7, 2021 and focused on various clarifications and improvements and to address potential inconsistencies with existing City policies and State law. Upon adoption of the recommended affordable housing fees, there will be additional Title 17 revisions necessary to codify the applicable standards and procedures to collect the fees.

The draft Resolution for Planning Commission consideration is provided as Attachment 1 to this staff report. The proposed Title 17 amendments can be found in Section 4 of the proposed Ordinance Amendment, which is included as Exhibit C to Attachment 1. The actual amount of each of the two fees shall be determined by City Council Resolution and would not be specifically enumerated in Title 17 because all fee types are subject to annual review and may change over time with subsequent Resolutions. Below is a summary of proposed amendments to Goleta Municipal Code Title 17 that would be needed to incorporate both the Residential Affordable Housing In-Lieu Fee and the Non-Residential Affordable Housing Development Impact Fee.

Chapter 17.28 Inclusionary Housing

Minor edit to Section 17.28.010, Purpose and Intent, to revise the last sentence of the preamble and replace the word “may” with “shall” in order to read as follows: “This Chapter shall be implemented by way of a resolution adopted by the City Council.”

Chapter 17.70 Development Impact Fees

Edit to add a new subsection 17.70.040(H) to add “Affordable Housing Facilities” to the list of the City’s Development Impact Fees. Additionally, an edit would be made to Section 17.70.090, Payment, to restructure subsection to (A) and to add a clause to specify that no “temporary occupancy clearance” may be given to projects prior to all DIFs being paid.

Other “Clean-up” Edits

Other edits throughout Title 17 to insert the term “fee” between the phrase “in-lieu payment” in all instances in Chapter 17.28 (Inclusionary Housing) and Chapter 17.73 (List of Terms and Definitions) to read “in-lieu fee payment.”

ENVIRONMENTAL REVIEW:

Housing Fees

The adoption of (1) an in-lieu fee for affordable housing on residential development; (2) a nexus study and development impact fee on non-residential development for affordable housing are 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 program not only falls outside of the definition of a “project” and

thus not subject to CEQA but has been specifically granted a statutory exemption by the State, as stated above.

Title 17 Ordinance Amendment

The proposed Title 17 Ordinance Amendment is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(3) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity is not a project as defined in Section 15378(b)(5) as an organizational or administrative activity by government that will not result in direct or indirect physical changes in the environment. The proposed Ordinance Amendment is also exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines because the activity is covered by the general rule that exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Furthermore, Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning) provide a statutory exemption from further environmental review certain qualifying projects that are consistent with a community plan or zoning. The City of Goleta has an existing, adopted General Plan for which an EIR was certified. The proposed Ordinance Amendment is consistent with the existing, adopted General Plan and its development densities. No project-specific significant effects would occur that are particular to the adoption of the proposed Ordinance. Therefore, no additional CEQA review is required, and any subsequent development project processed under Title 17 will be separately examined in accordance with CEQA. A Notice of Exemption is provided as Attachment 2 to this staff report.

NEXT STEPS:

After review of the proposed ordinance, the Planning Commission is asked to adopt Resolution No. 21-___, provided as Attachment 1, recommending adoption of a Residential Affordable Housing In-Lieu Fee, a Development Impact Fee Nexus Study and Affordable Housing Development Impact Fee, and a Title 17 Ordinance Amendment by the City Council.

The recommendation of the Planning Commission will be taken to the City Council hearing of October 5, 2021. At the public hearing, the Housing Fee studies and reports will be presented for consideration by the Councilmembers as will a first reading of the proposed Zoning Ordinance Amendment.

FISCAL IMPACTS

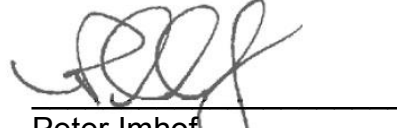
There is no direct fiscal impact from introducing and recommending adoption of the proposed Ordinance. Funding for Planning and Environmental Review staff time to prepare the proposed Ordinance is included in the adopted FY 2021–22 Budget under Program 4300 of the Advance Planning Division.

Legal Review By:



Winnie Cai
Assistant City Attorney

Approved By:



Peter Imhof
Director of Planning and
Environmental Review

ATTACHMENTS:

1. Planning Commission Resolution No. 21-__, entitled "A Resolution of the Planning Commission of the City of Goleta, California, Recommending the City Council Adopt Residential Affordable Housing In-Lieu Fees, Adopt a Development Impact Fee Nexus Study and Non-Residential Affordable Housing Development Impact Fees, and Adopt an Ordinance Amendment for Various Sections of Goleta Municipal Code Title 17 for Affordable Housing Fees; Case No. 21-0004-ORD"
2. CEQA Document: Notice of Exemption
3. Staff Presentation

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Attachment 1

A Resolution of the Planning Commission of the City of Goleta, California, Recommending the City Council Adopt Residential Affordable Housing In-Lieu Fees, Adopt a Development Impact Fee Nexus Study and Non-Residential Affordable Housing Impact Fees, and Adopt an Ordinance Amendment for Various Sections of Goleta Municipal Code Title 17 for Affordable Housing Fees; Case No. 21-0004-ORD

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Resolution No. 21-__

A Resolution of the Planning Commission of the City of Goleta, California, Recommending the City Council Adopt Residential Affordable Housing In-Lieu Fees, Adopt a Development Impact Fee Nexus Study and Non-Residential Affordable Housing Impact Fees, and Adopt an Ordinance Amendment for Various Sections of Goleta Municipal Code Title 17 for Affordable Housing Fees; Case No. 21-0004-ORD

WHEREAS the City of Goleta (City) adopted Title 17 (Zoning) of the Goleta Municipal Code (GMC) on March 3, 2020; and

WHEREAS, from time to time since the adoption of Title 17, City staff has identified a variety of edits that were needed to improve Title 17 by addressing State law, General Plan/Coastal Land Use Plan (General Plan) policy, remedying minor errors, or clearing up ambiguities; and

WHEREAS, in order to implement affordable housing sub-policies HE 2.2 and 2.5 of the City's General Plan and the recommendations of the residential affordable housing in-lieu fee and non-residential affordable housing impact fee studies, additional Title 17 revisions are necessary; and

WHEREAS the Planning Commission conducted a duly noticed public hearing on September 13, 2021 to receive a presentation for affordable housing in-lieu and impact fee studies and to consider proposed Title 17 revisions at which time all interested persons were given an opportunity to be heard; and

WHEREAS the Planning Commission considered the entire administrative record, including the staff report, the General Plan, the existing Title 17 of the GMC, the staff presentation, and oral and written testimony from interested persons.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF GOLETA, AS FOLLOWS:

SECTION 1. Recitals

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

SECTION 2. Affordable Housing Fee Program Recommendation

The Planning Commission has reviewed the draft City Council resolution to adopt a new Residential Affordable Housing In-Lieu Fee and new Non-Residential Affordable Housing Development Impact Fee, which is included as Attachment A and Attachment

B and incorporated herein by reference, finds and determines the recitals in Attachment A and Attachment B are true and correct, and has determined that the fees are consistent with good zoning and planning practices and will assist the City with implementing General Plan sub-policies HE 2.2 and HE 2.5.

The Planning Commission hereby directs staff to report this determination to the City Council of the City of Goleta.

SECTION 3. Recommendation of the Title 17 Amendments to the City Council

The Planning Commission has reviewed the draft City Council resolution to amend GMC Title 17 to incorporate development standards to implement both Residential Affordable Housing In-Lieu Fees and Non-Residential Affordable Housing Development Impact Fees, which is included as Attachment B, and recommends adoption of said a based on the following findings:

A. The amendment is consistent with the General Plan, the requirements of State planning and zoning laws, and Title 17 of the Goleta Municipal Code.

The Ordinance, which amends the GMC Title 17, is consistent with all applicable provisions of the City's General Plan that relate to development on real property throughout the City. Specifically, the proposed amendments comply sub-policies HE 2.2 and HE 2.5 of the General Plan, which call for the City to promote the creation of affordable housing either on site or off site as a part of a development project or alternatively, but the imposition of fees collected by the City for the future creation of affordable housing. Additionally, noticing for the public hearings regarding the Ordinance were, and will continue to be, done in compliance with California Government Code Sections 65091 and 65094. Therefore, the Ordinance is in consistent with the General Plan, the requirements of State planning and zoning laws, and Title 17 of the GMC and this finding is made.

B. The amendment is in the interests of the general community welfare.

The Ordinance, which amends GMC Title 17, will create a new fee program that will allow the City to consistently collect affordable housing fees for both new residential and non-residential development within Goleta in order to promote and provide a wider diversity of inclusionary housing types for various income groups. Therefore, the Ordinance is in the interest of the general community welfare and this finding is made.

C. The amendment is consistent with good zoning and planning practices.

The Ordinance, which amends GMC Title 17, will help the City continue to implement the community goals, objectives, and policies of the General Plan. Specifically, the Ordinance supports Housing Element Goal Nos. 1 and 2, which read as follows:

1. *A Balanced and Diverse Community.* Goleta is a balanced community with a socially and economically diverse population that values preservation of the community's heritage, sense of community, beautiful natural environment, attractive neighborhoods, diverse businesses, and adequate services.
2. *A Variety of Housing Types and Choices.* Goleta has many housing types and choices appropriate for the variety of people who live and work in the community, with sufficient sites to accommodate new housing needs at affordable prices and rents.

Therefore, the Ordinance is consistent with good zoning and planning practices and this finding is made.

The Planning Commission hereby directs staff to report this determination to the City Council of the City of Goleta.

SECTION 4. Environmental Assessment

Affordable Housing Fee Program

The adoption of (1) an in-lieu fee for affordable housing on residential development; (2) a nexus study and development impact fee on non-residential development for affordable housing are 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.

Title 17 Ordinance Amendment

The Ordinance Amendment is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(3) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity is not a project as defined in Section 15378(b)(5) as an organizational or administrative activity by government that will not result in direct or indirect physical changes in the environment. The Ordinance Amendment is also exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA

Guidelines because the activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Furthermore, Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183, projects that are consistent with the development density of existing zoning, community plan, or General Plan policies for which an Environmental Impact Report (EIR) was certified shall be exempt from additional CEQA analysis except as may be necessary to determine whether there are project-specific significant effects that are peculiar to the project or site that would otherwise require additional CEQA review. There is no new substantial information indicating that the impacts of the project will be more severe than described in the General Plan EIR and there are no cumulative or off-site impacts from the proposed project that were not addressed in the General Plan EIR. As such, the Ordinance Amendment is exempt from further CEQA review.

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. **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 13th day of September, 2021.

KATIE MAYNARD, CHAIR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

WINNIE CAI
ASSISTANT 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-__ was duly adopted by the Planning Commission of the City of Goleta at a regular meeting held on the 13th day of September, 2021 by the following vote of the Commission Members:

AYES:

NOES:

ABSENT:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

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Attachment A

A Resolution of the City of Goleta, California, Adopting Residential Affordable Housing In-Lieu Fees

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Resolution No. 21-__

A Resolution of the City of Goleta, California, Adopting 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, including the construction of on-site affordable units; 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 Fee Program**

The following in-lieu fees shall be applicable to total aggregate floor area of the affordable housing units that would have otherwise been required pursuant to Chapter 17.28 (Inclusionary Housing) of the Goleta Municipal Code and are not being constructed either on site or off site as a part of the development.

1. **For-Sale Projects** – An in-lieu fee of \$28.10 per square foot.
2. **Rental Projects** – An in-lieu fee of \$27.40 per square foot.
3. **Two- to Four-Unit Projects** – An in-lieu fee of \$16.00 per square foot.

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 sixty (60) 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 ____day of _____, 2021.

PAULA PEROTTE
MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

MICHAEL JENKINS
CITY ATTORNEY

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Exhibit 1

Residential Affordable Housing In-Lieu Fee Report (with attached Study)

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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

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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.

Table 2-1. Income Categories Applicable to Inclusionary Units		
	With 20% Requirement	With 15% Requirement (requires public benefit)
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.

Table 2-2. Household Income Categories for Santa Barbara County, 2021						
	Household Size (Persons)					
	1	2	3	4	5	6 +
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 attached¹ and multi-family units and 10% single-family². 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.

¹ Attached units have at least one common wall with another unit.

² 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.

Table 3-2. Summary of Potential Benchmarks for In-Lieu Fee (\$/SF in Development)			
Benchmarks for In-lieu Fee	For-Sale Projects ⁽²⁾		Rental Projects
	Single-Family	Townhomes	Apartments
	<i>\$/Net Square Feet in Project</i>	<i>\$/Net Square Feet in Project</i>	<i>\$/Net Square Feet in Project</i>
1. In-Lieu Fee Equivalent To (w/20% req.) ⁽¹⁾			
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
2. Nexus Analysis			
Nexus Analysis Mitigation Cost	\$16	\$17	\$27
3. Other Jurisdiction In-Lieu Fees (Expressed as Cost PSF) ⁽⁴⁾			
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. ⁽³⁾	\$46: County of Santa Barbara. ⁽³⁾	\$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.

Table 3-3. Fee Recommendation, For-Sale Projects			
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 \$28.10 / NSF		

- 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.

Table 3-4. In-Lieu Fee Recommendation, Supporting Calculation					
	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./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
Subtotal Mod & Above Mod			10%	\$29,695	\$18.60
Low	\$103,000	Cost Per Unit from	5%	\$5,150	\$3.20
Very Low	\$152,000	Residential Nexus	2.5%	\$3,800	\$2.40
Extremely Low	\$250,000	Analysis (Appendix B, Table 4-2)	2.5%	\$6,250	\$3.90
Subtotal ELI to Low			10%	\$15,200	\$9.50
Combined Total			20%		\$28.10

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.

Table 3-5. Rental In-Lieu Fee, Recommended Approach					
	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			20%		\$27.40

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.

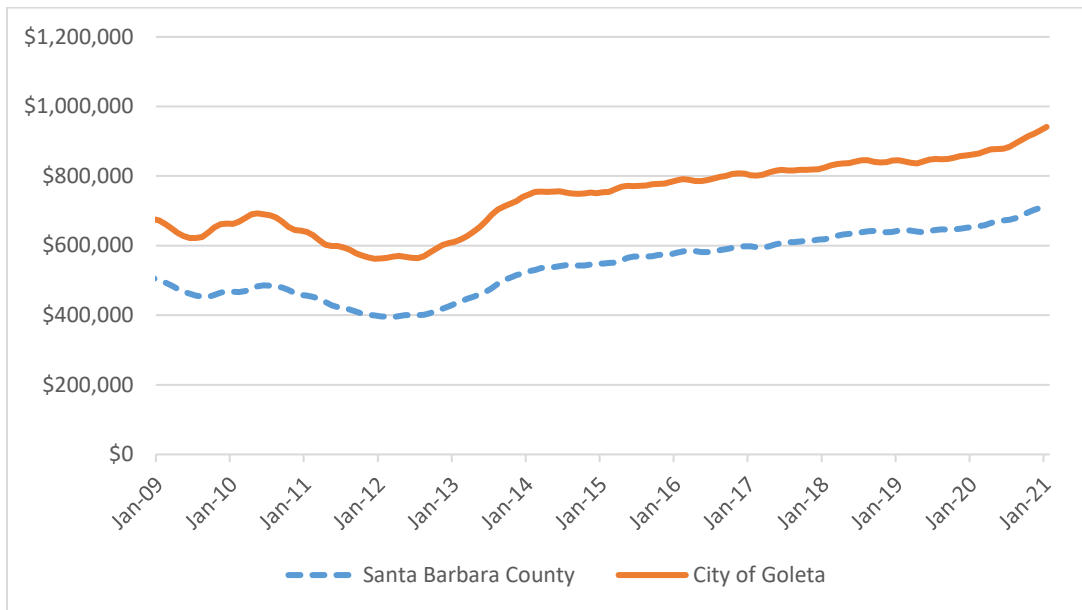
- 7. *Shared Equity Option with For-Sale Units*** – New market rate attached units are estimated to be affordable at Above Moderate Income to buyers that have a 20% cash down payment, but not affordable to buyers that only have a 5% down payment. This suggests that it may be beneficial to add a “shared 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

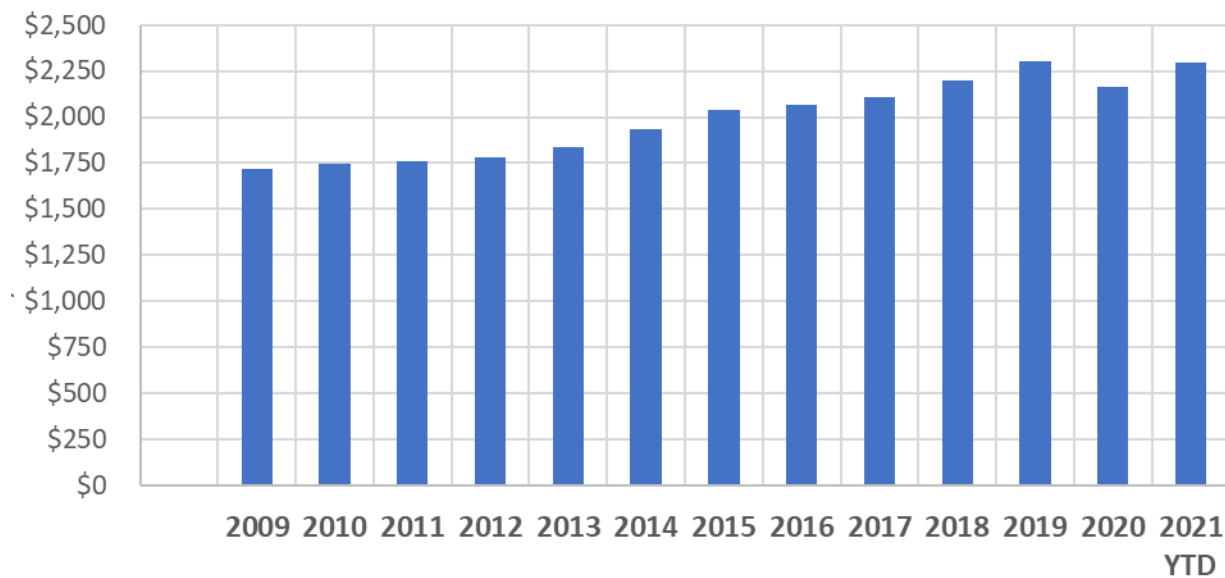
Goleta has experienced rising home values and apartment rents during the economic cycle leading up to the coronavirus pandemic. As shown in the charts below, home values in Goleta are approaching \$1 million as of early 2021; this is about 30% above Santa Barbara County overall. Average rents for apartments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

Chart 4-1 Home Value Trends



Source: Zillow Home Value Index

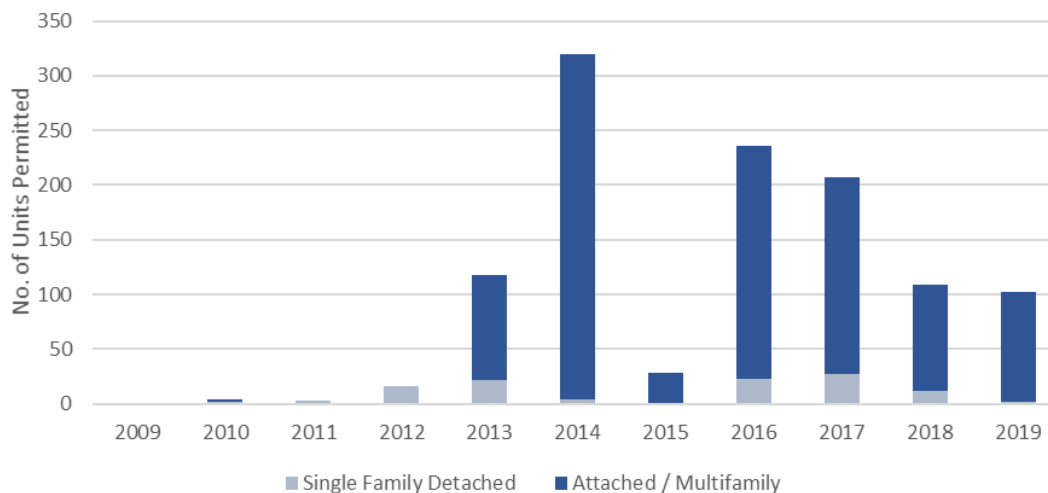
Chart 4-2 Average Monthly Effective Rent³ for Existing Apartment Units, City of Goleta



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

³ 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.

Table 4-1. Residential Development Prototype Units					
	<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.

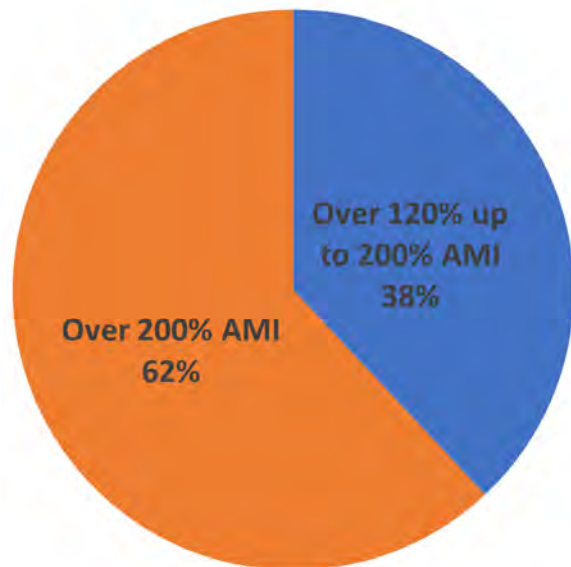
Two single-family prototypes are analyzed to capture a range of unit and lot sizes for single-family projects consistent with recent and proposed developments in Goleta. The Single-Family, Large Lot prototype has a density of two units per acre and an average unit size of 3,300 square feet, and is most 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.

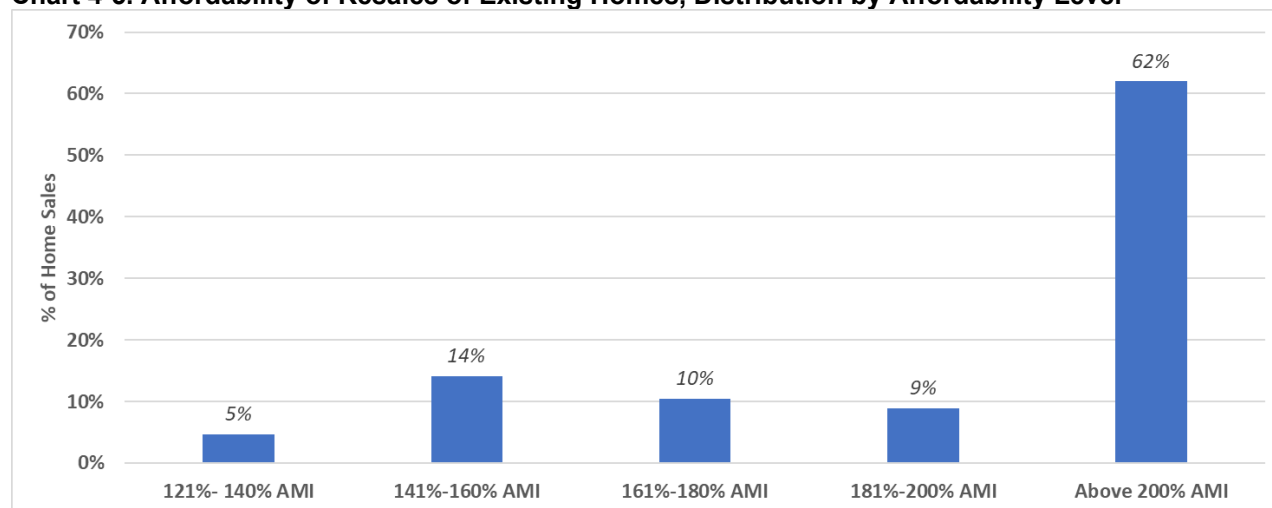
Approximately 62% of existing home resales during a one-year period from February 2020 to February 2021 were estimated to require a household income above 200% of AMI, while the remaining 38% were priced at a level estimated to be affordable to Above Moderate income households with incomes from 120% 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 stock⁴.

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%

⁴ 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.

Table 4-2. Affordability Level Applicable to Prototypical Newly Built For-Sale Residential Units				
	<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) ⁽¹⁾	335%	196%	152%	154%
Household Income Needed (% AMI) with 5% Down payment and Mortgage Insurance ⁽²⁾	448%	265%	206%	203%

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

⁽²⁾ 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.

Table 4-3. Affordability of Market Rate Rental Units		
	Average Existing Apartment	New Apartments (Prototype Unit)
Average Number of Bedrooms	1.35	1.7
Average Year Built	1972	New
Market Rent Per Month ⁽¹⁾	\$2,297	\$3,264
Monthly Utility Expense ⁽²⁾	<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 ⁽³⁾	\$75,218	\$78,400
Percent of Area Median Income Needed	130%	174%

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

⁽²⁾ Estimated based on County Housing Authority utility allowance schedule.

⁽³⁾ 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.

Table 6-1. Summary of Compliance Cost Analysis with On-Site For-Sale Affordable Units

		Single Family, Large Lot	Single Family	Townhomes	Condo
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
With 20% Affordable Unit Requirement					
C.	Market Value / Sales Price	\$2,000,000	\$1,100,000	\$800,000	\$690,000
D.	Average Affordable Sales Price ⁽¹⁾	<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.	\$101 /SF	\$71 /SF	\$62 /SF	\$72 /SF
With 15% Affordable Unit Requirement					
I.	Market Value / Sales Price	\$2,000,000	\$1,100,000	\$800,000	\$690,000
J.	Average Affordable Sales Price ⁽¹⁾	<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.	\$75 /SF	\$52 /SF	\$44 /SF	\$51 /SF

(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.

Table 6-2. Summary of Compliance Cost Analysis with On-Site Affordable Units, Rental Projects			
		Rental With 20% Requirement	Rental With 15% Requirement
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 ⁽¹⁾	<u>(\$197,000)</u>	<u>(\$212,000)</u>
E.	Affordability Gap (Average) ⁽¹⁾	\$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.	\$69 /SF	\$50 /SF

(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
20% Inclusionary Requirement					
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
15% Inclusionary Requirement					
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.

Table 6-4. Estimated Compliance Costs for Recent Projects		
	Estimated Compliance Cost Per Unit in Project	Estimated Compliance Cost per Square Foot
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.

Table 6-5. Illustration of \$80,645 In-lieu Fee Applied to Prototype Projects					
	<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
20% Inclusionary Requirement					
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
15% Inclusionary Requirement					
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.

Table 6-6. Affordability Gap Based on Existing Unit Resales	
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.

Table 6-7. Summary of Analysis with In-Lieu Fee Based on Existing Market Rate 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
20% Inclusionary Requirement					
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
15% Inclusionary Requirement					
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.

Table 6-8. Summary of In-Lieu Fee Analysis						
	Compliance Cost Per Square Foot					
	Compliance Cost Per Unit	Single Family Detached, Large Lot	Single Family Detached	Town- home	Stacked Flat Condo	Apart- ments
With 20% Obligation						
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
With 15% Obligation						
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.

Table 7-1. Nexus Analysis Findings – Cost of Mitigating Affordable Housing Impacts					
	<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.

Table 8-1. Inclusionary Program Affordable Unit Set-aside Requirements		
Jurisdiction (Cities except as noted)	Inclusionary Percentage	Income Level
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.

Table 8-2. Inclusionary Program Project Size Thresholds		
Jurisdiction (Cities except as noted)	Minimum Project Size Subject to Ordinance	Minimum Project Size Required to Provide Unit
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.

Table 8-3. In-Lieu Fees in Other Jurisdictions			
Jurisdiction (Cities except as noted)	Projects Allowed to Pay Fee	For-Sale	Rentals
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.

Table 8-4. In-Lieu Fees in Other Jurisdictions Expressed Per Market Rate Unit or Per Square Foot					
	<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 ⁽⁴⁾					
Per GSF	\$145	\$145	\$160	\$220	\$220
Per Unit	\$478,500	\$319,000	\$256,000	\$282,353	\$225,882
In-Lieu Fees Expressed Per Market Rate Unit ⁽¹⁾					
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 ⁽⁵⁾	\$74,640	\$74,640	\$74,640	\$74,640	exempt
Carpinteria ⁽²⁾	\$40,920	\$40,920	\$40,920	\$32,736	exempt
City of San Luis Obispo ⁽³⁾	\$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
In-Lieu Fees Expressed on Per Square Foot Basis ⁽¹⁾					
City of Santa Barbara					
10+ unit project	\$20	\$30	\$35	\$44	\$25
Four-unit project	\$5	\$7	\$9	\$11	exempt
Co of Santa Barbara ⁽⁵⁾	\$23	\$34	\$47	\$62	exempt
Carpinteria ⁽²⁾	\$12	\$19	\$26	\$27	exempt
City of San Luis Obispo ⁽³⁾	\$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 Gorrión	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 Gorrión	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%

Address	Sale Date	Property Type	# Bed	SF	Sale Price	APN	Year Built	Affordability
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.	B.	C.	Cost of Compliance Per Square Foot			
	Affordability Gap Per Aff. Unit	% of Units	Cost of Compliance Per Unit (= gap X percent)	Single Family	Single Family	Townhome	Stacked Flat
				Detached, Large Lot	Detached		Condo
				= D. / 3300 SF	= D. / 2200 SF	= D. / 1600 SF	= D. / 1200 SF
1. In-Lieu Fee Used for Prior Projects	\$80,645	20%	\$16,129	\$5 /SF	\$7 /SF	\$10 /SF	\$13 /SF
2. Onsite Requirement							
a. 20% Requirement							
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
Extremely Low @30% AMI		<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%		\$101 /SF	\$71 /SF	\$62 /SF	\$72 /SF
b. 15% Requirement							
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%		\$75 /SF	\$52 /SF	\$44 /SF	\$51 /SF
3. Offsite Compliance ^{(1) (2)}							
			Per Unit in Mkt Rate Project (= gap X aff %) / (1- aff%)				
a. LIHTC Project - Low, Very Low, and ELI	\$103,000	20%	\$25,750	\$8 /SF	\$12 /SF	\$16 /SF	\$21 /SF
b. LIHTC Project - Low, Very Low, and ELI	\$103,000	15%	\$18,176	\$6 /SF	\$8 /SF	\$11 /SF	\$15 /SF
4. In-Lieu Fee Based on Existing Unit Resales ⁽⁴⁾							
			(= gap X percent)				
a. In-Lieu Fee at 20%	\$320,000	20%	\$64,000	\$19 /SF	\$29 /SF	\$40 /SF	\$53 /SF
b. In-Lieu Fee at 15%	\$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. Affordability Gap Per Aff. Unit	B. % of Units (= gap X percent)	C. Cost of Compliance Per Unit in Project (= gap X percent)	D. Per Net Square Foot in Project = D. / 960 SF
1. In-Lieu Fee Used for Prior Projects	\$80,645	20%	\$16,129	\$17 /SF
2. Onsite Requirement⁽²⁾				
a. 20% Requirement				
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
Extremely Low @30% AMI	\$529,000	<u>2.5%</u>	<u>\$13,225</u>	<u>\$14 /SF</u>
Total Compliance Cost PSF		20%	\$66,375	\$69 /SF
b. 15% Requirement				
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%	\$47,480	\$49 /SF
3. Offsite Compliance^{(2) (3)}				
		Per Unit in Mkt Rate Project (= gap X aff %) / (1 - aff%)		
a. LIHTC Project - Low, Very Low, and ELI	\$103,000	20%	\$25,750	\$27 /SF
b. LIHTC Project - Low, Very Low, and ELI	\$103,000	15%	\$18,176	\$19 /SF
4. In-Lieu Fee Based on Purchasing Existing Unit Resales⁽⁴⁾				
		(= gap X percent)		
a. In-Lieu Fee at 20%	\$320,000	20%	\$64,000	\$67 /SF
b. In-Lieu Fee at 15%	\$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 Appencis 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 ⁽¹⁾				
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
Total Compliance Cost PSF	20%	\$101	\$71	\$62	\$72

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
Total Compliance Cost PSF	15%	\$75	\$52	\$44	\$51

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

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

Affordable Unit Values						
10	Median Household Income ²	\$78,400				
		<u>Above Moderate Income</u>	<u>Moderate Income</u>	<u>Low Income</u>	<u>Very Low Income</u>	<u>Extremely Low Income</u>
11	Percent of Median for Rent Calculation	160%	110%	60%	50%	30%
12	Gross Monthly Rent ³	\$3,136	\$2,156	\$1,176	\$980	\$588
13	(Less Vacancy Allowance @5%)	(\$157)	(\$108)	(\$59)	(\$49)	(\$29)
14	(Less Utility Allowance) ⁴	(\$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 ¹	(\$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	Gap in Unit Value	\$108,000	\$274,000	\$443,000	\$476,000	\$529,000

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

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

	Affordable Unit Values	
10	Median Household Income ²	\$66,517

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

20	Gap in Unit Value	\$330,000
----	--------------------------	------------------

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 ⁽³⁾	
					Per Unit in Project (= gap X percent)	Per Net Square Foot in Project (=cost per unit/ avg. unit size)
1. Citrus Village Townhomes	10	in-lieu fee	\$80,645	20%	\$16,129	\$11 /SF
2. Village at Los Carneros	465	Site valued at \$690,000 dedicated for affordable project		n/a	\$1,484	\$1 /SF
3. Old Town Village / Winslowe	175	14 mod/above mod units & in-lieu fee				
On-Site Above Moderate Income (200% AMI) ⁽²⁾		7 on-site	\$25,500 ⁽¹⁾	4%	\$1,020	\$1 /SF
On-Site Moderate Income (120% AMI) ⁽²⁾		7 on-site	\$364,300 ⁽¹⁾	4%	\$14,572	\$8 /SF
Fee in-lieu of Low, VL and ELI Units		<u>13 in-lieu fee</u>	<u>\$80,645</u>	<u>7%</u>	<u>\$5,991</u>	<u>\$3 /SF</u>
		27		15%	\$21,583	\$12 /SF
4. Hollister Village, 27 Unit Project	27	5 on-site at Low	\$330,000 ⁽⁴⁾	19%	\$61,111	\$100 /SF
[affordable housing plan was the product of a settlement agreement]						
5. Cortona and Hollister Village, 266 unit project		no requirement (preceded addition of rental to requirement)				
6 Haskell's Landing	101	5 mod/ 5 above mod units & in-lieu fee				
On-Site Above Moderate Income (120-200%AMI)		5 on-site	\$63,000 ⁽⁵⁾	5%	\$3,119	\$1 /SF
On-Site Moderate Income (80-120% AMI)		5 on-site	\$33,000 ⁽⁵⁾	5%	\$1,634	\$1 /SF
Fee in-lieu of Low, VL and ELI Units		<u>10 in-lieu fee</u>	<u>\$80,645</u> ⁽⁶⁾	<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
Unit Size (Bedroom)	3-Bedroom	4-Bedroom	3-Bedroom	2-Bedroom
Household Size	4-person HH	5-person HH	4-person HH	3-person HH
Santa Barbara County 2021 Median Income	\$90,100	\$97,300	\$90,100	\$81,100
Home Price at 200% of AMI	\$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 ⁽³⁾	(\$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
Home Price @200% AMI	\$774,200	\$831,300	\$774,500	\$678,400
Household Income @ 160% of AMI	\$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 ⁽³⁾	(\$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
Home Price @160% AMI	\$615,100	\$668,500	\$615,400	\$534,700
Home Price at 120% of AMI	\$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 ⁽³⁾	(\$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
Home Price @120% AMI	\$435,400	\$465,300	\$435,700	\$373,100

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
Household Income at 110% of AMI	\$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 ⁽³⁾	(\$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
Home Price @110% AMI	\$390,400	\$416,700	\$390,700	\$332,600
Household Income at 70% of AMI	\$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 ⁽³⁾	(\$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
Home Price @70% AMI	\$165,900	\$174,200	\$166,100	\$130,300

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

	Single Family		Townhome	Stacked Flat Condominium
Unit Size (Bedroom)	3-Bedroom	4-Bedroom	3-Bedroom	2-Bedroom
Household Size	4-person HH	5-person HH	4-person HH	3-person HH
Household Income at 50% of AMI	\$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 ⁽³⁾	(\$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
Home Price @50% AMI	\$88,800	\$90,900	\$89,200	\$61,100
Household Income at 30% of AMI	\$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 ⁽³⁾	(\$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)
Home Price @30% AMI	\$11,800	\$7,800	\$12,100	\$0
<u>Expense Assumptions</u>				
- HOA	\$225	\$250	\$300	\$400
- Utilities ⁽¹⁾	\$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 ⁽²⁾	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. 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
Median Sales Price, Prior Year¹	\$605,000

	Affordable Prices	20% Inclusionary Requirement	Weighted Average Affordable Price
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		

	Affordability Gaps	20% Inclusionary Requirement	Weighted Average Affordability Gap Per Aff Unit
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

I. Affordable Prototype

Tenure
Average No. of Bedrooms

Rental
2.25 Bedrooms

II. Development Costs ^[1]

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	

III. Supported Financing

Per Unit

Per Unit

Per Unit

Affordable Rents

Average Number of Bedrooms

2.25 BR

Maximum TCAC Rent ^[2]	\$876	\$1,460	\$1,752
(Less) Utility Allowance ^[3]	<u>(\$77)</u>	<u>(\$77)</u>	<u>(\$77)</u>
Maximum Monthly Rent	\$799	\$1,384	\$1,676

Net Operating Income (NOI)

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	<u>(\$5,900)</u>	<u>(\$5,900)</u>	<u>(\$5,900)</u>
(Less) Property Taxes ^[4]	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Operating Income (NOI)	\$3,283	\$9,946	\$13,275

Permanent Financing

Permanent Loan 4.20%	\$48,000	\$146,000	\$195,000
Tax Credit Equity - 4% Credits ^[5]	<u>\$166,000</u>	<u>\$166,000</u>	<u>\$166,000</u>
Total Sources	\$214,000	\$312,000	\$361,000

IV. Affordability Gap

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>

Off-Site Project LIHTC Gap

(\$103,000)

with mix of 25% ELI, 25% VL, 50% Low
based on IHO affordability mix for ELI to Low

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

^[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.

^[5] 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**

	Centennial Gardens	Coastal Meadows	Vintage at Sycamore	Average
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
Year Adopted / Updated	2020	FS: 2018 R: 2019 (Average Unit Density Program, select zones of city)	2013	2004	1981, 2004, 2006, Update Started in 2019
Minimum Project Size 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
Impact / In-Lieu Fee	"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
Onsite Requirement/Option	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%
Income Levels	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
Other Compliance Options	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
Comments	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
Year Adopted / Updated	1999, 2004	2002, 2020	2000, 2007	2000
Minimum Project Size For In-lieu/Impact Fee For Build Requirement	Five units n/a	Ten units	Two units Five units	Five units n/a
Impact / In-Lieu Fee	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
Onsite Requirement/Option	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
Other Compliance Options	Land dedication	Land dedication.	Land dedication	Land dedication. Deed-restricting existing units.
Comments		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

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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.

Table 1-1. Nexus Analysis Findings – Cost of Mitigating Affordable Housing Impacts					
	<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.

Table 2-1. Income Categories Applicable to Inclusionary Units		
	With 20% Requirement	With 15% Requirement (requires public benefit)
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

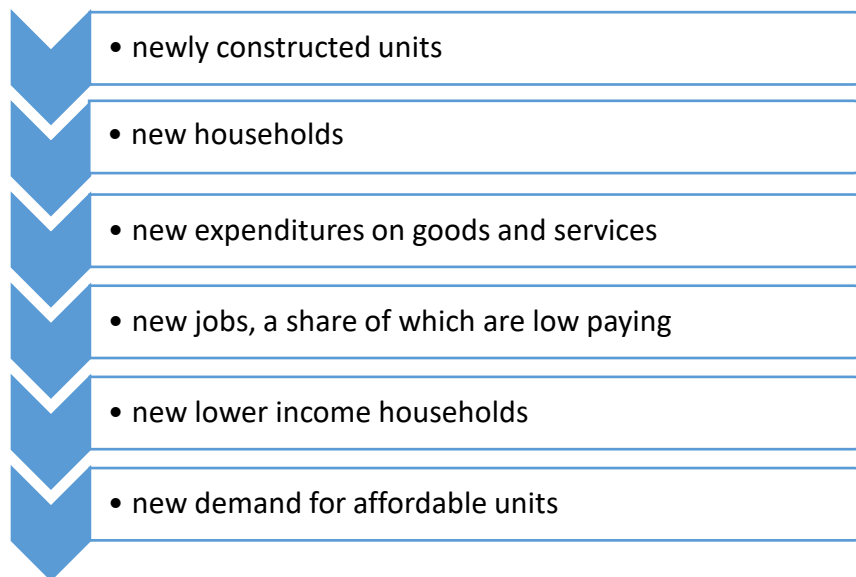
The Residential Nexus Analysis has been prepared to provide information regarding the cost of mitigating the impacts of new residential development on the need for affordable housing. The nexus analysis has not been prepared as a document to guide policy in the broader context. We caution against the 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.

Table 3-1. Prototypical Residential Units for Goleta					
	<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.¹
- 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.²

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.³

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 loans⁴ and is consistent with criteria used by lenders to determine mortgage eligibility.⁵

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

¹ 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.

² 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.

³ 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.

⁴ Freddie Mac data for the 1st 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.

⁵ 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.

Table 3-2. Estimated Household Income, Purchasers of Ownership Housing Types

	<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
Mortgage				
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 ⁽¹⁾	\$23,000	\$12,700	\$9,200	\$7,900
HOA Dues ⁽²⁾				
Monthly	\$250	\$275	\$300	\$450
Annual	\$3,000	\$3,300	\$3,600	\$5,400
Hazard Insurance ⁽³⁾	\$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%
Annual Household Income Required	\$326,000	\$184,000	\$137,000	\$125,000

(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.⁶ The estimate is summarized in Table 3-3.

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

**Table 3-3. Estimated Household Income
Renters of New Market Rate Apartments**

Monthly Rent	\$3,264
Monthly Utilities ⁽¹⁾	\$110
Total Monthly Housing Cost	\$3,377
Annual Housing Cost	\$40,528
% of Income Spent on Rent ⁽²⁾	30%
Annual Household Income Required	\$135,000

(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.

Table 3-4. Percent of Income Available for Expenditure

	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%
Percent of Income Available for Expenditures	59%	71%	72%	72%	71%

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 deductions⁷ 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).⁸ 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%.⁹

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

⁸ 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.

⁹ 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.

Table 3-5. Income Available for Expenditures					
	<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 ⁽¹⁾					
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.

Table 3-6. Jobs Generated Per 100 Units					
	<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

Jobs Generated by Industry ¹	Single Family, Large Lot	Single Family	Townhomes	Condominiums	Apartments	% of Jobs
<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%
Total Number of Jobs Generated	124.7	79.6	61.5	56.1	56.8	100%

¹ 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).

Table 3-8. 2021 Income Limits for Santa Barbara County						
	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%¹⁰. 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.

¹⁰ 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.

Table 3-10. Illustration of Model Step 4a.						
A. IMPLAN Output by IMPLAN Industry Sector		B. Link to Corresponding NAICS Code		C. Aggregate at 4-Digit NAICS Code Level		
<u>Jobs</u>	<u>IMPLAN Sector</u>	<u>Jobs</u>	<u>NAICS Code</u>	<u>Jobs</u>	<u>% Total</u>	<u>4-Digit NAICS</u>
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

serving (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
\$6,0000-\$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.

Table 3-12. Percent of Households by Size and No. of Workers		
No. of Persons in Household	No. of Workers in Household	Percent of Total Households
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%
Total		100.0%

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.

Table 3-13. Housing Need by Income Category per 100 Market Rate Units					
	<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
Total, Less than 120% AMI	37.7	24.5	19.1	17.5	17.7
Greater than 120% AMI	23.0	14.3	10.8	9.9	10.0
Total, New Households	60.7	38.7	29.9	27.3	27.7

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.

Table 3-14. Affordability Gap	
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

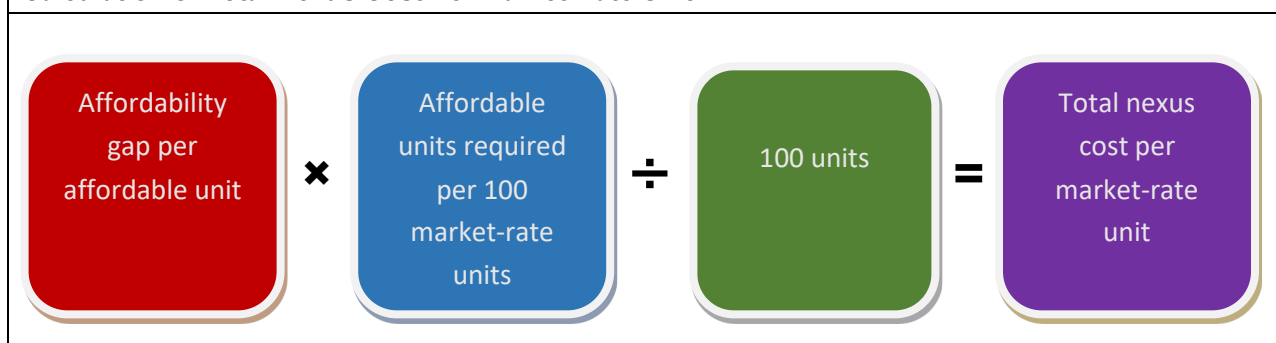
3.8 Total Nexus Cost

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.

Table 3-15. Total Nexus Cost Per Market Rate Unit, Goleta

<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	\$5,200
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
Total Supported Fee / Nexus Cost	\$55,400	\$36,000	\$28,200	\$25,700	\$26,100

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

Calculation of Total Nexus Cost Per Market-Rate Unit

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.

Table 3-16. Total Nexus Cost Per Square Foot

<i>Unit Size (Sq. Ft.)</i>	<i>Single Family, Large Lot 3,300 SF</i>	<i>Single Family 2,200 SF</i>	<i>Townhomes 1,600 SF</i>	<i>Condominiums 1,200 SF</i>	<i>Apartments 960 SF</i>
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
Total Nexus Costs	\$16.80	\$16.40	\$17.70	\$21.50	\$27.20

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> Single Family, Large Lot	<i>Prototype 2</i> Single Family	<i>Prototype 3</i> Townhomes	<i>Prototype 4</i> Condominiums	<i>Prototype 5</i> Apartments
Step 1 - Employees ¹	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 ⁴					
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>
Totals	100.0%	100.0%	100.0%	100.0%	100.0%
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>
Totals	60.7	38.7	29.9	27.3	27.7

- Notes:**
- ¹ Estimated employment generated by expenditures of households within 100 prototypical market rate units from Table 3-7.
- ² 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%.
- ³ 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.
- ⁴ See Appendix B Tables 1 - 6 for additional information on Major Occupation Categories.

TABLE 3-18A
EXTREMELY LOW INCOME EMPLOYEE HOUSEHOLDS¹ GENERATED
RESIDENTIAL NEXUS ANALYSIS
GOLETA, CA

Per 100 Market Rate Units

	<i>Prototype 1</i> Single Family, Large Lot	<i>Prototype 2</i> Single Family	<i>Prototype 3</i> Townhomes	<i>Prototype 4</i> Condominiums	<i>Prototype 5</i> Apartments
Step 5 & 6 - Extremely Low Income Households (under 30% AMI) within Major Occupation Categories ²					
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 ¹ - all other occupations	0.76	0.59	0.45	0.41	0.41
Total ELI Households¹	4.27	2.86	2.23	2.04	2.06

(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 HOUSEHOLDS¹ 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>
	Single Family, Large Lot	Single Family	Townhomes	Condominiums	Apartments
Step 5 & 6 - Very Low Income Households (30%-50% AMI) within Major Occupation Categories ²					
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	-	-	-	-	-
Very Low Income Households - Major Occupations	13.14	8.34	6.64	6.06	6.13
Very Low Income Households ¹ - all other occupations	2.83	2.19	1.67	1.52	1.54
Total Very Low Inc. Households¹	15.97	10.54	8.31	7.58	7.67

(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 HOUSEHOLDS¹ 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>
	Single Family, Large Lot	Single Family	Townhomes	Condominiums	Apartments
Step 5 & 6 - Low Income Households (50%-80% AMI) within Major Occupation Categories ²					
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 ¹ - all other occupations	2.72	2.04	1.53	1.39	1.41
Low Inc. Households¹	15.35	9.81	7.59	6.93	7.01

(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 HOUSEHOLDS¹ 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>
	Single Family, Large Lot	Single Family	Townhomes	Condominiums	Apartments
Step 5 & 6 - Moderate (80%-120% AMI) Employee Households within Major Occupation Categories ²					
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 ¹ - all other occupations	0.37	0.26	0.20	0.18	0.19
Total Moderate Households (80% to 120% AMI)¹	2.10	1.26	1.00	0.91	0.92

(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.

Table 4-1. Unit Values for Affordable Units		
<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.

Table 4-2. Affordability Gap Calculation			
	<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
I. Affordable Prototype				
Tenure				
Average No. of Bedrooms				Rental 2.25 Bedrooms
II. Development Costs ^[1]				
	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		
III. Supported Financing				
	Per Unit	Per Unit	Per Unit	Per Unit
<u>Affordable Rents</u>				
Average Number of Bedrooms		2.25 BR		
Maximum TCAC Rent ^[2]	\$876	\$1,460	\$1,752	\$2,292
(Less) Utility Allowance ^[3]	<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 ^[4]	<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 ^[5]	<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
IV. Affordability Gap				
	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	(\$250,000)	(\$152,000)	(\$103,000)	(\$221,000)

[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

	Escalante Meadows	Centennial Gardens	Coastal Meadows	Westview Village Ph III	Mountain View Apts	Vintage at Sycamore	Average
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/a
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

	Townhome
Unit Size (Bedroom)	3-Bedroom
Household Size	4-person HH
Santa Barbara County 2020 Median Income	\$90,100
Moderate Income Home Price at 110% of AMI	\$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 ⁽³⁾	(\$700)
(Less) Mortgage Insurance	(\$3,040)
Income Available for Mortgage	\$20,601
Supported Mortgage	\$382,300
Down Payment @5%	\$20,100
Home Price @110% AMI	\$402,400
<u>Expense Assumptions</u>	
- HOA	\$200
- Utilities ⁽¹⁾	\$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 ⁽²⁾	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.

Table 5-1. Residential Development Prototype Units					
	<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.

Table 5-2. Residential Development Projects Reviewed

Unit Type	Project Name	Project Status
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.

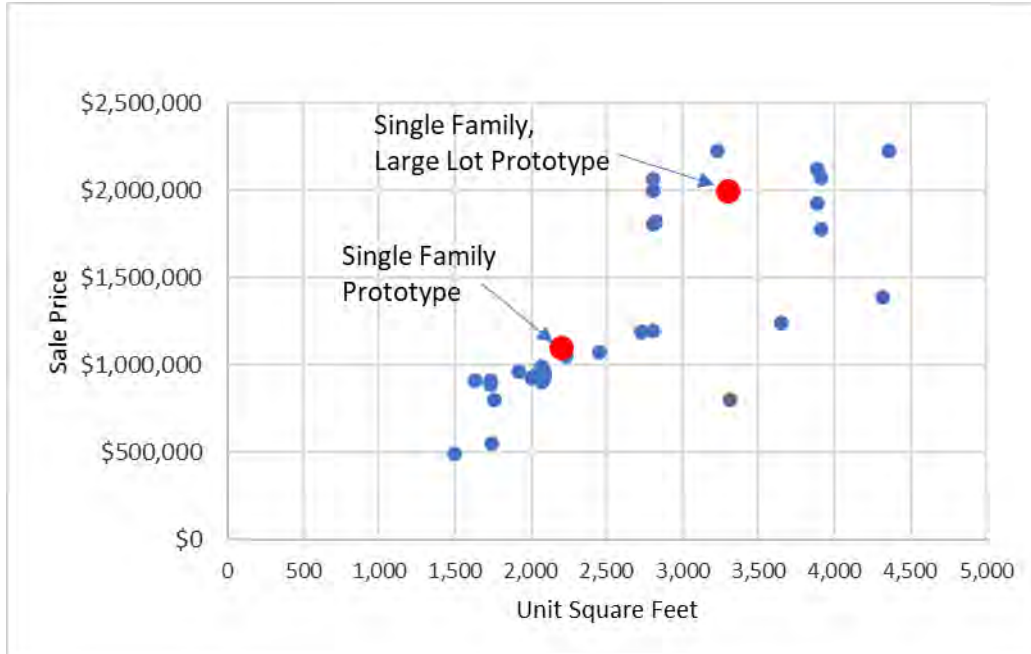
5.2 Estimated Market Rate Home Prices

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

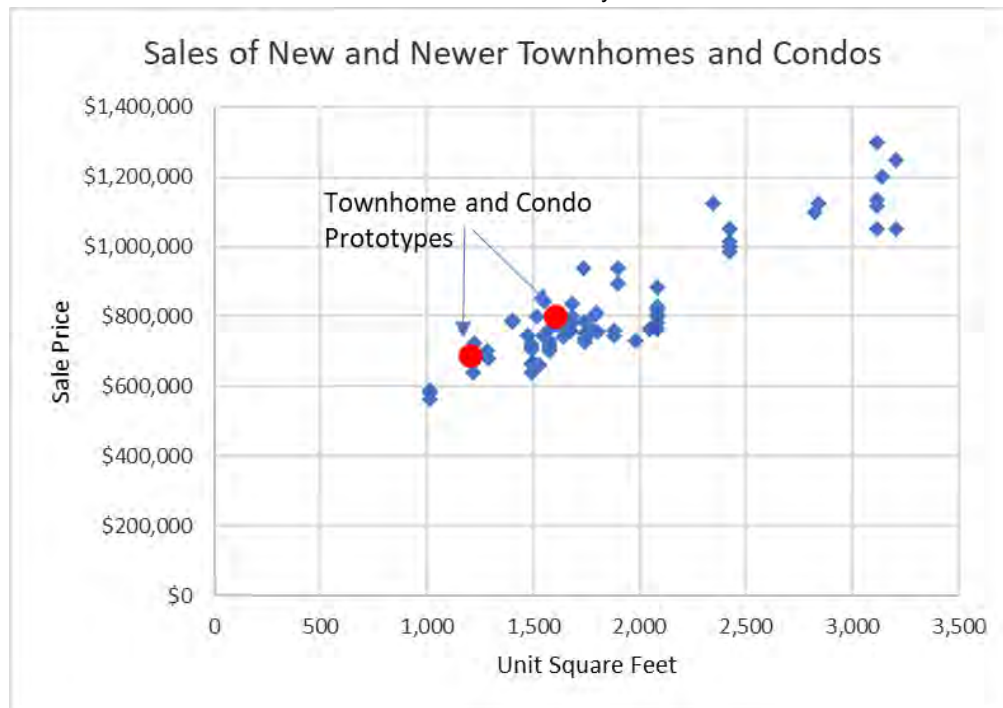
Sales for Units Built Since 2000 and Sold January 2018 to December 2020



Sources: CoreLogic and Redfin.

Chart 2 – Newer Townhome and Condo Sales

for Units Built Since 2000 and Sold January 2018 to December 2020



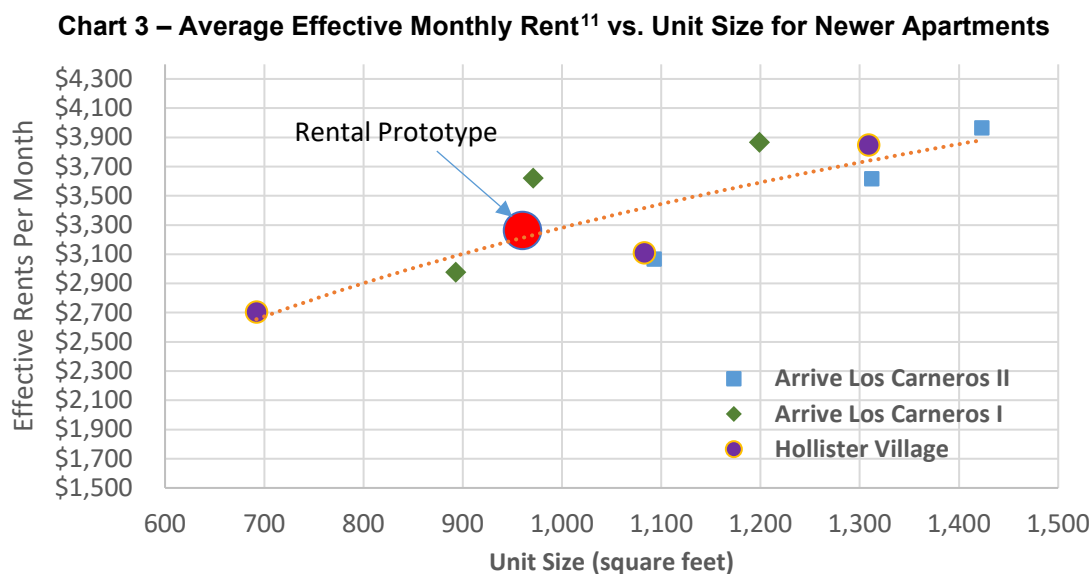
Sources: CoreLogic and Redfin

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.

Table 5-3. For-Sale Prototype Price Estimates			
	Average Unit Size	Sale Price	Price \$/SF
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.

Table 5-4. Prototype Rent Estimates			
	Average Unit Size	Average Price/Rent	Rent \$/SF
Apartment	960 sq. ft.	\$3,264	\$3.40/SF/Mo

¹¹ 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
January 2018- December 2020								
TOWNHOMES / CONDOS								
Los Carneros								
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
City Ventures Winslowe								
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 Ekwil 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

Development	Sale Date	Yr Built	# Bed	# Bath	SF	Lot SF	Sale Price	Price / SF
January 2018- December 2020								
Willow Creek Condos								
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
The Hideaway								
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
Storke Ranch								
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
January 2018- December 2020								
SINGLE FAMILY DETACHED								
Elacora / Los Carneros								
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	
Storke Ranch								
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
The Bluffs								
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
Other								
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
Average Rents			43%	893	\$2,917	\$3.35	46%	1,122	\$3,449	\$3.12	12%	1,310	\$3,894	\$2.98	1.69	1,044	\$3,287	\$3.21

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	
	Net lots: .46 ac- 1.31 ac	Lots: 7500 - 13,270 sf	Average lot size: 5,076 sf	
Units	7 units	60 lots (excl. open space)	28 units	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	
Project	Olas at Los Carneros [Became Arrive II Apartments]	Arrive at Los Carneros	Arrive II Los Carneros [formerly Olas at Los Carneros Condos]
Address	Los Carneros Rd	Los Carneros Rd	Los Carneros Rd
Status		Built 2018	Built 2020
Site Size	4.37 acres	3.08 acres (net)	4.37 acres
Density	20 dua	24 dua	20 dua
Units	88 units	74 units	88 units
Unit Size Range	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
Average Unit Size	1,189 sf	957 sf	1,189 sf
Bedroom Mix	63% 1 BR 25% 2BR 13% 3BR	30% 1 BR 66% 2BR 4% 3BR	63% 1 BR 25% 2BR 13% 3BR
Avg Bedrooms	1.5 BRs	1.7 BRs	1.5 BRs
Building Type	Three stories over partial subterranean garage	Three stories with podium, partial subterranean parking.	Three stories. Built as condos.
Off Street Parking/unit			

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 (Above incl. senr.)	266 units
Unit Size Range		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**

Major Occupations (2% or more)	Worker Occupation Distribution ¹ Services to Households Earning \$100,000 to \$150,000
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>
INDUSTRY TOTAL	100.0%

¹ 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 ^a	2020 Avg. Compensation ^b	Household Income Estimate ^d			% of Total Occupation Group ^c	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 4						
Management Occupations						
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>
Weighted Mean Annual Wage	\$117,800	\$125,000	\$187,000	\$217,000	100.0%	4.7%
Business and Financial Operations Occupations						
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>
Weighted Mean Annual Wage	\$87,300	\$96,000	\$152,000	\$180,000	100.0%	4.5%
Community and Social Service Occupations						
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>
Weighted Mean Annual Wage	\$61,600	\$72,000	\$123,000	\$154,000	100.0%	2.0%

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

02/17/2024, 04:11

Occupation ^a	2020 Avg. Compensation ^b	Household Income Estimate ^d			% of Total Occupation Group ^c	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
Page 2 of 4						
Educational Instruction and Library Occupations						
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>
Weighted Mean Annual Wage	\$50,700	\$62,000	\$109,000	\$146,000	100.0%	2.2%
Healthcare Practitioners and Technical Occupations						
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>
Weighted Mean Annual Wage	\$106,200	\$116,000	\$175,000	\$204,000	100.0%	8.1%
Healthcare Support Occupations						
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>
Weighted Mean Annual Wage	\$34,300	\$43,000	\$85,000	\$124,000	100.0%	7.4%

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 ^a	2020 Avg. Compensation ^b	Household Income Estimate ^d			% of Total Occupation Group ^c	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
Page 3 of 4						
Food Preparation and Serving Related Occupations						
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	\$31,900	\$40,000	\$81,000	\$119,000	7.2%	1.1%
Weighted Mean Annual Wage	\$31,900	\$42,000	\$82,000	\$123,000	100.0%	15.6%
Building and Grounds Cleaning and Maintenance Occupations						
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	\$34,700	\$44,000	\$88,000	\$129,000	6.3%	0.2%
Weighted Mean Annual Wage	\$34,700	\$44,000	\$87,000	\$126,000	100.0%	3.4%
Personal Care and Service Occupations						
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	\$39,100	\$49,000	\$99,000	\$145,000	20.9%	0.8%
Weighted Mean Annual Wage	\$39,100	\$49,000	\$95,000	\$137,000	100.0%	4.0%
Sales and Related Occupations						
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	\$37,800	\$47,000	\$96,000	\$140,000	11.4%	1.4%
Weighted Mean Annual Wage	\$37,800	\$47,000	\$91,000	\$129,000	100.0%	12.2%

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 ^a	2020 Avg. Compensation ^b	Household Income Estimate ^d			% of Total Occupation Group ^c	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
Page 4 of 4						
Office and Administrative Support Occupations						
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>
Weighted Mean Annual Wage	\$44,700	\$56,000	\$100,000	\$131,000	100.0%	12.2%
Installation, Maintenance, and Repair Occupations						
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>
Weighted Mean Annual Wage	\$51,300	\$64,000	\$110,000	\$142,000	100.0%	3.7%
					79.9%	

¹ 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.

² 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.

³ Including occupations representing 3% or more of the major occupation group

⁴ 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**

Major Occupations (2% or more)	Worker Occupation Distribution ¹ Services to Households Earning \$150k - \$200k
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>
INDUSTRY TOTAL	100.0%

¹ 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 ³	2020 Avg. Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 4						
Management Occupations						
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>
Weighted Mean Annual Wage	\$118,700	\$126,000	\$188,000	\$218,000	100.0%	4.8%
Business and Financial Operations Occupations						
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>
Weighted Mean Annual Wage	\$89,200	\$98,000	\$154,000	\$182,000	100.0%	4.7%
Computer and Mathematical Occupations						
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>
Weighted Mean Annual Wage	\$96,000	\$106,000	\$166,000	\$197,000	100.0%	2.0%

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

Occupation ³	2020 Avg. Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
Page 2 of 4						
Educational Instruction and Library Occupations						
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>
Weighted Mean Annual Wage	\$58,200	\$70,000	\$120,000	\$157,000	100.0%	2.9%
Healthcare Practitioners and Technical Occupations						
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>
Weighted Mean Annual Wage	\$109,400	\$119,000	\$179,000	\$209,000	100.0%	6.8%
Healthcare Support Occupations						
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>
Weighted Mean Annual Wage	\$34,000	\$43,000	\$84,000	\$122,000	100.0%	6.3%

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

Occupation ³	2020 Avg. Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
Page 3 of 4						
Food Preparation and Serving Related Occupations						
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>	<u>6.5%</u>	<u>1.0%</u>
Weighted Mean Annual Wage	\$31,900	\$42,000	\$82,000	\$123,000	100.0%	14.8%
Building and Grounds Cleaning and Maintenance Occupations						
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>	<u>6.5%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$34,800	\$44,000	\$87,000	\$126,000	100.0%	3.9%
Personal Care and Service Occupations						
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>	<u>18.8%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$39,300	\$50,000	\$96,000	\$138,000	100.0%	4.2%
Sales and Related Occupations						
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>	<u>11.2%</u>	<u>1.4%</u>
Weighted Mean Annual Wage	\$38,200	\$48,000	\$91,000	\$130,000	100.0%	12.1%

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

Occupation ³	2020 Avg. Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total <u>Workers</u>
		One <u>Worker</u>	Two <u>Workers</u>	Three+ <u>Workers</u>		
<i>Page 4 of 4</i>						
<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>
<i>Weighted Mean Annual Wage</i>	\$44,600	\$56,000	\$100,000	\$130,000	100.0%	12.2%
<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>
<i>Weighted Mean Annual Wage</i>	\$51,800	\$64,000	\$111,000	\$143,000	100.0%	4.4%

79.2%

¹ 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.

² 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.

³ Including occupations representing 3% or more of the major occupation group

⁴ 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**

Major Occupations (2% or more)	Worker Occupation Distribution ¹ Services to Households Earning \$200k+
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>
INDUSTRY TOTAL	100.0%

¹ 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 ³	2020 Avg. Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ⁵	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 4						
Management Occupations						
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>
Weighted Mean Annual Wage	\$119,500	\$127,000	\$189,000	\$220,000	100.0%	4.9%
Business and Financial Operations Occupations						
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>
Weighted Mean Annual Wage	\$92,100	\$101,000	\$157,000	\$185,000	100.0%	5.2%
Computer and Mathematical Occupations						
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>
Weighted Mean Annual Wage	\$96,800	\$107,000	\$167,000	\$199,000	100.0%	2.2%

RESIDENTIAL NEXUS APPENDIX B TABLE 6
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SERVICES TO HOUSEHOLDS EARNING \$200K+
RESIDENTIAL NEXUS ANALYSIS
GOLETA, CA

Occupation ³	2020 Avg. Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ⁵	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
Community and Social Service Occupations						
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>
Weighted Mean Annual Wage	\$61,600	\$63,000	\$107,000	\$135,000	100.0%	2.3%
Educational Instruction and Library Occupations						
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>
Weighted Mean Annual Wage	\$54,900	\$67,000	\$116,000	\$153,000	100.0%	3.9%
Healthcare Practitioners and Technical Occupations						
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>
Weighted Mean Annual Wage	\$108,000	\$117,000	\$177,000	\$207,000	100.0%	7.7%

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

Occupation ³	2020 Avg. Compensation ¹	Household Income Estimate ⁴			% of Total	
		One Worker	Two Workers	Three+ Workers	Occupation Group ⁵	% of Total Workers
Page 3 of 4						
Healthcare Support Occupations						
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>
Weighted Mean Annual Wage	\$33,400	\$37,000	\$74,000	\$107,000	100.0%	7.0%
Food Preparation and Serving Related Occupations						
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>
Weighted Mean Annual Wage	\$31,900	\$39,000	\$76,000	\$115,000	100.0%	14.1%
Building and Grounds Cleaning and Maintenance Occupations						
Supervisors of Landscaping, Lawn, & Groundskeeping Workers	\$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. Occupations	<u>\$34,900</u>	<u>\$44,000</u>	<u>\$89,000</u>	<u>\$130,000</u>	<u>6.6%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$34,900	\$44,000	\$87,000	\$126,000	100.0%	4.5%
Personal Care and Service Occupations						
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>
Weighted Mean Annual Wage	\$36,500	\$22,000	\$43,000	\$63,000	100.0%	4.2%

RESIDENTIAL NEXUS APPENDIX B TABLE 6
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RESIDENTIAL NEXUS ANALYSIS
GOLETA, CA

Occupation ³	2020 Avg. Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Workers
		One Worker	Two Workers	Three+ Workers		
Sales and Related Occupations						
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>
Weighted Mean Annual Wage	\$37,800	\$40,000	\$77,000	\$109,000	100.0%	10.8%
Office and Administrative Support Occupations						
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>
Weighted Mean Annual Wage	\$45,900	\$57,000	\$102,000	\$133,000	100.0%	12.1%
Installation, Maintenance, and Repair Occupations						
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>
Weighted Mean Annual Wage	\$51,200	\$64,000	\$110,000	\$142,000	100.0%	3.3%

82.3%

¹ 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.

² 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.

³ Including occupations representing 3% or more of the major occupation group

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

Attachment B

A Resolution of the City of Goleta, California, Adopting a Development Impact Fee Nexus Study and Non-Residential Affordable Housing Impact Fees

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Resolution No. 21-__

A Resolution of the City of Goleta, California, Adopting a Development Impact Fee Nexus Study and Non-Residential Affordable Housing Development Impact Fees

A. Recitals

1. The Mitigation Fee Act, Government Code Sections 66000, *et seq.*, governs the establishment and administration of development impact fees (DIFs) paid by new development projects for public facilities needed to serve new development; and
2. The imposition of DIFs is one of the preferred methods of ensuring that new development bears a proportionate share of the estimated reasonable cost of providing public facilities and service improvements necessary to accommodate such development; and
3. The City has operated a development impact fee program since incorporation relying on ordinances and nexus studies conducted by the County before incorporation; and
4. Under the Mitigation Fee Act, cities must ensure that there is a nexus between the development project's impacts and the imposed fee amounts; and
5. The City decided that it was necessary to prepare a new nexus study to ensure appropriate and development impact fees are being imposed on development projects within the City; and
6. The City contracted with Keyser Marston Associates to prepare a new nexus study to establish the City's affordable housing development impact fees program; and
7. In August 2021, Keyser Marston Associates completed a *Non-Residential Affordable Housing Fee Report* for the City of Goleta, California, that recommends formal adoption of affordable housing development impact fees and explains the nexus between the imposition of the fee and the estimated reasonable costs of providing the facility or service for which the fee is charged; and
8. The *Non-Residential Affordable Housing Fee Report* ("Impact Fee Report"), has been available for public review and comment; and
9. The City Council desires to adopt this fee and nexus study to implement Housing Element subpolicy HE 2.2 of the General Plan/Coastal Land Use Plan; and

10. Following public release of the Impact Fee Report, the City held a public hearing on October 5, 2021, to consider the Impact Fee Report and proposed development impact fees; and

11. The City Council now desires to adopt new development impact fees in accordance with the nexus calculations and recommendations in the Impact 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 the Non-Residential Development Impact Fee is collected to mitigate impacts of new development on available housing within the City in accordance with the Mitigation Fee Act. (Government Code sections 66000, et. seq.) In compliance with policy HE 2.2, Linkage of Housing and Jobs, to encourage adequate housing opportunities that meet the needs of the local workforce, the City will require new non-residential development and proposed expansion or intensification of existing non-residential development to contribute to providing affordable employee housing.

The proposed amount of floor area and type of non-residential shall be used as factors in establishing the assessed fee requirement for individual projects. Alternatives to satisfy the requirement to pay a development impact fee may, at the discretion of the City, include providing housing on site, housing assistance as part of employee benefit packages, or other alternatives of similar value.

The reasonable relationship between the Non-Residential Affordable Housing Impact Fees and the purpose for which these fees are charged, as required by applicable law, are set forth in the Non-Residential Affordable Housing Impact Fee Report, prepared by Keyser Marston Associates, dated August 2021, which is included as Exhibit 1 to this Resolution and incorporated herein by reference.

SECTION 3. Affordable Housing Fee Program

The following fees shall be applicable to total floor area of a development devoted to non-residential uses, including accessory structures devoted to non-residential uses that would increase the demand for affordable housing and as measured pursuant to Title 17, subsection 17.03.070(C) of the Goleta Municipal Code.

1. **Office & Medical Projects** – \$8.00 per square foot.
2. **Warehouse & Industrial Projects** – \$5.00 per square foot.
3. **Retail & Commercial Projects** – \$2.00 per square foot.
4. **Hotel** – \$4,800.00 per room.

SECTION 4. Annual Financial Reports of Development Fees

The City Council hereby approves that the Non-Residential Affordable Housing Development Impact Fees be added to the annual financial report of the DIFs and Quimby Fee for future fiscal years and follow the same reporting format therein.

SECTION 5. Environmental Assessment

The adoption of a nexus study and development impact fee on non-residential development for affordable housing are 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 6. 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 7. 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 sixty (60) days after its adoption.

SECTION 8. 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 ____ day of _____, 2021.

PAULA PEROTTE
MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

MICHAEL JENKINS
CITY ATTORNEY

Exhibit 1

Non-Residential Affordable Housing Development Impact Fee Report (with attached Nexus Study)

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KEYSER MARSTON ASSOCIATES

DRAFT

NON-RESIDENTIAL AFFORDABLE HOUSING FEE REPORT

Prepared for
City of Goleta

Prepared by:
Keyser Marston Associates, Inc.

August 2021

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1.0 EXECUTIVE SUMMARY

This Non-Residential Affordable Housing Fees report (“Non-Residential Fee Report”) has been prepared for the City of Goleta (“City”) to support establishing a new affordable housing impact fee program for non-residential development. Establishing a non-residential affordable housing impact fee is an implementation action for the City’s Housing Element Policy HE 2.2b, Mitigation of Employee Housing Impacts, which requires new non-residential development to contribute to providing affordable employee housing. This report summarizes the nexus analysis identifying maximum fee levels, presents analyses that provide context for potential fee levels, and provides recommendations regarding a potential new affordable housing impact fee program.

Goleta is the only jurisdiction in Santa Barbara County identified as having a policy to mitigate the impacts of non-residential development on the demand for housing, although there are approximately 50 jurisdictions in California with such programs. The “Non-Residential Affordable Housing Nexus Analysis (“Nexus Analysis”), included as Appendix C, determines maximum impact fees, with results ranging from \$25 to \$112 per square foot of building area, depending on the use. Fees after making an optional “commute adjustment” range from approximately \$6 to \$26, depending on the use, and reflect mitigation of a share of housing impacts based on the 23% share of jobs in Goleta that are held by Goleta residents. Nexus maximums are technical results only, not recommendations, and jurisdictions nearly always set affordable housing impact fees below these levels based on additional policy considerations.

Goleta’s total existing impact fees are higher than fees in Santa Barbara, Ventura, and Santa Maria, and similar to adjacent unincorporated areas of Santa Barbara County. Despite having relatively high impact fees, the City captured nearly half of office development and nearly a third of hotel development in Santa Barbara County over the prior ten years. However, Goleta Water District’s temporary moratorium on new water service connections is likely to limit additional non-residential development in the near term.

Housing payments made by past non-residential projects to comply with Housing Element Policy HE 2.2b were determined on a project-by-project basis and have averaged approximately \$6 per gross square foot of building area, which equates to an estimated 1% to 2% of the total development cost for non-residential projects and demonstrates an ability of non-residential projects to sustain an impact fee at a similar level.

Based on the review of non-residential market conditions, development costs, housing fees in other jurisdictions, and overall fee burden in Goleta, KMA recommends adoption of an affordable housing impact fee of up to approximately \$8 per gross square foot for Office and Medical, \$5 per gross square foot for Warehouse and Industrial, \$2 per gross square foot for Retail and Commercial, and \$4,800 per room for Hotel. Recommended fees for Warehouse and Industrial are somewhat lower than Office due to the lower rent and lower cost nature of these buildings, which can make them more sensitive to increased costs. Recommended fees for

Retail are lower based on consideration of the comparatively high existing fees that already apply to Retail. Recommended fees would establish Goleta's program within the upper half of the range of affordable housing impact fee programs within Southern California and the Central Coast, somewhat below the cities of Santa Monica and West Hollywood and above the cities of San Diego, Glendale and Los Angeles. Additional discussion of recommendations is provided in Section 3.2.

2.0 INTRODUCTION

This Non-Residential Affordable Housing Fees report (“Non-Residential Fee Report”) has been prepared by Keyser Marston Associates, Inc. (“KMA”) for the City of Goleta (“City”) to support establishing a proposed new citywide affordable housing impact fee program for non-residential development within the City. The report summarizes the nexus analysis identifying maximum fee levels, presents analyses that provide additional context for potential fee levels, and provides recommendations regarding a potential new affordable housing impact fee program.

The City’s Housing Element, Policy HE 2.2b, Mitigation of Employee Housing Impacts, requires that new non-residential development and proposed expansion or intensification of existing non-residential development contribute to providing affordable employee housing. Projects subject to this policy have generally complied by making an in-lieu financial contribution to the City, which is used to provide financial assistance to affordable housing projects that expand the supply of affordable housing. These past in-lieu financial contributions have been established as part of the conditions of approval for projects and were determined on a project-by-project basis. Financial contributions under the policy have equated to an average of approximately \$6 per gross square foot of non-residential development¹.

This Non-Residential Fee Report presents a range of materials to help the City Council determine if the City should adopt new affordable housing impact fees for non-residential development to assist in providing affordable housing. Non-residential affordable housing impact fees are also referred to as “commercial linkage fees.” Establishing a non-residential affordable housing impact fee is an implementation action for the City’s Housing Element Policy HE 2.2b and, once adopted, would replace the current project-by-project approach, and help to mitigate the impacts of new development on the need for affordable housing. Context materials presented in this report include the following:

1. Nexus results establishing maximum fee levels proportionate to the cost of mitigating affordable housing impacts of non-residential development,
2. Nexus results after an optional adjustment for the existing share of jobs that are held by Goleta residents,
3. Application of Housing Element Policy HE 2.2b to past projects,
4. Market context and non-residential development activity in Goleta,
5. Summary of developer and property owner interviews,
6. Fees as a percent of total development costs,
7. Summary of non-residential affordable housing fee programs elsewhere in California,
8. Comparison of total fees and permit cost to other jurisdictions, and
9. Analysis to support an option to construct affordable units rather than pay a fee.

¹ \$6 per square foot average is based on six prior non-residential projects reviewed in Section 4.3 and is adjusted for inflation.

A companion report, entitled “Non-Residential Affordable Housing Nexus Analysis (“Nexus Analysis”) provides the nexus analysis to support the potential adoption of affordable housing impact fees and is included as Appendix C to this report.

3.0 SUMMARY OF FINDINGS AND RECOMMENDATIONS

3.1 Summary of Findings

The following is a summary of the analyses and context information assembled in this report.

1. ***Upper Limit on Fees*** – The Nexus Analysis establishes an upper limit on fees by building type ranging from \$25 per square foot for warehouse up to \$112 per square foot for retail / commercial uses. The City is free to select fees anywhere below this level by taking into account a range of other policy considerations. Findings after an optional adjustment for commuting are also provided and reflect mitigation of a 23% share of the total affordable housing impacts, which is consistent with the share of jobs in Goleta that are held by Goleta residents. These commute-adjusted findings range from approximately \$6 per square foot for warehouse up to \$26 per square foot for retail / commercial uses.
2. ***Prior Application of Employee Housing Mitigation Requirement*** – Past non-residential projects subject to the City's policy requiring mitigation of employee housing impacts have complied through an in-lieu payment determined on a project-by-project basis. These fees have equated to approximately \$2 to \$7 per gross square foot of building area, apart from one medical office project which was subject to a fee equivalent to \$11 per square foot. The overall average for six prior non-residential projects reviewed in Section 4.3 is \$6 per gross square foot of building area.
3. ***Development Activity in City of Goleta*** – In the last 10 years, the City has captured nearly half of the total new office development activity and nearly a third of the total new hotel development activity occurring in Santa Barbara County. In contrast, the City has captured less than 10% of recent industrial and retail development activity occurring in the County. Starting in September of 2014, the Goleta Water District introduced a temporary moratorium on new water service connections, except for projects with historical water credits based upon past water usage, which is likely to limit new development in the near-term. As the City becomes more built-out, availability of undeveloped lands that are suitable for non-residential development is also likely to limit the level of new development activity citywide.
4. ***Development Community Contacts*** – KMA conducted interviews with developers and property owners who have been active in the City to gain a better understanding of local market conditions and any unique considerations pertinent to the design of an affordable housing fee program. Interview participants noted that while there is market support for new non-residential development in the City, the complexity of the local entitlement process and the temporary moratorium on new water service connections represent significant barriers to bringing forward new projects. Impact fees were noted as a

secondary concern and that a modest increase in fees is unlikely to deter development of projects that are otherwise able to address the primary challenges of entitlements and difficulty in obtaining water service.

5. ***Total Impact Fee Comparison*** – To assist in understanding how impact fees in the City compare to other nearby jurisdictions, KMA assembled information regarding total impact fees in the cities of Santa Barbara, Ventura, and Santa Maria, as well as County of Santa Barbara unincorporated areas. The results indicate that the City’s impact fees are higher than nearby communities, except for the County’s Goleta planning area, which includes the Eastern Goleta Valley Community Plan area and the unincorporated area within the Goleta Community Plan. The “total fee burden” is one of many factors that non-residential developers and end users may consider in assessing locations for a potential new development. Other important factors include land costs, infrastructure capacity, transportation networks, zoning, and proximity to suppliers, labor, and customers.
6. ***Commercial Linkage Fees in Other Jurisdictions*** – Statewide, there are over 50 “commercial linkage fee” programs. The cities of Los Angeles and San Diego both have programs along with at least four other jurisdictions located in Southern California. Both the City and County of San Luis Obispo also have programs. Currently, Goleta appears to be the only jurisdiction in Santa Barbara County with a policy to mitigate the impacts of non-residential development on the demand for housing. Fee levels for programs in other jurisdictions outside of Santa Barbara County range from a low of approximately \$1 per square foot in the County of San Luis Obispo up to a high of approximately \$13 per square foot with office uses in the City of Santa Monica. Additionally, some jurisdictions have set the same fee rate for all land use categories while others have chosen to distinguish their fees by use.
7. ***Housing Fees as a Percent of Total Development Costs*** – Previous housing fees paid by prior non-residential development projects in the City represent an estimated 1% to 2% of the total development cost inclusive of direct construction, other governmental fees, design and other indirect costs, financing, and land. Housing fees appear unlikely to have a material influence on development decisions to the extent they continue to represent a modest share of the overall development costs.

3.2 Program Recommendations

The following are recommendations regarding fee levels and other key features of a new non-residential affordable housing impact fee program for the City to consider for implementing General Plan Housing Element Policy HE 2.2b.

1. **Fee Level** – Based on the review of non-residential market conditions, development costs, housing fees in other jurisdictions, and overall fee burden summarized above, the following recommended non-residential affordable housing impact fee levels should be considered:

- Adopt a new housing impact fee for most non-residential development of up to approximately \$8.00 per gross square foot or up to \$4,800 per room² for Hotel uses.
- Adopt new housing impact fees for Warehouse and Industrial uses of up to approximately \$5.00 per gross square foot. This lower recommended fee for Warehouse and Industrial recognizes the lower rent and lower cost nature of these types of buildings, which can make them more sensitive to additional costs. Warehouse buildings also have fewer employees than other uses, which results in lesser housing impacts.
- For Retail, adopt a fee in the range of \$2.00 per gross square foot. This lower fee recognizes the comparatively high existing fees that already apply to Retail uses. Although the City's retail appears to have been relatively resilient to the impacts of the Covid-19 pandemic and the increasing shift toward on-line shopping, retail uses are facing an increasingly uncertain future due to these broader trends.

The impact fee levels recommended above reflect the considerations discussed within the Non-Residential Fee Report. The City is free to bring other policy considerations to bear in selecting fees within the maximums supported by the Nexus Analysis.

Table 3-1 presents the recommended impact fee levels in combination with other context materials including total fees, fees as a share of development costs, impact fees in comparison jurisdictions, housing fees in other jurisdictions, and the results of the Nexus Analysis. The City's fees are either at or near the high end of the range of the comparison jurisdictions surveyed. These higher fees are primarily driven by the City's traffic impact fees and would remain comparatively higher with the addition of the proposed fees.

Recommended fees represent a modest increase over the fees that have been applied historically as part of the City's application of policy HE 2.2b for mitigating employee housing impacts.

² A rate of \$4,800 per hotel room is approximately the equivalent to \$8.00 per square foot based on 600 gross square foot of building area per hotel room.

Table 3-1 – Maximum Recommended Fees and Selected Context Information

	Warehouse/ Distribution (\$/GSF)	Business Park ⁽²⁾ (\$/GSF)	Medical Office (\$/GSF)	Retail / Shopping Center (\$/GSF)	Hotel (\$/GSF)
1. Impact Fees (Existing + Proposed)					
Housing Fee Recommended, up to:	\$5	\$7 ⁽³⁾	\$8	\$2	\$8
Other Existing Impact Fees ⁽¹⁾	\$6	\$22	\$49	\$69	\$19
Total Existing + Housing Fee	\$11	\$29	\$57	\$71	\$27
2. Goleta Fees as Percent of Total Development Cost					
Existing Impact Fees	3%	6%	9%	13%	5%
Existing + Housing Fee	5%	8%	11%	14%	7%
3. Comparison Jurisdiction Total Impact Fees ⁽¹⁾					
Low (City of Santa Barbara)	\$1	\$1	\$1	\$1	\$1
High (County: Goleta Area)	\$14	\$26	\$64	\$69	\$15
4. Prior Goleta Housing Fees					
	N/A	\$5	\$13	N/A	\$6
5. Other Linkage Fee Programs: Southern Calif & Central Coast					
Low (SLO Co. for most uses)	\$1	\$1	\$1	\$1	\$0
High (Santa Monica most uses)	\$5	\$13	\$9	\$11	\$9
6. Nexus Findings ⁽⁴⁾					
Total Nexus Cost	\$25	R&D: \$45; Industrial: \$80; Office: \$97	\$97	\$112	\$45
Nexus Cost After Optional Commute Adjustment	\$6	R&D: \$10; Industrial: \$18; Office: \$22	\$22	\$26	\$10

(1) See Appendix A Tables A-6 to A-11 for details.

(2) Business Park includes a mix of Office, Industrial, and R&D land uses. These uses are analyzed as part of a Business Park prototype for purposes of the development cost context and fee comparison addressed in this report but are separately analyzed for purposes of the Nexus Analysis.

(3) Business Park reflects a mix of Office / R&D / Industrial; Accordingly, the fee reflects a blended rate calculated as 40% X \$5 per sq.ft. Warehouse / Industrial fee + 60% X \$8 per sq.ft. Office fee = \$6.80 per sq. ft. rounded to \$7 per sq.ft.

(4) Rounded down to the nearest whole dollar. See Tables 4-2 and 4-3 for exact figures.

- Indexing** – Consider implementing an indexing feature to allow fees to be adjusted automatically to keep pace with increases in costs over time, based on a published inflation index. Other impact fee programs in the City use the Construction Cost Index published by the Engineering News Record. This same index should be considered for affordable housing impact fees.
- Exemptions** – The City could also consider extending its existing development impact fee policy for “beneficial projects” to the new affordable housing impact fees as well. This “beneficial projects” policy exempts the initial 15,000 square feet of gross building area for

all non-profit organizations, exempts non-profit residential care and assisted living facilities from all impact fees, and reduces fees by 85 percent for any new for-profit facility of the same type. Additionally, exemptions for schools, assembly, and governmental uses are recommended because these structures were not analyzed in the Nexus Analysis.

4. **Project Size Threshold** – Some programs include a minimum project size threshold above which fees apply while others apply fees to projects of all sizes. Thresholds are a way to try to encourage smaller scale and infill projects while applying the full fee to larger-scale projects seen as having greater impacts and more robust feasibility. The other Southern California and Central Coast jurisdictions surveyed use thresholds that range from 1,250 to 15,000 square feet. The City's existing development impact fee schedule for non-residential projects applies fees to projects of all sizes. If the City would like to reduce fees for smaller-scale projects, the City could include a minimum project size for application of fees.
5. **Phase-In** – When adopting new or increased fees, communities sometimes include a phase-in schedule prior to implementation of the full fee levels. This is a way to allow time for the market to adjust to the new requirement and for projects to plan for the new fee. The City may wish to consider a phase-in feature if fees will be increased significantly over fee levels that have been applied previously in implementing the City's General Plan Housing Element Policy HE 2.2b.
6. **On-site Option** – Many housing impact fee programs include an option to deliver affordable units directly as an alternative to paying a fee. Some communities specify a formula to calculate fee credits for developers that provide affordable units while other programs include more general ordinance language to address this situation. Section 3-9 of this report and Appendix A Table A-21 provide information that could be used to establish fee credits for developers that provide affordable units, in the event the City would like to develop such a formula.

4.0 CONTEXT MATERIALS

The purpose of this section is to provide a series of context materials and analyses to assist the City in adopting an affordable housing fee program for non-residential development. Fee levels may be set at any level below the maximums supported by the Nexus Analysis and policy makers are free to consider a variety of policy goals in the selection of fee levels. This section includes a range of materials that decision making bodies sometimes find useful as context for decision-making.

4.1 Maximum Fee Levels

The separate Nexus Analysis, which is included as Appendix C, establishes a maximum or ceiling on potential fee levels based on the cost of mitigating the affordable housing impacts of new non-residential development. These Nexus Analysis maximum fee levels represent the upper-most fee that would be consistent with the Mitigation Fee Act (Government Code Section 66000 et seq.) requirement that a reasonable relationship be established between fees and the impacts the fee mitigates. Table 4-1 lists the Nexus Analysis maximum fee level results for each of the eight land use types studied. The results are derived from the technical analysis only and are not recommended fee levels. The City is encouraged to take other policy considerations into account as it determines fee levels, which could be set anywhere below the maximums identified in the Nexus Analysis.

Table 4-1 – Nexus Analysis Maximum Fee Levels Per Square Foot of Gross Building Area	
Office	\$97.80
Medical	\$85.20
Retail / Commercial	\$112.90
Hotel	\$45.40
Industrial	\$80.10
Research and Development	\$45.00
Warehouse	\$25.90
Residential Care	\$25.70

Source: Nexus Analysis (Appendix C).

4.2 Nexus Results After Optional Adjustment for Local Commuting

This section of the report presents the results of the Nexus Analysis after making an optional adjustment for local commuting. The adjustment for commuting is based on the 23% share of people who work in Goleta that also live in Goleta, based on data from the U.S. Census. If the existing commute relationship were to hold for new employee households, 23% would be expected to reside within Goleta, with the remaining 77% living in other communities throughout the County and region. The figures shown below in Table 4-2 are provided to illustrate the cost of mitigating a 23% share of the affordable housing impacts consistent with the existing share of

jobs in Goleta that are held by Goleta residents. As this adjustment is not required for nexus purposes, it is not reflected in the Nexus Analysis itself.

Table 4-2 – Nexus Analysis Fee Levels After 23% Commute Adjustment Per Square Foot of Gross Building Area	
Office	\$22.50
Medical	\$19.60
Retail / Commercial	\$26.00
Hotel	\$10.40
Industrial	\$18.40
Research and Development	\$10.40
Warehouse	\$6.00
Residential Care	\$5.90

Source: Nexus Analysis, and 2015-2019 American Community Survey Tables B08008, S0804, and B08006.

It is possible that more than a 23% share of those who work in Goleta would choose to live in Goleta if additional housing options or more affordable housing options were available. However, it is unlikely that 100% of people who work in the City would choose to live in the City because choices regarding where to live depend on a number of additional factors (schools, style of housing, types of amenities, viewsheds, noise, local services, etc.), in addition to where someone works, and many households also have more than worker, and so must consider the locations of multiple jobs in selecting a place to live.

4.3 Existing Affordable Housing Requirements

Goleta Housing Element Policy HE 2.2b requires new non-residential development to contribute to providing affordable employee housing, either through fee payment, provision of on-site units, housing assistance as part of employee benefit packages, or other alternatives of similar value. To date, Housing Element Policy HE 2.2b has been applied on a project-by-project basis through conditions of approval for new development projects that are subject to this policy and its requirements. Projects have generally complied through a monetary payment to the City that is dedicated to help finance future affordable housing projects. The City's General Plan Housing Element Policy HE 2.2b, Mitigation of Employee Housing Impacts, is excerpted below:

The City will require new non-residential development and proposed expansion or intensification of existing non-residential development to contribute to providing affordable employee housing. The proposed amount of floor area and type of non-residential use must be factors in establishing the requirement for individual projects. Alternatives to satisfy this requirement may, at the discretion of the City, include payment of a development impact fee, providing housing on site, housing assistance as part of employee benefit packages, or other alternatives of similar value. The City will prepare an Affordable Employee Housing Plan that includes details of the program, including the results of a development impact fee study and/or alternative programs.

To illustrate the City's current administrative practices, affordable housing payments for six non-residential projects approved since 2008 are summarized. Fees paid by those six projects are summarized in Table 4-3 below. As shown, fees for the "Hotel" and "Business Park" land uses, which includes Office, Industrial, and R&D, averaged approximately \$4 to \$5 per square foot (\$5 to \$6 per square foot after adjusting for inflation). One medical office project paid a higher fee of approximately \$11 per square foot (or \$13 per square foot when adjusted for inflation). The average fee for all six projects is approximately \$6 per square foot, weighted based on building area and adjusted for inflation.

Table 4-3 – In-Lieu Affordable Housing Payment Applied to Prior Non-Residential Projects

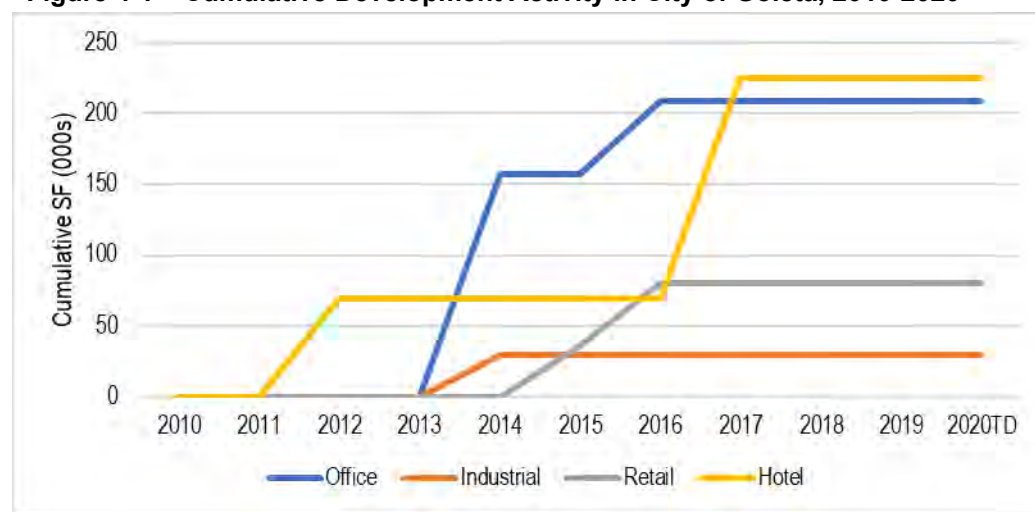
	Business Park*	Hotel	Medical Office
Sample Projects	3	2	1
Total Square Feet	55,000	148,000	10,000
Approval Year(s)	2009-2012	2008-09	2011
Fee Range PSF (Nominal \$)	\$2-\$7	\$4-\$5	\$10.70
Avg. Fee PSF (Nominal \$)	\$4.10	\$4.50	\$10.70
Avg. Fee PSF (\$current)	\$5.00	\$5.60	\$12.80

Source: City of Goleta. Note: "Nominal \$" means prior to inflation adjustment and "\$current" indicates after adjusting for inflation.

4.4 Market Context

Office and Hotel uses have comprised most of the development activity in Goleta over the past 10 years. Figure 4-1 provides a summary of cumulative development activity in the City from 2010 through 2020. As shown, Office development totaled 210,000 square feet and Hotel development totaled 225,000 square feet (375 rooms). Industrial and Retail development activity has been more modest at 30,000 and 80,000 square feet of cumulative development, respectively.

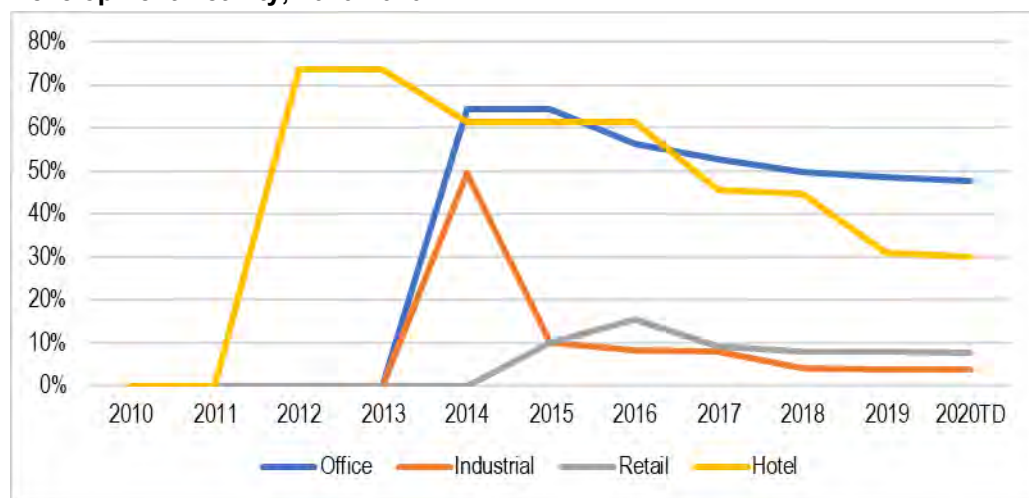
Figure 4-1 – Cumulative Development Activity in City of Goleta, 2010-2020



Source: Costar (10/2020). Hotel square feet estimated at 600 square feet per room.

Goleta has captured nearly half of the Office development activity within Santa Barbara County in the last 10 years and nearly a third of the Hotel development in the County. In contrast, Goleta has captured less than 10% of recent Industrial and Retail development activity. Figure 4-2 expresses cumulative development activity in Goleta as a percentage of total development activity throughout the County.

Figure 4-2 – Cumulative Development Activity in Goleta as Percentage of Countywide Development Activity, 2010-2020



Source: Costar

In 2014, the Goleta Water District ceased to approve new and additional water connections throughout its service area in order to comply with the voter-approved SAFE Water Supplies Ordinance of 1991, which prohibits such connections unless certain conditions are met. Since the temporary moratorium went into effect, only development projects that had previously paid connection fees or relied upon historical water credits have been able to move forward in the permit process. In October 2020, the Goleta Water District extended the moratorium for calendar year 2021 because it was unable to meet its annual storage commitment to the drought buffer required by the SAFE Ordinance. As a result, new non-residential development in Goleta is likely to continue to be limited in the near term.

The commercial real estate market in Goleta has been relatively resilient through the coronavirus pandemic. The number of lease transactions declined during the pandemic and remained muted during the first quarter of 2021, but signs of increasing activity were evident and office rents have generally held at pre-pandemic levels as indicated in the Q1 2021 Market Report by Hayes Commercial. Rents have increased across office, retail, and industrial sectors compared to 2020 and vacancy rates remain relatively low, according to the same Hayes Commercial Market Report. The retail tenant base in Goleta is weighted toward grocery and home improvement sectors, which have outperformed other types of retail during the pandemic.

Table 4-4 – Goleta Real Estate Market Conditions in 2021, Q1 (and change from prior year)

	Office		Retail		Industrial	
Vacancy	6.0%	▼ 8%	2.7%	▲ 6%	5.4%	▼ 7%
Lease Transactions	6	▼ 23%	4	▲ 100%	3	▼ 60%
Gross Absorption (SF 000s)	68	▲ 0%	7	▼ 41%	9	▼ 83%
Rent	\$2.11	▲ 8%	\$3.39	▲ 55%	\$1.72	▲ 10%

Source: Hayes Commercial Q1 2021 Market Report. Percentage change based on comparison to prior year.

The local hotel market was significantly impacted by the pandemic but is showing signs of recovery³. Statewide, domestic travel is forecast to approach approximately 80% of pre-pandemic levels in 2021; however, recovery in international travel has lagged and is not forecast to reach pre-pandemic levels until 2024⁴.

4.5 Development Community Contacts

KMA conducted interviews with several local developers with recent or currently active development projects and/or significant investments in non-residential property in the City. The purpose of the discussions was to gain a better understanding of local market conditions and any unique considerations that could be pertinent to establishing affordable housing fees and compliance alternatives. Interview participants represented the following organizations:

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

The following key themes emerged in these discussions:

- *Market Demand for Additional Non-Residential Development* – Developers believe there is market support for additional non-residential development in the City, due to locational advantages, including a skilled workforce and proximity to UC Santa Barbara.
- *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 the primary barriers to new non-residential development in the City. These factors were also cited as having discouraged them from pursuing additional projects in Goleta. While the City's impact fees are higher than in nearby communities, challenges around water service and the approval process for projects were emphasized as the primary barriers to development rather than fees.
- *Interest in Program Outcomes* – In general, developers support the goal of meeting the housing needs of the local workforce and expressed interest in how the City will use

³ Visit Santa Barbara hosts General Meeting & Tourism Celebration. June 30, 2021. <https://keyt.com/news/santa-barbara-s-county/2021/06/30/general-meeting-of-tourism-makes-comeback-santa-barbara/>

⁴ California Travel-Related Spend & Visitation Forecast (June update). July 15, 2021.

affordable housing fees to achieve this goal. Developers encouraged the City to define a plan for how affordable housing fees will be spent and to provide regular updates on the affordable housing units that receive local funding derived from the program.

- *Shared Responsibility* – One developer expressed support for commercial linkage fees as an approach to sharing the burden of addressing the need for affordable housing relative to inclusionary requirements that apply to residential projects. The need for other public funding sources was also emphasized during the discussions.

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

4.6 Development Cost Analysis

Understanding existing and proposed non-residential fee levels in the context of total development costs is one consideration that many jurisdictions include in their fee setting discussions.

KMA prepared total development cost estimates for five prototype non-residential development projects identified in consultation with City staff. The cost estimates include local land costs, local fees, and all indirect and financing costs. This cost analysis allows potential fee levels to be framed in terms of a percentage of total development costs.

Development Prototypes

For the development cost analysis, KMA evaluated development costs for five prototype projects including:

- Warehouse,
- Business Park (assumed to be 60% Office/R&D and 40% Warehouse/Light-Industrial based upon recent development activity),
- Medical Office,
- Neighborhood Shopping Center, and
- Hotel.

The development prototypes used in the analysis were based upon a review of recently approved projects and others that are currently in the permit process. These prototypes are intended to be representative of the types of non-residential development expected to occur within the City in the coming years.

Table 4-5 provides a summary of programmatic assumptions for each development prototype. While it is acknowledged that there will be differences in density from one project to another, it is

not necessary to analyze every variation of project density or prototype for purposes of the development cost assessment. Instead, the intent of the analysis is to provide a general range of development costs for new projects and show the impact that fees can have relative to those costs.

Table 4-5 – Non-Residential Development Prototypes

	Warehouse/ Distribution	Business Park*	Medical Office	Shopping Center	Hotel
Land Acres	6.1	3.3	2.3	7.3	3.1
FAR	0.30	0.35	0.50	0.25	0.55
Gross Sq. Ft.	80,000	50,000	50,000	80,000	75,000
Hotel Rooms	n/a	n/a	n/a	n/a	125
Building Floors	1	2	2	1	3

* Assumed to be 60% office/R&D and 40% warehouse/light industrial.

"FAR" (Floor Area Ratio) percentage shown in decimal form.

Prototypes assume surface parking rather than structured consistent with recently approved projects.

Development Costs

The estimates of total development costs for the non-residential prototypes are shown in Table 4-6 below, before the cost of complying with affordable housing requirements are factored in. The costs include estimates for land acquisition, direct construction costs, other development impact fees (not including housing fees), other indirect costs, and financing. Additional detail is provided in Appendix A, Table A-2. The estimates are based on KMA's database of costs from similar commercial projects and third-party data sources, as well as fee schedules from Goleta and other local agencies.

As shown, total development costs range from a low of approximately \$215-\$260 per square foot for the Warehouse prototype to a high of approximately \$480-\$585 per square foot for the Medical Office prototype.

Existing impact fees represent between 3% and 13% of total development costs. The City's transportation impact fee explains most of the variation in impact fees for each prototype. Lastly, the impact fee estimates exclude any public water and sewer connection fees because most projects built in the near term are likely to solely rely upon historical water credits due to the Goleta Water District's temporary moratorium on new or additional water service connections.

Table 4-6 – Non-residential Development Cost Summary (\$/GSF)

	Warehouse/ Distribution	Business Park	Medical Office	Shopping Center	Hotel
Land Acquisition ⁽¹⁾	\$100/sf	\$129/sf	\$90/sf	\$180/sf	\$91/sf
Direct Costs ⁽²⁾	\$100/sf	\$145/sf	\$290/sf	\$185/sf	\$195/sf
Impact Fees	\$6/sf	\$22/sf	\$49/sf	\$69/sf	\$19/sf
Other Indirect Costs	<u>\$32/sf</u>	<u>\$43/sf</u>	<u>\$104/sf</u>	<u>\$93/sf</u>	<u>\$75/sf</u>
Total Costs	\$238/sf	\$339/sf	\$533/sf	\$527/sf	\$379/sf
Total Costs Range (+/-10%)	\$215-\$260/sf	\$305-\$375/sf	\$480-\$585/sf	\$475-\$580/sf	\$340-\$415/sf

⁽¹⁾ Land acquisition costs estimated based on recent land sale comps. (See Appendix A, Table A-18.)

⁽²⁾ Direct construction cost estimates from RS Means, Saylor Current Construction Costs, and other project pro formas.

Fees as a Percentage of Development Costs

One approach to understanding the likelihood that a new fee will influence development decisions is to consider how those fees would relate to the total development cost of a project. Fees representing a smaller share of overall development costs will be less likely to affect development decisions and vice versa.

Table 4-7 presents a range of potential non-residential impact fee levels, expressed as a percentage of total development costs. Warehouse and Industrial buildings represent the low end of the development cost range, and as a result, each dollar of fees represents a larger burden relative to the total investment being made. As one illustration, a fee of \$2 per square foot would represent approximately the same percentage of costs for a Warehouse building as a \$4 per square foot impact fee would represent for a Retail or Medical Office building.

Past non-residential projects in Goleta subject to the City's affordable housing requirements have made payments (summarized above in Section 4.3) representing an estimated 1% to 2% of the total cost to develop new non-residential buildings. Those costs include direct construction, other governmental fees, design and other indirect costs, financing, and land. The successful completion of prior projects subject to affordable housing fees representing an estimated 1% to 2% of total cost is an indicator that projects could sustain an affordable housing impact fee at a similar level.

Table 4-7 – Linkage Fees as a Percentage of Total Development Costs

	Warehouse/ Distribution	Business Park	Medical Office	Shopping Center	Hotel
Total Cost Range	\$215-\$260/sf	\$305-\$375/sf	\$480-\$585/sf	\$475-\$580/sf	\$340-\$415/sf
<u>Prior Project-Specific Fees as % of Costs</u>					
Past Practice (Current\$)	Not available	\$5.00/sf	\$12.80/sf	Not available	\$5.60/sf
% of Costs	Not available	1.5%	2.4%	Not available	1.5%
<u>Illustrative Fee % of Costs*</u>					
\$2/sf	0.8%	0.6%	0.4%	0.4%	0.5%
\$4/sf	1.7%	1.2%	0.8%	0.8%	1.1%
\$6/sf	2.5%	1.8%	1.1%	1.1%	1.6%
\$8/sf	3.4%	2.4%	1.5%	1.5%	2.1%
\$10/sf	4.2%	3.0%	1.9%	1.9%	2.6%
\$12/sf	5.1%	3.5%	2.3%	2.3%	3.2%
\$15/sf	6.3%	4.4%	2.8%	2.8%	4.0%
key: up to 1% 1-2% 2-3% over 3%					

*Fee percentage burden calculated at mid-point of cost range.

4.7 Other Non-Residential Affordable Housing Fee Programs

Statewide, there are over 50 jurisdictions with non-residential affordable housing impact fee programs. Goleta's employee housing mitigation requirement appears to be the only comparable program within Santa Barbara County. Table 4-8, below, summarizes affordable housing fee levels for other programs throughout Southern California and the Central Coast. Fee levels range from a low of under \$1 per square foot for Industrial in San Luis Obispo County to approximately \$13 per square foot for Office in Santa Monica.

Table 4-8 – Non Residential Affordable Housing Fees, Selected Jurisdictions (\$ / sq.ft.)

	Office	Retail	Hotel	Industrial
Los Angeles	\$3.11 - \$5.19 depending on Zone for all Non-Res.			
Santa Monica	\$12.81	\$11.14	\$3.51	\$8.61
West Hollywood	\$8.92	\$8.92	\$8.92	\$8.92
Culver City (proposed) ⁽¹⁾	\$5.00	\$5.00	\$5.00	\$5.00
Glendale	\$4.00	\$4.00	\$0.00	\$4.00
San Diego	\$2.12	\$1.28	\$1.28	\$0.00
County of San Luis Obispo	\$0.96	\$1.36	\$1.44	\$0.58
City of San Luis Obispo ⁽²⁾	\$6.25	\$5.50	\$7.25	\$5.25

⁽¹⁾ Proposed fee program that was not yet adopted as of the date of review.

⁽²⁾ Fee is 5% of building permit value. Per square foot figures calculated based on building permit valuation assumptions reflected in Appendix A Table A-4.

In addition to the programs listed above, the City of Thousand Oaks has an adopted affordable housing impact fee ordinance but does not appear to currently apply a fee, since its fees were set to zero in 2009 during the last recession and have not been reinstituted.

Additionally, a common feature of “commercial linkage fee” programs is a minimum project size threshold that is subject to affordable housing fees, with projects below the minimum size being exempt from the requirement. Other programs include a minimum project size threshold below which fee reductions apply. Table 4-9, below, summarizes minimum project size thresholds for the same list of programs previously discussed. The thresholds range from 1,250 square feet (Glendale) up to 15,000 square feet (Los Angeles). San Diego does not have a minimum size threshold and therefore applies their fee to projects of all sizes.

Table 4-9 – Minimum Project Size Subject to Non-Residential Affordable Housing Fees

	Minimum Project Size Subject to Fee (GSF)
Los Angeles	15,000 SF
Santa Monica	1,000 SF
West Hollywood	10,000 SF
Culver City (proposed) ⁽¹⁾	10,000 SF
Glendale	1,250 SF
San Diego	No minimum size - all projects subject
County of San Luis Obispo	5,000
City of San Luis Obispo	2,500

⁽¹⁾ Proposed fee program that was not yet adopted as of the date of review.

Appendix B provides additional information on “commercial linkage fee” programs throughout the State, including additional information on fee levels, thresholds, and exemptions.

4.8 Comparison of Impact Fees to Other Jurisdictions

As context for establishing affordable housing fees, KMA compiled a comparison of the total impact fees in Goleta and the following five potential competitive locations for the same types of development occurring in Goleta:

- City of Santa Barbara,
- Santa Barbara County, Goleta Planning Area,
- Santa Barbara County, Orcutt Planning Area,
- City of Ventura, and
- City of Santa Maria.

KMA prepared fee estimates for each of the development prototypes previously identified in Table 4-5 based on published fee schedules. The fee estimates focus on development impact fees, such as traffic police, fire, parks, and school fees, which are designed to offset the costs of public facilities required to service the new development. Fees related to processing of entitlements and building inspection are excluded from the estimate.

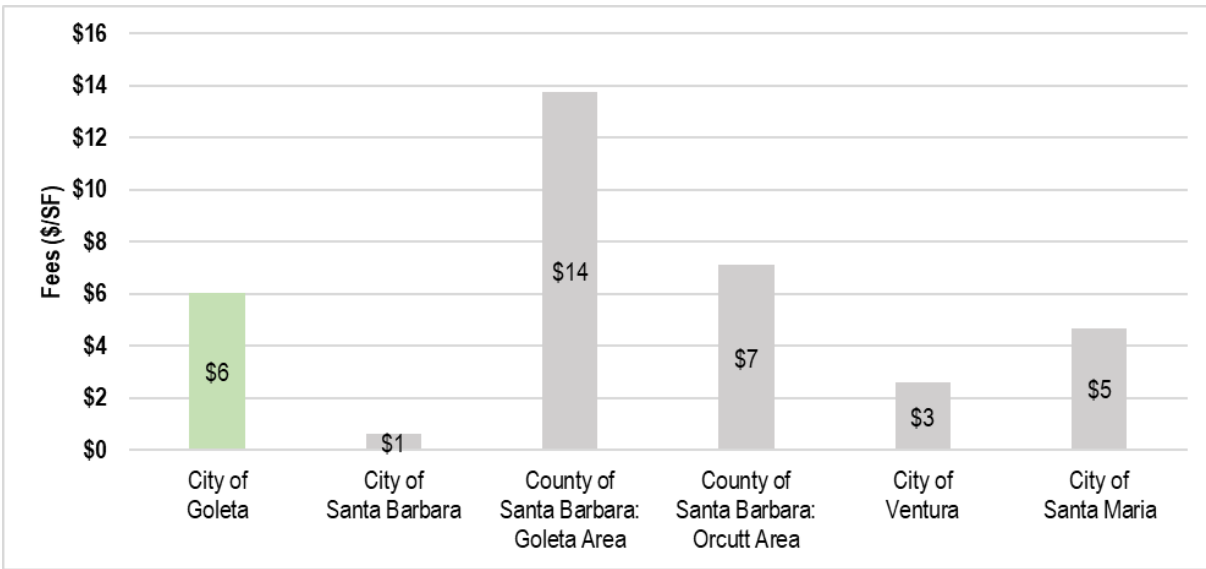
Figure 4-3 through Figure 4-7, below, depict total fees per square foot applicable to development in Goleta versus nearby jurisdictions. The figures show that total impact fees tend

to be lower for the Warehouse, Business Park, and Hotel development prototypes (ranging from \$6 to \$22 per square foot) and higher for the Medical, Office and Retail prototypes (ranging from \$64 to \$69 per square foot). As mentioned earlier, the City's traffic impact fee explains most of the variation in fees by development prototype. Fee estimates are shown without water and sewer connection fees due to the Goleta Water District's moratorium. For additional context, Appendix A, Table A-6 provides a fee comparison that includes public water and sewer connection fees. Lastly, the cost of compliance with Goleta's Housing Element Policy HE 2.2b is not included in the summary since the application of the policy has been on a project-by-project basis.

In terms of the competitive landscape, impact fees in Goleta are generally higher than comparison jurisdictions, except for the unincorporated "Goleta" community planning areas of Santa Barbara County. While these areas border the City, they are almost entirely residential or agricultural land and historically capture a small share of regional development activity. When the City incorporated in 2002, the County's impact fee schedule for the Goleta Planning Area was adopted by the City Council. Since that time, fee updates and administrative procedures in each jurisdiction have led to some differences in City and County impact fees. Compared to the County's "Goleta" community planning areas, the City's fees are less for the Industrial, Business Park, and Medical Office prototypes, similar for the Retail prototype, and higher for the Hotel prototype.

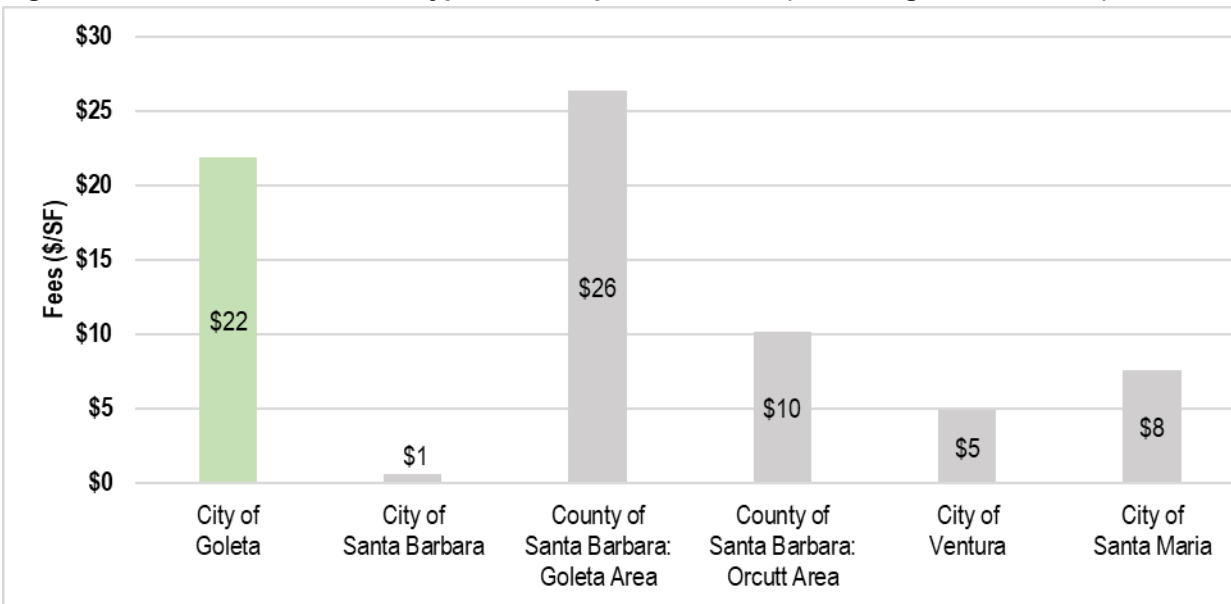
The total impact fee burden is one of many factors that non-residential developers may consider in assessing potential future development sites. Other important factors include, but are not limited to, land costs, infrastructure capacity, zoning, and proximity to labor and customers. As described earlier in Section 4-4, over the last decade, the City has captured a significant share of Office and Hotel development activity, despite having higher impact fees than most of the other comparison jurisdictions.

Figure 4-3 – Warehouse Prototype: Total Impact Fees PSF (Excluding Water / Sewer)



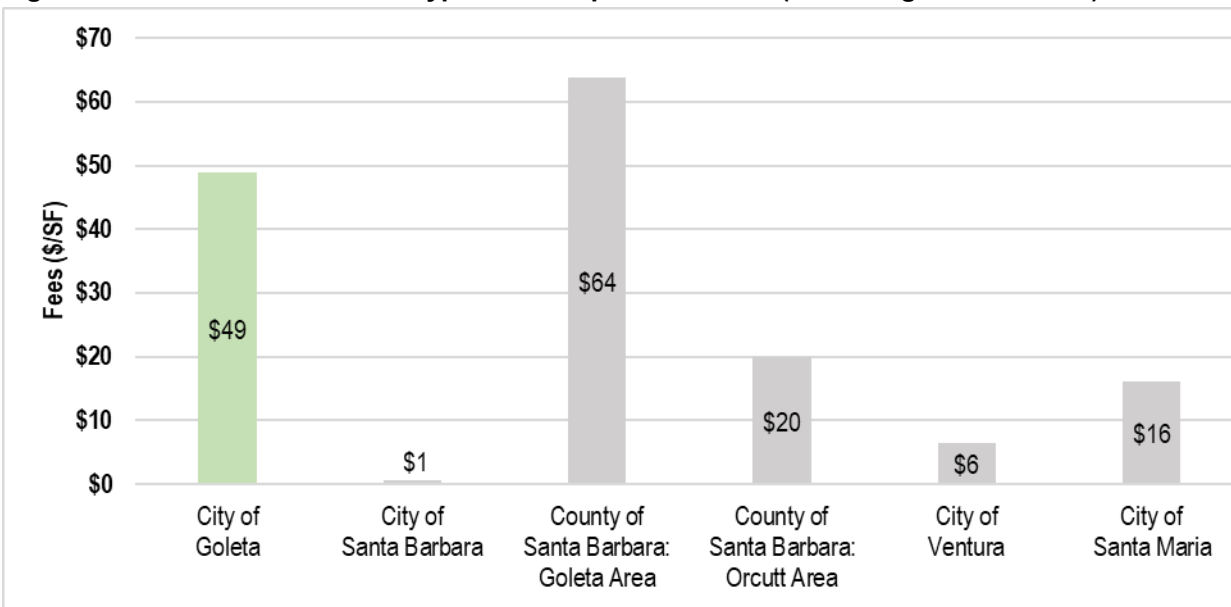
Source: KMA survey. See Appendix A Table A-7 for detailed breakout of development fees.

Figure 4-4 – Business Park Prototype: Total Impact Fees PSF (Excluding Water / Sewer)



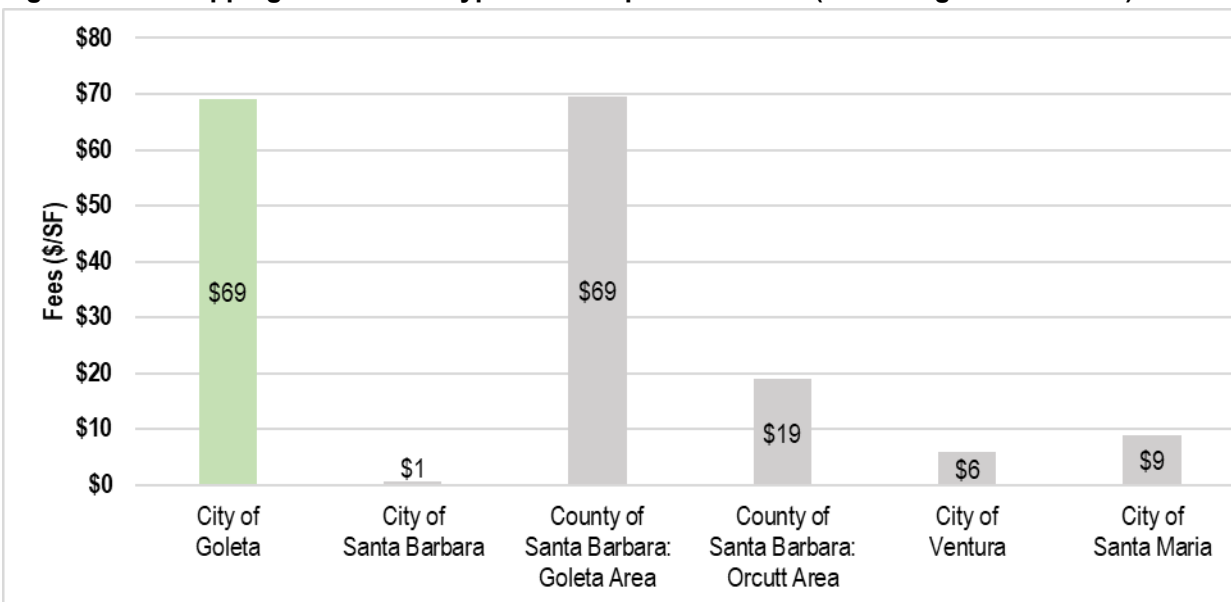
Source: KMA survey. See Appendix A Table A-8 for detailed breakout of development fees.

Figure 4-5 – Medical Office Prototype: Total Impact Fees PSF (Excluding Water/ Sewer)



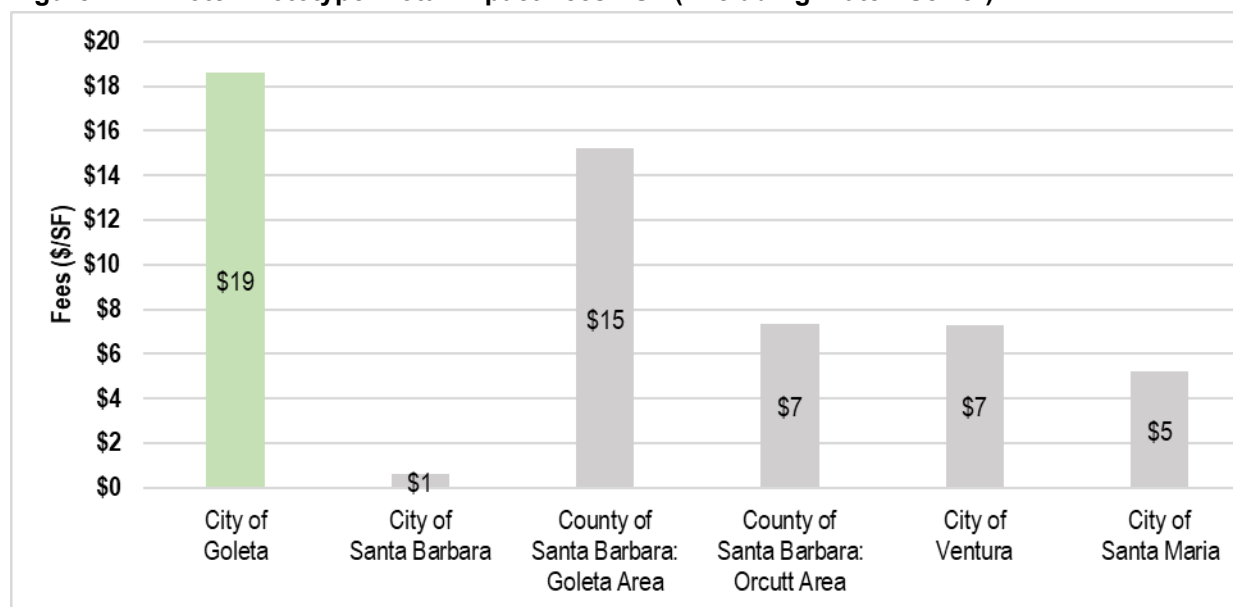
Source: KMA survey. See Appendix A Table A-9 for detailed breakout of development fees.

Figure 4-6 – Shopping Center Prototype: Total Impact Fees PSF (Excluding Water/ Sewer)



Source: KMA survey. See Appendix A Table A-10 for detailed breakout of development fees.

Figure 4-7 – Hotel Prototype: Total Impact Fees PSF (Excluding Water/ Sewer)



Source: KMA survey. See Appendix A Table A-11 for detailed breakout of development fees.

4.9 Credits for Providing Affordable Units

For projects that provide affordable units as part of their project, including on-site, off-site, or other alternatives⁵ it may be necessary to provide credit toward payment of the fee to the extent the affordable housing impacts documented in the Nexus Analysis are being fully mitigated. Some communities specify a formula to govern credits for provided affordable units while others include more general ordinance language to address this situation. Specifying a formula and establishing credits at a level that is in balance with fees is an approach to encouraging projects to provide affordable units directly, which adds flexibility to the program and may accelerate delivery of affordable units in some instances. Mixed-use projects with a significant residential component would be the most likely candidates to take advantage of such a provision. Appendix A, Table A-21 includes a matrix of example credits that could be used to establish credits for delivery of affordable units in the event the City would like to specify a formula. The sample uses the maximum fees levels from the Nexus Analysis. To provide an incentive for delivering affordable units, the schedule of credits would need to be rescaled to reflect the City-adopted fee levels using the procedure noted in the table.

⁵ Refer to Goleta Municipal Code subsection 17.28.050(D) for a discussion of inclusionary housing compliance hierarchy.

Appendix A – Supporting Technical Tables

Non-Residential Development Costs and Fee Comparison

Appendix A Table A-1
Non-Residential Development Prototypes
Non-Residential Fee Context
Goleta, CA

Non-Residential Prototype	Warehouse / Distribution	Business Park: Office/ R&D/ Lt. Ind. ⁽¹⁾	Medical Office	Neighborhood Shopping Center	Hotel
Gross Building Area	80,000 sf	50,000 sf	50,000 sf	80,000 sf	75,000 sf
FAR	0.30 FAR	0.35 FAR	0.50 FAR	0.25 FAR	0.55 FAR
Land Area	6.1 acres	3.3 acres	2.3 acres	7.3 acres	3.1 acres
Building Floors	1 floor	2 floors	2 floors	1 floor	3 floors
Construction Type	III-B	III-B	II-B	V-B	III-A
Hotel Rooms	n/a	n/a	n/a	n/a	125 rooms 600sf/rm
Parking	Surface	Surface	Surface	Surface	Surface

⁽¹⁾ Assumed to be 60% office/R&D and 40% warehouse/ light industrial.

Appendix A Table A-2
Estimated Development Costs of Non-Residential Development Prototypes
Non-Residential Fee Context
Goleta, CA

Non-Residential Prototype	Warehouse / Distribution	Business Park: Office/ R&D/ Lt. Ind.	Medical Office	Neighborhood Shopping Center	Hotel
Gross Building Area	80,000 sf	50,000 sf	50,000 sf	80,000 sf	75,000 sf 125 rooms
FAR	0.30 FAR	0.35 FAR	0.50 FAR	0.25 FAR	0.55 FAR
Land Area	6.1 acres	3.3 acres	2.3 acres	7.3 acres	3.1 acres
	<u>\$/SF</u> <u>Total</u>	<u>\$/SF</u> <u>Total</u>	<u>\$/SF</u> <u>Total</u>	<u>\$/SF</u> <u>Total</u>	<u>\$/SF</u> <u>\$000/rm</u> <u>Total</u>
<u>Land Acquisition</u> ⁽¹⁾	\$100 \$8,000,000 \$30 /land sf	\$129 \$6,430,000 \$45 /land sf	\$90 \$4,500,000 \$45 /land sf	\$180 \$14,400,000 \$45 /land sf	\$91 \$55 \$6,820,000 \$50 /land sf
<u>Directs</u> ⁽²⁾	\$100 \$7,980,000	\$145 \$7,250,000	\$290 \$14,500,000	\$185 \$14,800,000	\$195 \$117 \$14,630,000
<u>Indirects</u>					
A&E	\$4 \$280,000	\$5 \$250,000	\$15 \$730,000	\$9 \$740,000	\$8 \$5 \$590,000
FF&E/Tenant Improvements	\$5 \$400,000	\$5 \$250,000	\$38 \$1,900,000	\$33 \$2,660,000	\$29 \$18 \$2,190,000
Permits & Fees ⁽³⁾	\$8 \$619,900	\$25 \$1,225,100	\$52 \$2,596,200	\$71 \$5,717,700	\$22 \$13 \$1,625,800
Other Indirects & Financing	\$22 \$1,730,000	\$31 \$1,540,000	\$48 \$2,420,000	\$48 \$3,830,000	\$35 \$21 \$2,590,000
Total Indirects & Financing	\$38 \$3,029,900	\$65 \$3,265,100	\$153 \$7,646,200	\$162 \$12,947,700	\$93 \$56 \$6,995,800
Total Costs	\$238 \$19,009,900	\$339 \$16,945,100	\$533 \$26,646,200	\$527 \$42,147,700	\$379 \$228 \$28,445,800
Total Cost Range (+/-10%)	\$215-\$260/sf	\$305-\$375/sf	\$480-\$585/sf	\$475-\$580/sf	\$340-\$415/sf

⁽¹⁾ Land acquisition costs estimated based on recent land sale comps adjusted for building FAR.

⁽²⁾ Direct construction cost estimates from RS Means, Saylor Current Construction Costs (2020), and other project pro formas.

⁽³⁾ Water/sewer fees excluded due to current moratorium on new water connections. See Appendix A Table A-4

Appendix A Table A-3
Fees as % of Average Total Development Cost
Non-Residential Fee Context
Goleta, CA

Fees as % of Total Development Cost								
	Total Dev Cost Per GSF	Illustrative Linkage Fees (\$/GSF) as a Percent of Total Dev Cost						
		\$2	\$4	\$6	\$8	\$10	\$12	\$15
Warehouse / Distribution	\$238/GSF	0.8%	1.7%	2.5%	3.4%	4.2%	5.1%	6.3%
Business Park	\$339/GSF	0.6%	1.2%	1.8%	2.4%	3.0%	3.5%	4.4%
Medical Office	\$533/GSF	0.4%	0.8%	1.1%	1.5%	1.9%	2.3%	2.8%
Nbhd. Shopping Center	\$527/GSF	0.4%	0.8%	1.1%	1.5%	1.9%	2.3%	2.8%
Hotel	\$379/GSF	0.5%	1.1%	1.6%	2.1%	2.6%	3.2%	4.0%

key: up to 1% 1-2% 2-3% over 3%

Appendix A Table A-4
Estimated Fees Applicable to Non-Residential Development Prototypes in City of Goleta
Non-Residential Fee Context
Goleta, CA

Non-Residential Prototype	Warehouse / Distribution		Business Park: Office/ R&D/ Lt. Ind. ⁽¹⁾		Medical Office		Neighborhood Shopping Center		Hotel		
Gross Building Area	80,000 sf		50,000 sf		50,000 sf		80,000 sf		75,000 sf		
Hotel Rooms	n/a		n/a		n/a		n/a		125 rooms 600sf/rm		
Building Valuation/ GSF ⁽²⁾	\$80 /GSF		\$125 /GSF		\$145 /GSF		\$110 /GSF		\$145 /GSF		
Net Peak PM Trips/ 1,000 SF ⁽³⁾	0.19 /KSF		1.21 /KSF		3.21 /KSF		4.98 /KSF		0.96 /KSF		
Water ERU / 1,000 SF ⁽⁴⁾	0.12 /KSF		0.23 /KSF		0.25 /KSF		0.50 /KSF		0.67 /KSF		
	<u>\$/SF</u>	<u>Total</u>	<u>\$/SF</u>	<u>Total</u>	<u>\$/SF</u>	<u>Total</u>	<u>\$/SF</u>	<u>Total</u>	<u>\$/SF</u>	<u>\$000/rm</u>	<u>Total</u>
Permit & Processing Fees											
Planning Fees ⁽⁵⁾	\$0.68	\$54,200	\$1.06	\$52,900	\$1.23	\$61,400	\$0.93	\$74,500	\$1.23	\$1	\$92,100
Building Fees ⁽⁶⁾	\$1.02	\$81,200	\$1.59	\$79,300	\$1.84	\$92,000	\$1.40	\$111,700	\$1.84	\$1	\$138,100
<i>Subtotal, Permit & Processing</i>	\$1.69	\$135,400	\$2.64	\$132,200	\$3.07	\$153,400	\$2.33	\$186,200	\$3.07	\$2	\$230,200
City Impact Fees											
Public Administration	\$0.25	\$19,700	\$0.50	\$24,800	\$0.66	\$33,100	\$0.49	\$39,400	\$0.49	\$0	\$37,000
Library	\$0.08	\$6,200	\$0.15	\$7,700	\$0.21	\$10,300	\$0.15	\$12,300	\$0.15	\$0	\$11,600
Park Fee	\$0.95	\$75,700	\$1.91	\$95,400	\$2.55	\$127,500	\$1.90	\$151,900	\$1.90	\$1	\$142,400
Storm Drain	\$1.00	\$80,100	\$2.02	\$101,000	\$2.70	\$134,900	\$2.01	\$160,600	\$2.01	\$1	\$150,600
Transportation ⁽³⁾	\$2.34	\$187,300	\$15.21	\$760,400	\$40.39	\$2,019,700	\$62.61	\$5,008,700	\$12.07	\$7	\$905,200
Bicycle and Pedestrian	\$0.25	\$19,700	\$0.50	\$24,800	\$0.66	\$33,200	\$0.49	\$39,500	\$0.49	\$0	\$37,100
Fire	\$0.59	\$47,000	\$0.97	\$48,300	\$1.07	\$53,600	\$0.88	\$70,300	\$0.88	\$1	\$65,900
<i>Subtotal, City Impact Fees</i>	\$5.45	\$435,700	\$21.25	\$1,062,400	\$48.25	\$2,412,300	\$68.53	\$5,482,700	\$18.00	\$11	\$1,349,800
Other Agency Fees											
Sanitary Connection Fee ⁽⁴⁾	\$0.26	\$20,500	\$0.51	\$25,600	\$0.55	\$27,500	\$1.10	\$87,900	\$1.47	\$1	\$109,900
Water Connection Fee ⁽⁷⁾	\$0.95	\$76,400	\$1.91	\$95,500	\$2.05	\$102,300	\$4.09	\$327,300	\$5.46	\$3	\$409,200
School Fees	\$0.61	\$48,800	\$0.61	\$30,500	\$0.61	\$30,500	\$0.61	\$48,800	\$0.61	\$0	\$45,800
<i>Subtotal, Other Agency Fees</i>	\$1.82	\$145,700	\$3.03	\$151,600	\$3.21	\$160,300	\$5.80	\$464,000	\$7.53	\$5	\$564,900
Total, All Fees	\$8.96	\$716,800	\$26.92	\$1,346,200	\$54.52	\$2,726,000	\$76.66	\$6,132,900	\$28.60	\$17	\$2,144,900
<i>Excluding Water & Sewer</i>	<i>\$7.75</i>	<i>\$619,900</i>	<i>\$24.50</i>	<i>\$1,225,100</i>	<i>\$51.92</i>	<i>\$2,596,200</i>	<i>\$71.47</i>	<i>\$5,717,700</i>	<i>\$21.68</i>	<i>\$13</i>	<i>\$1,625,800</i>

Source: City of Goleta, Goleta Sanitary District, Goleta Water District, Urban Economics, Goleta Union School District, Santa Barbara Unified School District

⁽¹⁾ Fees differentiated by land use reflect are weighted 60% to office/R&D and 40% to warehouse/ light industrial.

⁽²⁾ Based on RS Means cost estimate excluding general contractor markups.

⁽³⁾ The Transportation impact fee is \$12,572 per net PM peak trip. Net PM peak trips assume a reduction for passby trips, based on the 2019 fee study by Urban Economics .

⁽⁴⁾ The Goleta Sanitary District connection fee is \$2,198 per equivalent residential unit (ERU). ERUs are estimated based on water demand tables included Goleta's CEQA guidelines.

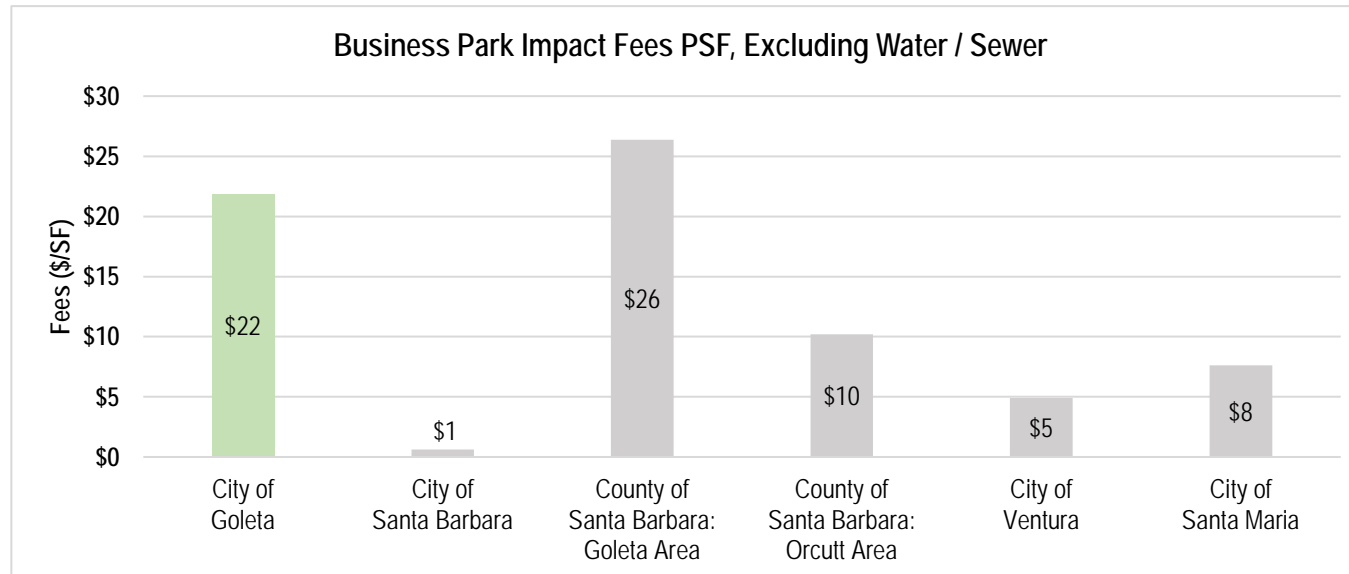
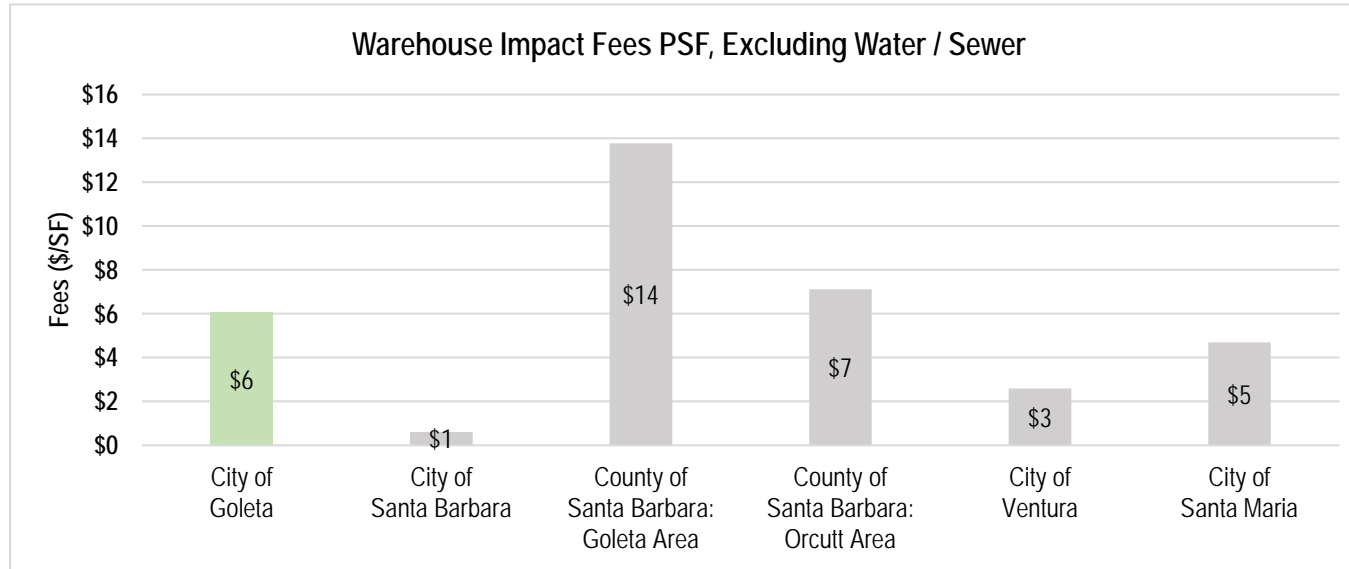
⁽⁵⁾ Planning fees are estimated to be 0.8% of the building permit valuation, based on recent projects.

⁽⁶⁾ Building fees are estimated to be 1.3% of the building permit valuation, based on recent projects.

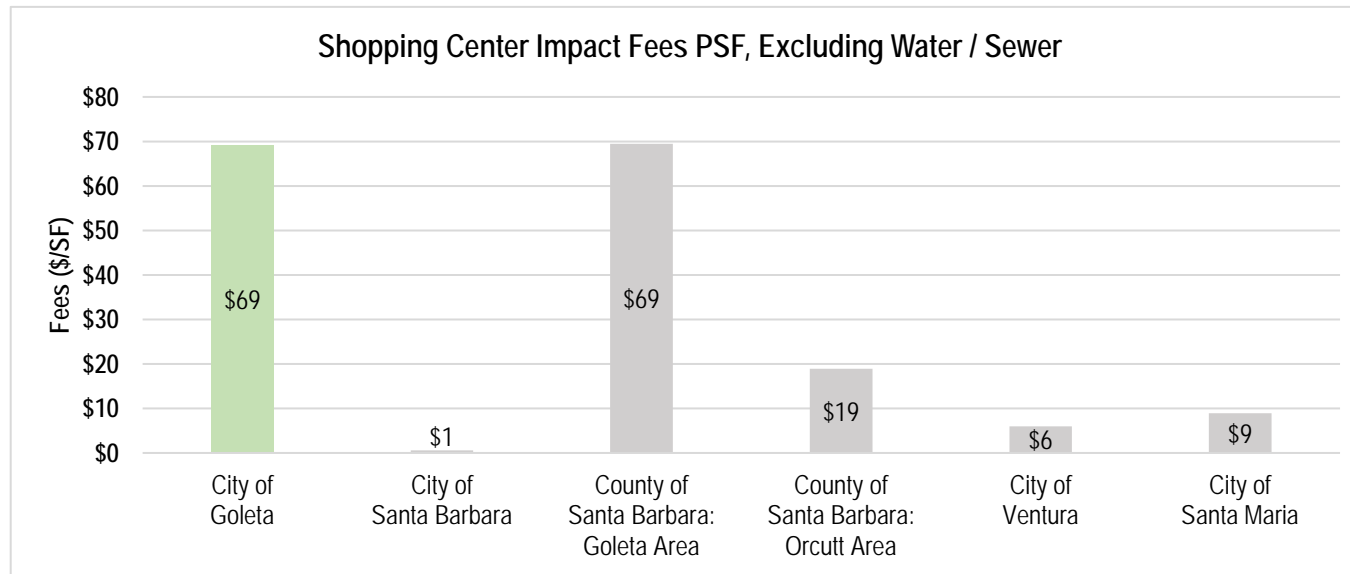
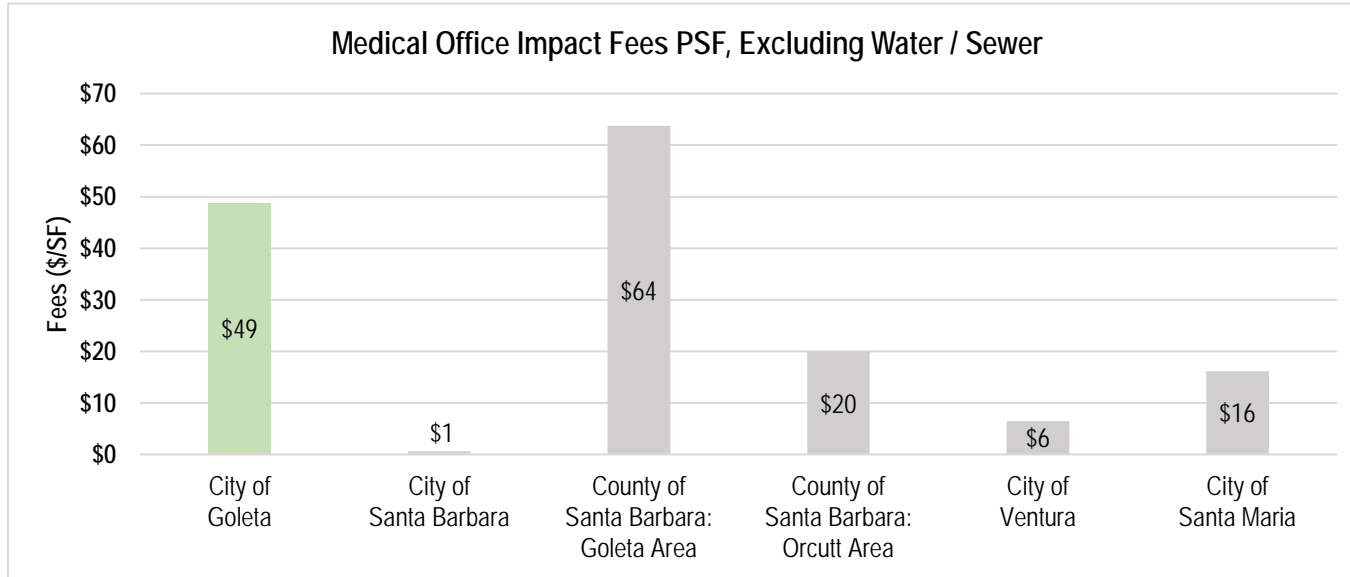
⁽⁷⁾ Goleta Water District supply charge is approx. \$40,000 per acre-foot of annual demand (assuming 80% potable and 20% recycled). Currently, there is a moratorium on new water connections.

The water fee estimate reflects the ERU demand factors used to estimate the sanitary connection fee (see footnote 4). No credits are assumed for previously purchased allocations.

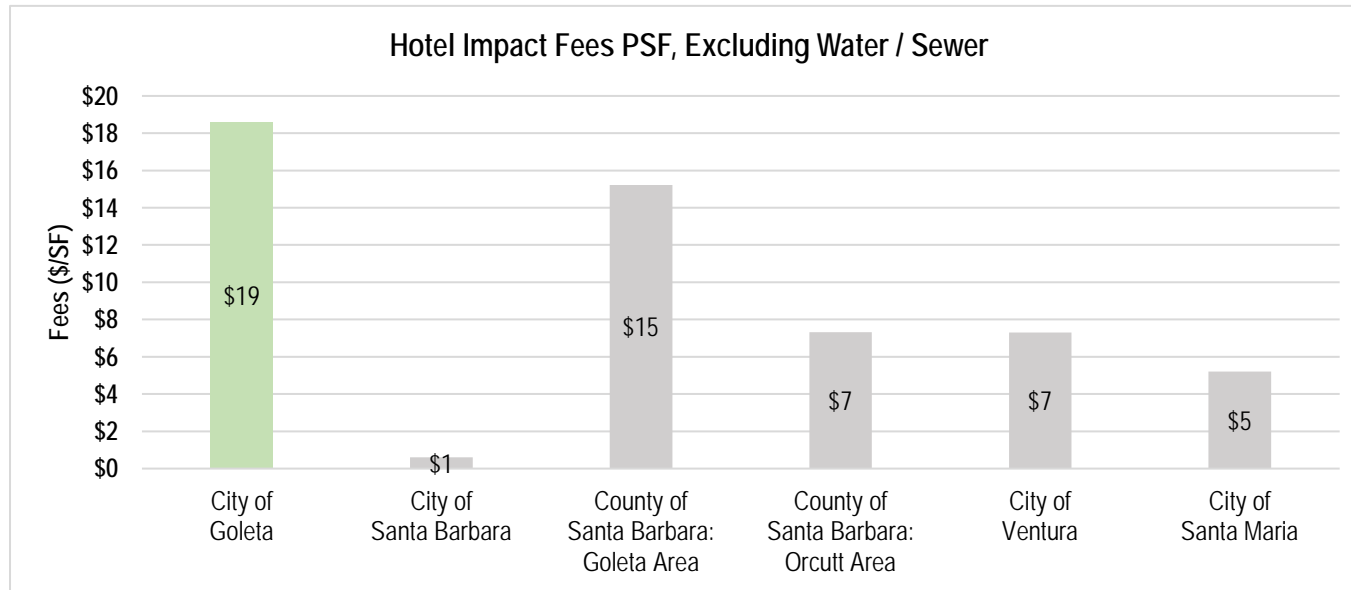
Appendix A Table A-5
Total Impact Fee Charts: Goleta versus Comparison Jurisdictions
Non-Residential Fee Context
Goleta, CA



Appendix A Table A-5
Total Impact Fee Charts: Goleta versus Comparison Jurisdictions
Non-Residential Fee Context
Goleta, CA



Appendix A Table A-5
Total Impact Fee Charts: Goleta versus Comparison Jurisdictions
Non-Residential Fee Context
Goleta, CA



Appendix A Table A-6
Impact Fee Comparison Summary
Non-Residential Fee Context
Goleta, CA

	City of Goleta	City of Santa Barbara ⁽¹⁾	County of Santa Barbara: Goleta Area	County of Santa Barbara: Orcutt Area	City of Ventura	City of Santa Maria
Warehouse (Table 7)						
Gross Square Feet	80,000	80,000	80,000	80,000	80,000	80,000
Impact Fees PSF, Excl. Water/Sewer	\$6.06	\$0.61	\$13.77	\$7.11	\$2.59	\$4.69
Impact Fees PSF, Incl. Water/Sewer ⁽²⁾	\$7.27	\$1.45	\$14.98	\$8.70	\$11.65	\$5.65
Business Park (Table 8)						
Gross Square Feet	50,000	50,000	50,000	50,000	50,000	50,000
Impact Fees PSF, Excl. Water/Sewer	\$21.86	\$0.61	\$26.37	\$10.20	\$4.92	\$7.62
Impact Fees PSF, Incl. Water/Sewer ⁽²⁾	\$24.28	\$1.95	\$28.80	\$13.37	\$14.29	\$9.15
Medical Office (Table 9)						
Gross Square Feet	50,000	50,000	50,000	50,000	50,000	50,000
Impact Fees PSF, Excl. Water/Sewer	\$48.86	\$0.61	\$63.74	\$19.98	\$6.47	\$16.15
Impact Fees PSF, Incl. Water/Sewer ⁽²⁾	\$51.45	\$1.95	\$66.34	\$23.37	\$15.84	\$17.68
Shopping Center (Table 10)						
Gross Square Feet	80,000	80,000	80,000	80,000	80,000	80,000
Impact Fees PSF, Excl. Water/Sewer	\$69.14	\$0.61	\$69.48	\$18.89	\$5.95	\$8.89
Impact Fees PSF, Incl. Water/Sewer ⁽²⁾	\$74.33	\$1.45	\$74.67	\$25.68	\$15.01	\$9.85
Hotel (Table 11)						
Gross Square Feet	75,000	75,000	75,000	75,000	75,000	75,000
Impact Fees PSF, Excl. Water/Sewer	\$18.61	\$0.61	\$15.22	\$7.32	\$7.31	\$5.20
Impact Fees PSF, Incl. Water/Sewer ⁽²⁾	\$25.53	\$1.51	\$22.14	\$16.38	\$16.40	\$6.22

Source: Fee schedules for comparison jurisdictions

Note: Comparison only reflects impact fees. Permit and processing fees, CEQA mitigation costs, and other development exactions are excluded.

⁽¹⁾ The city of Santa Barbara does not have a standardized development fee schedule. Projects may be required to offset development impacts through CEQA mitigation measures. These costs are not included in the fee comparison as they vary significantly by project.

⁽²⁾ Water and sewer fee estimates do not assume any credits for existing service or water conservation measures. In all jurisdictions, water and sewer fees are likely to be less than estimated for infill development, which has comprised all recent permitting activity in Goleta due to the moratorium on new water connections.

Appendix A Table A-7
Impact Fee Comparison: Warehouse Prototype
Non-Residential Fee Context
Goleta, CA

	City of Goleta	City of Santa Barbara	County of Santa Barbara: Goleta Area	County of Santa Barbara: Orcutt Area	City of Ventura	City of Santa Maria
Warehouse						
Gross Square Feet	80,000	80,000	80,000	80,000	80,000	80,000
Local Impact Fees						
Roads/Transit/Mobility	\$207,000	\$0	\$641,440	\$220,480	\$119,280	\$270,320
Fire	\$47,000	\$0	\$41,600	\$41,600	\$35,200	\$6,400
Parks	\$75,700	\$0	\$225,440	\$157,280	\$0	\$800
School District	\$48,800	\$48,800	\$45,520	\$25,600	\$52,800	\$48,800
Other Public Facilities	\$25,900	\$0	\$147,840	\$124,000	\$0	\$48,800
Drainage	<u>\$80,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Total, Excl. Water & Sewer</i>	<i>\$484,500</i>	<i>\$48,800</i>	<i>\$1,101,840</i>	<i>\$568,960</i>	<i>\$207,280</i>	<i>\$375,120</i>
Water	\$76,400	\$47,805	\$20,515	\$48,092	\$707,567	\$48,635
Sewer	<u>\$20,500</u>	<u>\$19,427</u>	<u>\$76,380</u>	<u>\$78,671</u>	<u>\$17,271</u>	<u>\$27,941</u>
<i>Total, Incl. Water & Sewer</i>	<i>\$581,400</i>	<i>\$116,032</i>	<i>\$1,198,735</i>	<i>\$695,722</i>	<i>\$932,118</i>	<i>\$451,696</i>
Fees PSF						
Roads/Transit/Mobility	\$2.59	\$0.00	\$8.02	\$2.76	\$1.49	\$3.38
Fire	\$0.59	\$0.00	\$0.52	\$0.52	\$0.44	\$0.08
Parks	\$0.95	\$0.00	\$2.82	\$1.97	\$0.00	\$0.01
School District	\$0.61	\$0.61	\$0.57	\$0.32	\$0.66	\$0.61
Other Public Facilities	\$0.32	\$0.00	\$1.85	\$1.55	\$0.00	\$0.61
Drainage	<u>\$1.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<i>Total, Excl. Water & Sewer</i>	<i>\$6.06</i>	<i>\$0.61</i>	<i>\$13.77</i>	<i>\$7.11</i>	<i>\$2.59</i>	<i>\$4.69</i>
Water	\$0.96	\$0.60	\$0.26	\$0.60	\$8.84	\$0.61
Sewer	<u>\$0.26</u>	<u>\$0.24</u>	<u>\$0.95</u>	<u>\$0.98</u>	<u>\$0.22</u>	<u>\$0.35</u>
<i>Total, Incl. Water & Sewer</i>	<i>\$7.27</i>	<i>\$1.45</i>	<i>\$14.98</i>	<i>\$8.70</i>	<i>\$11.65</i>	<i>\$5.65</i>

Source: Fee schedules for comparison jurisdictions

Note: Comparison only reflects impact fees. Permit and processing fees, CEQA mitigation costs, and other development exactions are excluded.

Appendix A Table A-8
Impact Fee Comparison: Business Park Prototype
Non-Residential Fee Context
Goleta, CA

Business Park	City of Goleta	City of Santa Barbara	County of Santa Barbara: Goleta Area	County of Santa Barbara: Orcutt Area	City of Ventura	City of Santa Maria
Gross Square Feet	50,000	50,000	50,000	50,000	50,000	50,000
Local Impact Fees						
Roads/Transit/Mobility	\$785,200	\$0	\$1,014,500	\$275,650	\$175,500	\$315,260
Fire	\$48,300	\$0	\$42,400	\$42,400	\$37,300	\$4,000
Parks	\$95,400	\$0	\$140,900	\$98,300	\$0	\$500
School District	\$30,500	\$30,500	\$28,450	\$16,000	\$33,000	\$30,500
Other Public Facilities	\$32,500	\$0	\$92,400	\$77,500	\$0	\$30,500
<u>Drainage</u>	<u>\$101,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Total, Excl. Water & Sewer</i>	<i>\$1,092,900</i>	<i>\$30,500</i>	<i>\$1,318,650</i>	<i>\$509,850</i>	<i>\$245,800</i>	<i>\$380,760</i>
Water	\$95,500	\$47,805	\$25,643	\$60,114	\$451,607	\$48,635
<u>Sewer</u>	<u>\$25,600</u>	<u>\$19,427</u>	<u>\$95,475</u>	<u>\$98,338</u>	<u>\$17,271</u>	<u>\$27,941</u>
<i>Total, Incl. Water & Sewer</i>	<i>\$1,214,000</i>	<i>\$97,732</i>	<i>\$1,439,768</i>	<i>\$668,303</i>	<i>\$714,678</i>	<i>\$457,336</i>
Fees PSF						
Roads/Transit/Mobility	\$15.70	\$0.00	\$20.29	\$5.51	\$3.51	\$6.31
Fire	\$0.97	\$0.00	\$0.85	\$0.85	\$0.75	\$0.08
Parks	\$1.91	\$0.00	\$2.82	\$1.97	\$0.00	\$0.01
School District	\$0.61	\$0.61	\$0.57	\$0.32	\$0.66	\$0.61
Other Public Facilities	\$0.65	\$0.00	\$1.85	\$1.55	\$0.00	\$0.61
<u>Drainage</u>	<u>\$2.02</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<i>Total, Excl. Water & Sewer</i>	<i>\$21.86</i>	<i>\$0.61</i>	<i>\$26.37</i>	<i>\$10.20</i>	<i>\$4.92</i>	<i>\$7.62</i>
Water	\$1.91	\$0.96	\$0.51	\$1.20	\$9.03	\$0.97
<u>Sewer</u>	<u>\$0.51</u>	<u>\$0.39</u>	<u>\$1.91</u>	<u>\$1.97</u>	<u>\$0.35</u>	<u>\$0.56</u>
<i>Total, Incl. Water & Sewer</i>	<i>\$24.28</i>	<i>\$1.95</i>	<i>\$28.80</i>	<i>\$13.37</i>	<i>\$14.29</i>	<i>\$9.15</i>

Source: Fee schedules for comparison jurisdictions

Note: Comparison only reflects impact fees. Permit and processing fees, CEQA mitigation costs, and other development exactions are excluded.

Appendix A Table A-9
Impact Fee Comparison: Medical Office Prototype
Non-Residential Fee Context
Goleta, CA

	City of Goleta	City of Santa Barbara	County of Santa Barbara: Goleta Area	County of Santa Barbara: Orcutt Area	City of Ventura	City of Santa Maria
Medical Office						
Gross Square Feet	50,000	50,000	50,000	50,000	50,000	50,000
Local Impact Fees						
Roads/Transit/Mobility	\$2,052,900	\$0	\$2,878,250	\$760,100	\$242,800	\$742,050
Fire	\$53,600	\$0	\$47,000	\$47,000	\$47,500	\$4,000
Parks	\$127,500	\$0	\$140,900	\$98,300	\$0	\$500
School District	\$30,500	\$30,500	\$28,450	\$16,000	\$33,000	\$30,500
Other Public Facilities	\$43,400	\$0	\$92,400	\$77,500	\$0	\$30,500
Drainage	\$134,900	\$0	\$0	\$0	\$0	\$0
<i>Total, Excl. Water & Sewer</i>	<i>\$2,442,800</i>	<i>\$30,500</i>	<i>\$3,187,000</i>	<i>\$998,900</i>	<i>\$323,300</i>	<i>\$807,550</i>
Water	\$102,300	\$47,805	\$27,475	\$64,408	\$451,607	\$48,635
Sewer	\$27,500	\$19,427	\$102,295	\$105,363	\$17,271	\$27,941
<i>Total, Incl. Water & Sewer</i>	<i>\$2,572,600</i>	<i>\$97,732</i>	<i>\$3,316,770</i>	<i>\$1,168,671</i>	<i>\$792,178</i>	<i>\$884,126</i>
Fees PSF						
Roads/Transit/Mobility	\$41.06	\$0.00	\$57.57	\$15.20	\$4.86	\$14.84
Fire	\$1.07	\$0.00	\$0.94	\$0.94	\$0.95	\$0.08
Parks	\$2.55	\$0.00	\$2.82	\$1.97	\$0.00	\$0.01
School District	\$0.61	\$0.61	\$0.57	\$0.32	\$0.66	\$0.61
Other Public Facilities	\$0.87	\$0.00	\$1.85	\$1.55	\$0.00	\$0.61
<u>Drainage</u>	<u>\$2.70</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<i>Total, Excl. Water & Sewer</i>	<i>\$48.86</i>	<i>\$0.61</i>	<i>\$63.74</i>	<i>\$19.98</i>	<i>\$6.47</i>	<i>\$16.15</i>
Water	\$2.05	\$0.96	\$0.55	\$1.29	\$9.03	\$0.97
<u>Sewer</u>	<u>\$0.55</u>	<u>\$0.39</u>	<u>\$2.05</u>	<u>\$2.11</u>	<u>\$0.35</u>	<u>\$0.56</u>
<i>Total, Incl. Water & Sewer</i>	<i>\$51.45</i>	<i>\$1.95</i>	<i>\$66.34</i>	<i>\$23.37</i>	<i>\$15.84</i>	<i>\$17.68</i>

Source: Fee schedules for comparison jurisdictions

Note: Comparison only reflects impact fees. Permit and processing fees, CEQA mitigation costs, and other development exactions are excluded.

Appendix A Table A-10
Impact Fee Comparison: Shopping Center Prototype
Non-Residential Fee Context
Goleta, CA

	City of Goleta	City of Santa Barbara	County of Santa Barbara: Goleta Area	County of Santa Barbara: Orcutt Area	City of Ventura	City of Santa Maria
Shopping Center						
Gross Square Feet	80,000	80,000	80,000	80,000	80,000	80,000
Local Impact Fees						
Roads/Transit/Mobility	\$5,048,200	\$0	\$5,199,920	\$1,231,840	\$374,720	\$606,320
Fire	\$70,300	\$0	\$61,600	\$61,600	\$48,800	\$6,400
Parks	\$151,900	\$0	\$160,000	\$111,680	\$0	\$800
School District	\$48,800	\$48,800	\$32,160	\$18,240	\$52,800	\$48,800
Other Public Facilities	\$51,700	\$0	\$104,640	\$87,760	\$0	\$48,800
<u>Drainage</u>	<u>\$160,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Total, Excl. Water & Sewer</i>	<i>\$5,531,500</i>	<i>\$48,800</i>	<i>\$5,558,320</i>	<i>\$1,511,120</i>	<i>\$476,320</i>	<i>\$711,120</i>
Water	\$327,300	\$47,805	\$87,920	\$206,107	\$707,567	\$48,635
<u>Sewer</u>	<u>\$87,900</u>	<u>\$19,427</u>	<u>\$327,343</u>	<u>\$337,160</u>	<u>\$17,271</u>	<u>\$27,941</u>
<i>Total, Incl. Water & Sewer</i>	<i>\$5,946,700</i>	<i>\$116,032</i>	<i>\$5,973,583</i>	<i>\$2,054,387</i>	<i>\$1,201,158</i>	<i>\$787,696</i>
Fees PSF						
Roads/Transit/Mobility	\$63.10	\$0.00	\$65.00	\$15.40	\$4.68	\$7.58
Fire	\$0.88	\$0.00	\$0.77	\$0.77	\$0.61	\$0.08
Parks	\$1.90	\$0.00	\$2.00	\$1.40	\$0.00	\$0.01
School District	\$0.61	\$0.61	\$0.40	\$0.23	\$0.66	\$0.61
Other Public Facilities	\$0.65	\$0.00	\$1.31	\$1.10	\$0.00	\$0.61
<u>Drainage</u>	<u>\$2.01</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<i>Total, Excl. Water & Sewer</i>	<i>\$69.14</i>	<i>\$0.61</i>	<i>\$69.48</i>	<i>\$18.89</i>	<i>\$5.95</i>	<i>\$8.89</i>
Water	\$4.09	\$0.60	\$1.10	\$2.58	\$8.84	\$0.61
<u>Sewer</u>	<u>\$1.10</u>	<u>\$0.24</u>	<u>\$4.09</u>	<u>\$4.21</u>	<u>\$0.22</u>	<u>\$0.35</u>
<i>Total, Incl. Water & Sewer</i>	<i>\$74.33</i>	<i>\$1.45</i>	<i>\$74.67</i>	<i>\$25.68</i>	<i>\$15.01</i>	<i>\$9.85</i>

Source: Fee schedules for comparison jurisdictions

Note: Comparison only reflects impact fees. Permit and processing fees, CEQA mitigation costs, and other development exactions are excluded.

Appendix A Table A-11
Impact Fee Comparison: Hotel Prototype
Non-Residential Fee Context
Goleta, CA

Hotel	City of Goleta	City of Santa Barbara	County of Santa Barbara: Goleta Area	County of Santa Barbara: Orcutt Area	City of Ventura	City of Santa Maria
Gross Square Feet	75,000	75,000	75,000	75,000	75,000	75,000
Local Impact Fees						
Roads/Transit/Mobility	\$942,300	\$0	\$690,900	\$203,850	\$452,625	\$291,750
Fire	\$65,900	\$0	\$57,750	\$57,750	\$45,750	\$6,000
Parks	\$142,400	\$0	\$211,350	\$147,450	\$0	\$750
School District	\$45,800	\$45,750	\$42,675	\$24,000	\$49,500	\$45,750
Other Public Facilities	\$48,600	\$0	\$138,600	\$116,250	\$0	\$45,750
<u>Drainage</u>	<u>\$150,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Total, Excl. Water & Sewer</i>	<i>\$1,395,600</i>	<i>\$45,750</i>	<i>\$1,141,275</i>	<i>\$549,300</i>	<i>\$547,875</i>	<i>\$390,000</i>
Water	\$409,200	\$47,805	\$109,900	\$257,633	\$664,907	\$48,635
<u>Sewer</u>	<u>\$109,900</u>	<u>\$19,427</u>	<u>\$409,179</u>	<u>\$421,450</u>	<u>\$17,271</u>	<u>\$27,941</u>
<i>Total, Incl. Water & Sewer</i>	<i>\$1,914,700</i>	<i>\$112,982</i>	<i>\$1,660,354</i>	<i>\$1,228,383</i>	<i>\$1,230,053</i>	<i>\$466,576</i>
Fees PSF						
Roads/Transit/Mobility	\$12.56	\$0.00	\$9.21	\$2.72	\$6.04	\$3.89
Fire	\$0.88	\$0.00	\$0.77	\$0.77	\$0.61	\$0.08
Parks	\$1.90	\$0.00	\$2.82	\$1.97	\$0.00	\$0.01
School District	\$0.61	\$0.61	\$0.57	\$0.32	\$0.66	\$0.61
Other Public Facilities	\$0.65	\$0.00	\$1.85	\$1.55	\$0.00	\$0.61
<u>Drainage</u>	<u>\$2.01</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<i>Total, Excl. Water & Sewer</i>	<i>\$18.61</i>	<i>\$0.61</i>	<i>\$15.22</i>	<i>\$7.32</i>	<i>\$7.31</i>	<i>\$5.20</i>
Water	\$5.46	\$0.64	\$1.47	\$3.44	\$8.87	\$0.65
<u>Sewer</u>	<u>\$1.47</u>	<u>\$0.26</u>	<u>\$5.46</u>	<u>\$5.62</u>	<u>\$0.23</u>	<u>\$0.37</u>
<i>Total, Incl. Water & Sewer</i>	<i>\$25.53</i>	<i>\$1.51</i>	<i>\$22.14</i>	<i>\$16.38</i>	<i>\$16.40</i>	<i>\$6.22</i>

Source: Fee schedules for comparison jurisdictions

Note: Comparison only reflects impact fees. Permit and processing fees, CEQA mitigation costs, and other development exactions are excluded.

Appendix A Table A-12

Cumulative Non-Residential Development Activity in Goleta and Santa Barbara County (2010-2020)

Non-Residential Fee Context

Goleta, CA

											YTD
Cumulative Deliveries (SF 000s) ⁽¹⁾	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Goleta											
Office	0	0	0	0	157	157	209	209	209	209	209
Industrial	0	0	0	0	30	30	30	30	30	30	30
Retail	0	0	0	0	0	36	80	80	80	80	80
Hotel	0	0	69	69	69	69	69	225	225	225	225
Santa Barbara County											
Office	17	17	69	87	244	244	371	397	418	430	438
Industrial	18	18	18	18	60	294	368	372	715	757	757
Retail	116	116	184	252	319	362	522	865	1,011	1,021	1,028
Hotel	0	0	94	94	112	112	112	494	504	725	748
Goleta Share of County											
Office	0%	0%	0%	0%	64%	64%	56%	53%	50%	49%	48%
Industrial	0%	0%	0%	0%	50%	10%	8%	8%	4%	4%	4%
Retail	0%	0%	0%	0%	0%	10%	15%	9%	8%	8%	8%
Hotel	0%	0%	74%	74%	61%	61%	61%	46%	45%	31%	30%

Source: Costar (10/20/2020), STR

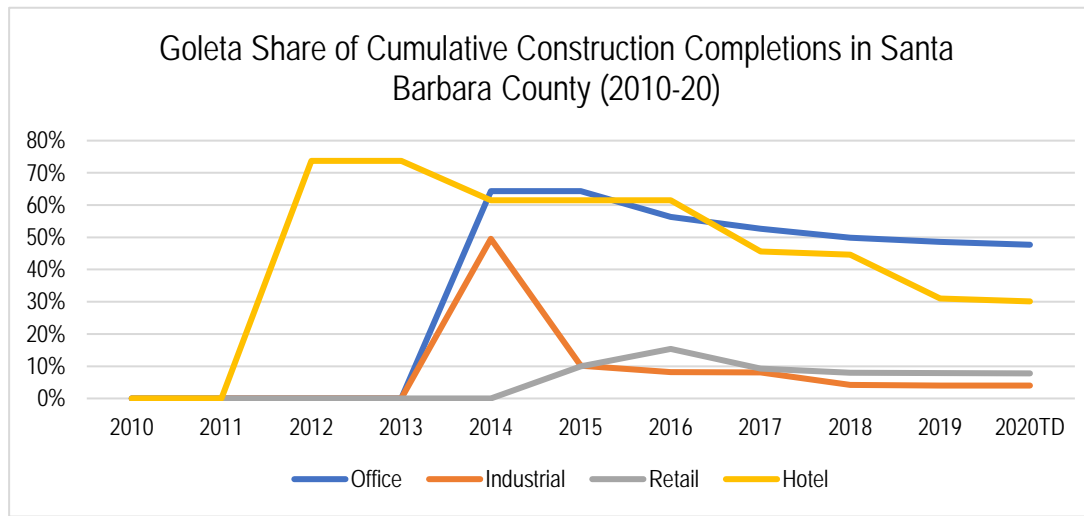
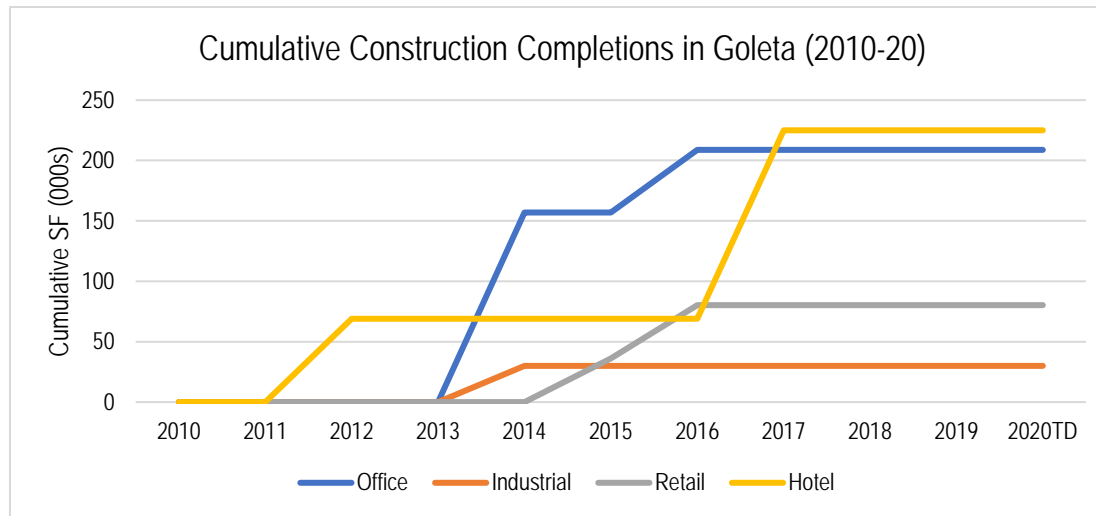
⁽¹⁾ See Tables 14 to 17. Hotel square feet estimated at 600sf/room.

Appendix A Table A-12

Cumulative Non-Residential Development Activity in Goleta and Santa Barbara County (2010-2020)

Non-Residential Fee Context

Goleta, CA



Appendix A Table A-13
Commercial Properties in Goleta - Built Since 2002 and Under Construction/ Proposed
Non-Residential Fee Context
Goleta, CA

<u>Property Address</u>	<u>Status⁽¹⁾</u>	<u>Year</u> <u>Built</u>	<u>SF</u>	<u>Stories</u>	<u>FAR</u>	<u>Parking</u>	<u>Comments</u>
Retail							
180 N. Fairview Ave	P	TBD	2,396	1	0.20	Surface	Convenience
Hollister Village Plaza		2015-16	80,252	1	0.25	Surface	Shopping cntr.
7020 Calle Real		2006	2,984	1	0.13	Surface	Grocery
Office/R&D							
Cabrillo BP Lots 5-7	P	TBD	78,803	2	0.34	Surface	R&D/ Flex
Cabrillo BP Lot 9	UC	2020	49,821	2	0.36	Surface	R&D/ Flex
Cottage MOB	P	TBD	20,000	2	0.31	Surface	Medical office
351 S Patterson Ave		2016	52,000	2	0.59	Surface	Medical office
Deckers Corporate HQ		2014	156,818	2	0.31	Surface	Owner occupied
420 S Fairview Ave		2008	72,200	2	0.36	Surface	Multi-tenant
Industrial							
355 Coromar Dr	P	TBD	77,394	1	0.28	Surface	WH /Distribution
Deckers Bldg 3		2014	29,970	1	0.31	Surface	WH /Distribution
747 S Kellogg Ave		2008	3,635	1	0.31	Surface	WH /Distribution
Hotel							
Calle Real Hotel	P	TBD	61,367	3	0.66	Surface	132 rooms
Residence Inn		2017	80,000	3	0.48	Surface	118 rooms
Hilton Garden Inn		2017	86,794	3	0.65	Surface	142 rooms
Courtyard by Marriott		2012	68,000	2	0.52	Surface	115 rooms
Hampton Inn		2007	37,998	2	0.48	Surface	101 rooms

Source: Costar (10/20/2020), STR, KMA research, City of Goleta

⁽¹⁾ UC = Under Construction; P = Planned or Proposed

Appendix A Table A-14
Office Real Estate Trends (2010-2020)
Non-Residential Fee Context
Goleta, CA

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2020
Goleta											
Inventory (SF 000s)	2,258	2,258	2,258	2,258	2,415	2,415	2,467	2,467	2,467	2,467	2,467
Ann. Deliveries (SF 000s)	0	0	0	0	157	0	52	0	0	0	0
Ann. Net Absorption (SF 000s)	1	-9	39	-45	191	-36	98	-39	78	5	-47
Total Vacancy %	7.4%	7.8%	6.1%	8.1%	6.1%	7.6%	5.6%	7.1%	4.0%	3.8%	5.7%
Asking Rent/SF (Base Direct)	\$1.52	\$1.51	\$1.49	\$1.48	\$1.47	\$1.46	\$1.54	\$1.57	\$1.49	\$1.63	\$1.59
Santa Barbara County											
Inventory (SF 000s)	12,443	12,443	12,489	12,507	12,663	12,663	12,790	12,794	12,815	12,827	12,782
Ann. Deliveries (SF 000s)	17	0	52	18	157	0	127	26	22	12	8
Ann. Net Absorption (SF 000s)	66	3	2	-127	287	-71	419	-68	49	-77	-235
Total Vacancy %	4.6%	4.6%	4.9%	6.1%	5.0%	5.5%	3.2%	3.8%	3.5%	4.2%	5.7%
Asking Rent/SF (Base Direct)	\$1.68	\$1.68	\$1.60	\$1.48	\$1.62	\$1.56	\$1.78	\$1.88	\$1.86	\$1.98	\$1.83

Source: Costar (10/20/2020)

Appendix A Table A-15
Industrial Real Estate Trends (2010-2020)
Non-Residential Fee Context
Goleta, CA

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2020
Goleta											
Inventory (SF 000s)	1,869	1,869	1,869	1,869	1,898	1,898	1,898	1,898	1,898	1,898	1,898
Ann. Deliveries (SF 000s)	0	0	0	0	30	0	0	0	0	0	0
Ann. Net Absorption (SF 000s)	29	20	5	14	150	2	11	-13	-69	-3	-65
Total Vacancy %	4.9%	3.8%	3.6%	2.8%	2.2%	2.1%	1.6%	2.2%	5.7%	5.8%	9.1%
Asking Rent/SF (NNN Direct)	\$0.89	\$0.86	\$0.85	\$0.88	\$1.01	\$1.23	\$1.15	\$1.21	\$1.08	\$1.12	\$1.09
Santa Barbara County											
Inventory (SF 000s)	12,103	12,103	12,103	12,103	12,145	12,373	12,446	12,449	12,778	12,819	12,819
Ann. Deliveries (SF 000s)	18	0	0	0	42	234	73	5	343	42	0
Ann. Net Absorption (SF 000s)	45	244	155	-83	163	198	207	-96	161	121	-44
Total Vacancy %	7.1%	4.4%	3.6%	3.9%	3.6%	3.4%	2.0%	2.9%	4.8%	3.5%	4.2%
Asking Rent/SF (NNN Direct)	\$0.72	\$0.73	\$0.73	\$0.75	\$0.79	\$0.79	\$0.85	\$0.97	\$1.10	\$1.18	\$1.10

Source: Costar (10/20/2020)

Appendix A Table A-16
Retail Real Estate Trends (2010-2020)
Non-Residential Fee Context
Goleta, CA

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2020
Goleta											
Inventory (SF 000s)	1,930	1,930	1,930	1,930	1,930	1,966	2,010	2,010	2,010	2,010	2,010
Ann. Deliveries (SF 000s)	0	0	0	0	0	36	44	0	0	0	0
Ann. Net Absorption (SF 000s)	35	-39	44	3	4	-41	132	14	-4	-18	-2
Total Vacancy %	1.5%	3.5%	3.3%	3.1%	2.9%	6.7%	2.3%	1.7%	1.9%	2.8%	2.9%
Asking Rent/SF (NNN Direct)	\$2.37	\$2.11	\$2.35	\$2.32	\$2.51	\$2.67	\$2.46	\$2.29	\$2.74	\$2.80	\$2.59
Santa Barbara County											
Inventory (SF 000s)	23,746	23,746	23,795	23,839	23,910	23,924	24,084	24,426	24,568	24,588	24,595
Ann. Deliveries (SF 000s)	116	0	67	69	67	43	160	343	146	10	7
Ann. Net Absorption (SF 000s)	193	-84	93	246	136	-23	380	64	-119	-38	13
Total Vacancy %	3.6%	3.9%	3.8%	2.9%	2.6%	2.8%	1.8%	2.9%	4.0%	4.1%	4.1%
Asking Rent/SF (NNN Direct)	\$1.84	\$1.84	\$1.89	\$1.99	\$1.99	\$2.10	\$2.13	\$2.17	\$1.98	\$1.97	\$2.15

Source: Costar (10/20/2020)

Appendix A Table A-17
Hotel Real Estate Trends (2010-2020)
Non-Residential Fee Context
Goleta, CA

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2020
Goleta											
Total Room Supply ⁽¹⁾	691	691	806	806	806	806	806	1,066	1,066	1,066	1,066
New Rooms Delivered ⁽¹⁾	0	0	115	0	0	0	0	260	0	0	0
Market Occupancy					75%	80%	80%	76%	78%	79%	
Average Daily Rate					\$148	\$164	\$168	\$176	\$179	\$179	
RevPAR					\$111	\$131	\$134	\$134	\$140	\$141	
Santa Barbara County											
Total Room Supply ⁽¹⁾	9,168	9,168	9,324	9,324	9,355	9,355	9,355	9,991	10,008	10,376	10,414
New Rooms Delivered ⁽¹⁾	0	0	156	0	31	0	0	636	17	368	38
Market Occupancy					75%	77%	77%	75%	74%	74%	
Average Daily Rate					\$196	\$207	\$214	\$221	\$209	\$233	
RevPAR					\$148	\$160	\$165	\$165	\$154	\$173	

Source: STR, CBRE Hotels Advisory 2020 Southern California Lodging Forecast

⁽¹⁾ Room supply and rooms delivered per STR. All other data is from CBRE (2019 reflects an estimate from fall 2019).

Appendix A Table A-18
Recent Commercial Land Sales in Goleta
Non-Residential Fee Context
Goleta, CA

<u>Property</u>	<u>Sale</u>	<u>Land</u>	<u>FAR</u>	<u>Sale Price</u>			<u>Comments</u>
	<u>Year</u>	<u>Acres</u>		<u>Total (\$M)</u>	<u>/Land SF</u>	<u>/SF FAR</u>	
Cabrillo Business Park	2018	11.37	0.29	\$23.0M	\$46	\$159	Industrial/R&D
265 Pine Ave	2017	0.12	0.0	\$0.3M	\$56	N/A	Commercial (Parking)
6975 Santa Felicia Dr	2017	4.32	TBD	\$2.2M	\$12	TBD	Commercial
151 S Fairview Ave ⁽¹⁾	2017	0.80	0.22	\$3.3M	\$93	\$433	Commercial
6701 Hollister Ave	2016	3.72	0.34	\$7.3M	\$45	\$132	Office
5955 Calle Real	2015	1.98	0.64	\$4.7M	\$54	\$86	Hotel
355 Coromar Drive	2015	7.60	0.30	\$10.6M	\$32	\$108	WH/ Office

Source: Costar (10/20/2020), KMA research

⁽¹⁾ Fully entitled and with certain governmental fees pre-paid.

Appendix A Table A-19
Recent Commercial Building Sales in Goleta
Non-Residential Fee Context
Goleta, CA

<u>Property</u>	<u>Year</u>	<u>Year</u>	<u>Sq Ft</u>	<u>Rooms</u>	<u>Sale Price</u>			<u>Cap</u>
	<u>Sold</u>	<u>Built</u>			<u>Total (\$M)</u>	<u>\$/SF</u>	<u>\$/Rm</u>	<u>Rate</u>
Office								
5290 Overpass Rd	2020	1984	1,474		\$0.58	\$390		
801 S Kellogg Ave	2020	1965	17,237		\$2.85	\$165		
Castilian Tech. Cntr.	2019	2000	165,905		\$35.73	\$215		
130-132 Robin Hill	2019	2000	39,102		\$6.50	\$166		
420 S Fairview Ave	2019	2008	72,200		\$22.86	\$317		
University Bus. Cntr.	2019	1988	173,017		\$35.73	\$206		
6445 Calle Real	2019	1985	3,548		\$1.58	\$444		
142-144 Santa Felicia Dr	2018	1970	2,698		\$0.86	\$317		
Industrial								
1020 S Fairview Ave	2020	1962	3,442		\$0.60	\$174		
5814 Gaviota	2019	1960	2,023		\$0.35	\$171		
5902 Daley St	2019	1920	1,703		\$0.46	\$270		
75 Robin Hill Rd	2018	1966	112,621		\$27.00	\$240		
839 Ward Dr (Alloc.)	2018	1962	27,500		\$4.03	\$147		7.0%
92 Aero Camino	2017	1970	5,258		\$1.63	\$309		2.8%
5773 Dawson Ave	2017	N/A	2,540		\$0.59	\$230		
Retail								
5879 Hollister Ave	2018	2000	2,538		\$0.66	\$260		
5799 Hollister Ave	2017	2017R	9,000		\$4.61	\$512		4.7%
7020 Calle Real	2017	2006	2,984		\$1.90	\$637		
5836 Hollister Ave	2017	1955	8,164		\$1.55	\$190		
Hotels								
Super 8	2020	1961	18,638	65	\$6.93	\$372	\$107K	
Hampton Inn	2019	2007	37,998	101	\$29.58	\$778	\$293K	6.9%
Ritz-Carlton Bacara	2017	2000	431,326	358	\$380.00	\$881	\$1.1M	

Source: Costar (10/20/2020)

Appendix A Table A-20
Recent Residential Land Sales in Goleta
Non-Residential Fee Context
Goleta, CA

<u>Property</u>	<u>Sale</u>	<u>Land</u>	<u>Units</u>	<u>Sale Price</u>			<u>Comments</u>
	<u>Year</u>	<u>Acres</u>	<u>Per Acre</u>	<u>Total (\$M)</u>	<u>/Land SF</u>	<u>/Unit</u>	
Ocean Meadows	2020	6.41	6	\$3.6M	\$13	\$95,000	
6649 Abrego Rd	2019	0.18	17	\$0.3M	\$35	\$92,000	
7388 Calle Real	2018	1.02	10	\$4.0M	\$90	\$400,000	Partially completed
469 Kellogg Way	2018	2.49	13	\$4.4M	\$41	\$137,000	RV Storage

Source: Costar (10/20/2020)

Appendix A Table A-21**Schedule of Fee Credits for Delivery of Affordable Units.****Non-Residential Fee Context****Goleta, CA**

Credit for Provision of Affordable Units --- Credits Based on Nexus Maximums								
Type of Unit Provided	Square Feet of Development Credited for Fee Payment							
	Office	Medical	Retail / Commercial	Hotel	Industrial	R&D	Warehouse	Residential Care
Extremely Low Income	2,556	2,934	2,214	5,507	3,121	5,556	9,653	9,728
Very Low Income	1,554	1,784	1,346	3,348	1,898	3,378	5,869	5,914
Low Income	1,053	1,209	912	2,269	1,286	2,289	3,977	4,008
Moderate Income	2,260	2,594	1,957	4,868	2,759	4,911	8,533	8,599

Note: the above credits reflect nexus maximums. To determine a schedule of credits more reflective of adopted fees and which would provide an incentive for delivery of the affordable units, the following procedure may be used:

- a) determine the percentage of nexus maximum fee levels that are mitigated by the adopted fee.
- b) divide the above square footage figures by this amount.

For example, if adopted office fees mitigate 10% of nexus maximums, the credit provided for delivery of one extremely low income unit could be determined as $2,556 / 0.1 = 25,560$ square feet of fee payment credited for delivery of the unit.

Appendix B – Non-Residential Affordable Housing Fee Programs in Other Jurisdictions

APPENDIX B
SUMMARY OF NON-RESIDENTIAL AFFORDABLE HOUSING FEE PROGRAMS

Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Comments
SOUTHERN CALIFORNIA					
City of Los Angeles Population: 3,950,000	2017	Non-Residential - fee varies by zone Low \$3.11 Medium \$4.15 High \$5.19	15,000 SF threshold Governmental and public institutional uses developed for governmental or community use, private elementary or high school, hospitals, grocery stores not located within 1/3 mile of existing grocer stores, Central City West Specific Plan Area, South LA Transit Empowerment Zone.	N/A	Fees adjusted annually based on CPI.
City of Santa Monica Population: 92,000	1984 Updated 2002, 2015	Retail \$11.14 Office \$12.81 Hotel/Lodging \$3.51 Hospital \$7.02 Industrial \$8.61 Institutional \$11.69 Creative Office \$10.96 Medical Office \$7.88	1,000 SF threshold Private K-12 schools, city projects, places of worship, commercial components of affordable housing developments exempt.	N/A	Fees adjusted annually based on construction cost index.
City of West Hollywood Population: 36,000	1986	Non-Residential \$8.92	10,000 SF threshold Schools, public facilities, non-profits, public transportation.	Yes	Fees adjusted by CPI annually
City of Culver City Population: 39,000	Proposed	Non-Residential \$5.00	10,000 SF threshold	TBD	TBD
City of Glendale Population: 199,000	2019	Non-Residential \$4.00	1,250 SF threshold Hotels, auto dealers, institutional uses, exempt.	No	Not specified.
City of San Diego Population: 1,391,000	1990 Updated 2014	Office \$2.12 Hotel \$1.28 R&D \$0.80 Retail \$1.28	No minimum threshold Industrial/ warehouse, non-profit hospitals exempt.	Can dedicate land or air rights in lieu of fee	
CENTRAL COAST					
County of San Luis Obispo Population: 280,000	2009 updated 2017	Retail \$1.36 Office \$0.96 Hotel/Motel \$1.44 Industrial / Warehouse \$0.58 Commercial Greenhouses \$0.03 Other Non-Residential \$1.26	5,000 gsf threshold educational, religious, public, institutional, and residential care uses	Yes equivalent to what fees would produce	Fees indicated are 40% of full phase-in level and are indexed annually based on the construction cost increases.
City of San Luis Obispo Population: 47,000	2004	5% of building permit valuation	2,500 gsf threshold	Yes. 2 aff. units per acre.	
Note: This chart has been assembled to present an overview, and as a result, terms are simplified. The information is recent but not all data has been updated as of the date of this report. In some cases, fees are adjusted by an index (such as CPI) which may not be reflected. For use other than general comparison, please consult the code and staff of the jurisdiction.					

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SUMMARY OF NON-RESIDENTIAL AFFORDABLE HOUSING FEE PROGRAMS

Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Comments
SACRAMENTO AREA					
City of Sacramento Population: 490,000	1989 Most recent update, 2004	Office \$2.76 Hotel \$2.63 Commercial \$2.22 Manufacturing \$1.73 Warehouse/Office \$0.76	No minimum threshold State or federal property, mixed use w/50%+ residential, certain non-profits, temporary buildings.	Yes. Specifies No. of units per SF	Fee is adjusted annually based on construction cost index
City of Folsom Population: 76,000	2002	Office, Retail, Lt Industrial, and Manufacturing \$1.70 Up to 200,000 SF, 100% of fee; 200,000-250,000 SF, 75% of fee; 250,000-300,000 SF, 50% of fee; 300,000 and up, 25% of fee.	No minimum threshold Select nonprofits, small child care centers, churches, mini storage, parking garages, private garages, private schools exempt.	Yes Provide new or rehab housing affordable to very low income households. Also, land dedication.	Fee is adjusted annually based on construction cost index
County of Sacramento Population: 1,495,000	1990	Office \$0.97 Hotel \$0.92 R&D \$0.82 Commercial \$0.77 Manufacturing \$0.61 Warehouse \$0.26	No minimum threshold Service uses operated by non-profits are exempt	N/A	
City of Elk Grove Population: 166,000	1989 Most recent update, 2013	Commercial \$0.78 Hotel \$2.20 Manufacturing \$0.88 Warehouse \$0.94	No minimum threshold Federal/state agencies, public schools, churches, libraries, city, county projects.	N/A	Fee is adjusted annually based on ENR construction cost index
Citrus Heights Population: 87,000	1989 (inherited from County when incorporated)	Office \$0.97 Hotel \$0.92 R&D \$0.82 Commercial \$0.77 Manufacturing \$0.61 Warehouse \$0.26	No minimum threshold Membership organizations (churches, non-profits, etc.), mini storage, car storage, marinas, car washes, private parking garages and agricultural uses exempt	N/A	
Rancho Cordova Population: 71,000	1989 (inherited from County when incorporated)	Office \$0.97 Hotel \$0.92 R&D \$0.82 Commercial \$0.77 Manufacturing \$0.61 Warehouse \$0.26	No minimum threshold Membership organizations (churches, non-profits, etc.), mini storage, car storage, marinas, car washes, private parking garages and agricultural uses exempt	N/A	
Placer County Population: 398,000	2020	All Non-residential \$2.00 Sierra Nevada / Tahoe area only	No minimum threshold warehouse, commercial in mixed use over residential, governmental and institutional, childcare, churhes.	Yes	ENR Building Cost Index 20-City Average.
Note: This chart has been assembled to present an overview, and as a result, terms are simplified. The information is recent but not all data has been updated as of the date of this report. In some cases, fees are adjusted by an index (such as CPI) which may not be reflected. For use other than general comparison, please consult the code and staff of the jurisdiction.					

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Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Comments
SAN FRANCISCO, PENINSULA, SANTA CLARA COUNTY					
San Francisco Population: 864,000	1981 Updated 2002, 2007 2019	Retail / Entertainment \$28.13 Hotel \$22.57 Office (50,000 gsf and above) \$69.60 Office (<50,000 gsf) \$62.64 Laboratory \$38.37 Small Enterprise Workspace \$23.70	25,000 gsf threshold Exempt: freestanding pharmacy < 50,000 SF; grocery < 75,000	Yes, may contribute land for housing.	Office and Laboratory fees reflect fully phased in January 1, 2021 fee levels. Fee is adjusted annually based on the construction cost increases.
San Jose Population: 1,022,000	2020	Office \$0-15 Retail \$0 Hotel (applies to net sf) \$5 Warehouse \$5 Residential Care (applies to net SF) \$6 Industrial and Research and Dev. \$0-\$3	5,000 gsf threshold Shelter/supportive housing; agriculture; aquaculture; aquaponics, and hydroponics; stadiums, arenas, performing arts venues, and rehearsal space; cemetery; assembly uses; commercial vehicle storage; data center; day care; education and training; energy generation facility; mineral extraction; museums, libraries, parks,	Yes	Fee varies by geographic area, project size and depending on timing of payment.
County of Santa Clara	2018	Academic Space (Stanford Area) \$68.50	no threshold	Yes	Fee in effect July 1, 2020.
City of Palo Alto Population: 67,000	1984 Updated 2002 and 2017.	Office & R&D \$38.48 Other Commercial \$22.40	Churches; universities; recreation; hospitals; private educational facilities; day care and nursery school; public facilities; retail, restaurants, services < 1,500 sf are exempt	Yes	Fee is adjusted annually based on CPI.
City of Menlo Park Population: 34,000	1998	Office & R&D \$18.69 Other com./industrial \$10.14	10,000 gross SF threshold Churches, private clubs, lodges, fraternal orgs, public facilities and projects with few or no employees are exempt.	Yes, preferred. May provide housing on- or off-site.	Fee is adjusted annually based on CPI.
City of Sunnyvale Population: 152,000	1984 Updated 2003 and 2015.	Industrial, Office, R&D: \$16.50 Retail, Hotel \$8.25	Office fee is 50% on the first 25,000 SF of building area. Exemptions for Child care, education, hospital, non-profits, public uses.	N/A	Fee is adjusted annually based on CPI.
City of Santa Clara Population: 125,000	2017	Office 20,000 SF + \$20.00 Office, under 20,000 SF \$10.00 Industrial 20,000 SF + \$10.00 Industrial under 20,000 SF \$5.00 Retail, Hotel, Other 5,000 SF+ \$5.00 Low intensity uses \$2.00	Assembly, day care, nursery, schools and hospitals and commercial space in a mixed use project under 20,000 square feet are exempt.	Yes.	Fee is adjusted annually based on ENR.
City of San Mateo Population: 104,000	2016	Office \$26.10 Hotel \$10.44 Retail \$5.22	5,000 SF threshold 25% fee reduction for projections paying prevailing wage. Schools, religious, child care centers, public and non-profit uses exempt.		Fee is adjusted annually based on ENR.
City of Foster City Population: 34,000	2016	Office , Medical Office and R&D \$27.50 Hotel \$12.50 Retail, Restaurant and Services \$6.25	5,000 SF threshold Schools, places of public assembly, recreational facilities, hospitals, cultural institutions, childcare facilities, nursing homes, rest homes, residential care facilities, and skilled		
South San Francisco Population: 67,000	2018	Office , Medical Office and R&D \$15.00 Hotel \$5.00 Retail, Restaurant and Services \$2.50	25% fee reduction for projections paying prevailing wage. Schools, churches, child care centers, public uses exempt.		

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SUMMARY OF NON-RESIDENTIAL AFFORDABLE HOUSING FEE PROGRAMS

Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Comments
East Palo Alto Population: 30,000	2016	non-residential \$10.72	10,000 SF threshold		
San Bruno Population: 43,000	2015	Office and R&D \$13.10 Hotel \$13.10 Retail, Restaurant, Services \$6.55	No minimum threshold	Yes. Program specifies number of units per 100,000 SF.	Fee is adjusted annually based on ENR.
Redwood City Population: 84,000	2015	Office (Medical, R&D, Admin) \$20.00 Hotel \$5.00 Retail & Restaurant \$5.00	5,000 SF threshold 25% fee reduction for projections paying prevailing wage. Schools, child care centers, public uses exempt.	Yes. Program specifies number of units per 100,000 SF.	Fee is adjusted annually based on ENR.
City of Mountain View Population: 80,000	Updated 2002 / 2012 /2014 /2016	Office/High Tech/Indust. \$28.25 Hotel/Retail/Entertainment. \$3.02	Fee is 50% on building area under thresholds: Office <10,000 SF Hotel <25,000 SF Retail <25,000 SF	Yes	Fee is adjusted annually based on CPI.
City of Cupertino Population: 61,000	1993, 2015	Office/Industrial/R&D \$24.60 Hotel/Commercial/Retail \$12.30	No minimum threshold.	N/A	Fee is adjusted annually based on CPI.
City of Los Altos Population: 31,000	2018	Office (recommended fee level) \$25.00 All Other Non-Residential (rec. fee) \$15.00	500 SF threshold	Yes	Fee is adjusted annually based on CPI.
City of Milpitas Population: 75,000	2019	Office/ Retail \$8.00 Industrial \$4.00	5,000 SF threshold Assembly, day care, schools, hospitals exempt.	N/A	Fee is adjusted annually based on ENR.
County of San Mateo Population: 763,000	2016	Office/Medical/R&D \$25.00 Hotel \$10.00 Retail / Restaurant /Services \$5.00	3,500 SF threshold; 25% fee reduction for prevailing wage. public, institutional, childcare, recreational, assisted living exempt.	Yes. Program specifies number of units.	Fee is adjusted annually based on ENR.
Note: This chart has been assembled to present an overview, and as a result, terms are simplified. The information is recent but not all data has been updated as of the date of this report. In some cases, fees are adjusted by an index (such as CPI) which may not be reflected. For use other than general comparison, please consult the code and staff of the jurisdiction.					

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Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Comments
EAST BAY					
City of Walnut Creek Population: 69,000	2005	Office, retail, hotel and medical \$5.00	First 1,000 SF no fee applied.	Yes	Reviewed every five years.
City of Oakland Population: 417,000	2002	Office/ Warehouse \$5.89	25,000 SF exemption	Yes - Can build units equal to total eligible SF times .00004	Fee due in 3 installments. Fee adjusted with an annual escalator tied to residential construction cost increases.
City of Berkeley Population: 120,000	1993 2014	Office \$4.50 Retail/Restaurant \$4.50 Industrial/Manufacturing \$2.25 Hotel/Lodging \$4.50 Warehouse/Storage \$2.25 Self-Storage \$4.37 R&D \$4.50	7,500 SF threshold.	Yes	Annual CPI increase. May negotiate fee downward based on hardship or reduced impact.
Richmond Population: 111,000	2020	Non-residential \$2.00	5,000 SF threshold	No	Fee indexed annually by ENR Construction Cost Index
City of Fremont Population: 231,000	2017	Office, R&D, Hotel, Retail \$8.00 Industrial, Mfg, Warehouse \$4.00	Public uses, additions less than 1,000 SF, manufacturing over 100,000 SF / building exempt.	Yes by formula	Fees are as of 2020 full phase in.
City of Emeryville	2014	All Commercial \$4.43	Schools, daycare centers, storage.	Yes	Fee adjusted annually.
City of Alameda Population: 78,000	1989	Retail \$2.54 Office \$4.99 Warehouse \$0.87 Manufacturing \$0.87 Hotel/Motel \$1,223	No minimum threshold	Yes. Program specifies # of units per 100,000 SF	Fee may be adjusted by CPI.
City of Pleasanton Population: 79,000	1990, 2018	Retail \$4.56 Hotel/Motel \$4.56 Office \$7.61 Indust. / R&D / Manuf / Warehouse 12.64	No minimum threshold Churches exempt.	Yes	Fee adjusted annually.
City of Dublin Population: 57,000	2005	Industrial \$0.56 Office \$1.45 R&D \$0.95 Retail \$1.18 Services & Accommodation \$0.49	20,000 SF threshold	N/A	
City of Newark Population: 46,000		Commercial \$3.80 Industrial \$0.72	No min threshold Schools, recreational facilities, religious institutions exempt.	Yes	Revised annually
City of Livermore Population: 88,000	1999	Retail \$1.38 Service Retail \$1.04 Office \$0.89 Hotel \$679/ rm Manufacturing \$0.43 Warehouse \$0.12 Business / Commercial \$0.88 High Intensity Industrial \$0.44 Low Intensity Industrial \$0.28	No minimum threshold Church, private or public schools exempt.	Yes; negotiated on a case-by-case basis.	

Note: This chart has been assembled to present an overview, and as a result, terms are simplified. The information is recent but not all data has been updated as of the date of this report. In some cases, fees are adjusted by an index (such as CPI) which may not be reflected. For use other than general comparison, please consult the code and staff of the jurisdiction.

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Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Comments
MARIN, NAPA, SONOMA, SANTA CRUZ					
County of Santa Cruz Population: 273,000	2015	All Other Non-Residential \$3.00 Agricultural, Barn Housing Animals \$1.00	No minimum threshold. Governmental and institutional uses exempt	N/A	
County of Marin Population: 261,000	2003, 2016	Office/R&D \$7.19 Retail/Rest. \$5.40 Warehouse \$1.94 Residential Care Facility \$19.32 Medical-Extended Care \$22.54 Hotel/Motel \$1,745/rm Manufacturing \$3.74	No minimum threshold	Yes, preferred.	
San Rafael Population: 59,000	2005	Office/R&D \$10.32 Retail/Rest./Pers. Services \$7.74 Manufacturing/LI \$5.59 Warehouse \$3.01 Hotel/Motel \$2.58	5,000 SF threshold. Mixed use projects that provide affordable housing are exempt.	Yes. Program specifies number of units per 1,000 SF.	
Town of Corte Madera Population: 10,000	2001	Office \$4.79 R&D lab \$3.20 Light Industrial \$2.79 Warehouse \$0.40 Retail \$8.38 Com Services \$1.20 Restaurant \$4.39 Hotel \$1.20 Health Club/Rec \$2.00 Training facility/School \$2.39	No minimum threshold	N/A	
City of St. Helena Population: 6,000	2004	Office \$4.11 Comm./Retail \$5.21 Hotel \$3.80 Winery/Industrial \$1.26	Small childcare facilities, churches, non-profits, vineyards, and public facilities are exempt.	Yes, subject to City Council approval.	
City of Petaluma Population: 60,000	2003	Commercial \$2.89 Industrial \$2.98 Retail \$5.00	N/A	Yes, subject to City Council approval.	Fee adjusted annually by ENR construction cost index.
County of Sonoma Population: 501,000	2005	Office \$2.92 Hotel \$2.92 Retail \$5.05 Industrial / Warehouse \$3.01 R&D Ag Processing \$3.01	First 2,000 SF exempt Non-profits, redevelopment areas exempt	Yes. Program specifies number of units per 1,000 SF.	Fee adjusted annually by ENR construction cost index.

APPENDIX B
SUMMARY OF NON-RESIDENTIAL AFFORDABLE HOUSING FEE PROGRAMS

Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Comments
City of Cotati Population: 7,000	2006	Commercial \$2.11 Industrial \$2.18 Retail \$3.64	First 2,000 SF exempt Non-profits exempt.	Yes. Specifies No. of units per 1,000 SF	Fee adjusted annually by ENR construction cost index.
County of Napa Population: 141,000	Updated 2014	Office \$5.25 Hotel \$9.00 Retail \$7.50 Industrial \$4.50 Warehouse \$3.60	No minimum threshold Non-profits are exempt	Units or land dedication; on a case by case basis.	
City of Napa Population: 80,000	1999 Updated 2016	Office \$3.55 Hotel \$6.00 Retail \$3.55 Industrial \$3.50	No minimum threshold Non-profits are exempt	Units or land dedication; on a case by case basis.	Fee has not changed since 1999. Increases under consideration.

Note: This chart has been assembled to present an overview, and as a result, terms are simplified. The information is recent but not all data has been updated as of the date of this report. In some cases, fees are adjusted by an index (such as CPI) which may not be reflected. For use other than general comparison, please consult the code and staff of the jurisdiction.

OTHER WEST COAST CITIES

Seattle, WA Population: 638,000	Citywide Expansion Adopted 2015	Fees vary by geographic area / zone: Downtown and S. Lake Union \$0 - \$17.50 (fees vary by specific zoning district) Outside Downtown: Low Fee Areas \$5 Medium Fee Areas \$7 High Fee Areas \$8 IC 85-160 zone \$10	4,000 SF threshold; Exemptions include (1) a number of specific zoning districts; (2) for structures with at least 50 percent residential use: up to 4,000 SF street-level retail, restaurant, arts, entertainment; (3) commercial uses within affordable projects.	Yes	Fee is indexed based on CPI.
Portland, OR Population: 653,000	2016	Affordable Housing Construction Excise Tax at 1% of building permit value	Improvements <\$100,000, private schools, hospitals, religious, agriculture, certain non-profit care facilities, public improvements.		

Note: This chart has been assembled to present an overview, and as a result, terms are simplified. The information is recent but not all data has been updated as of the date of this report. In some cases, fees are adjusted by an index (such as CPI) which may not be reflected. For use other than general comparison, please consult the code and staff of the jurisdiction.

Appendix C – Non-Residential Affordable Housing Nexus Analysis



KEYSER MARSTON ASSOCIATES

APPENDIX C

DRAFT

NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS

Prepared for
City of Goleta

Prepared by:
Keyser Marston Associates, Inc.

August 2021

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1.0 EXECUTIVE SUMMARY

This Non-Residential Affordable Housing Nexus Analysis (“Nexus Analysis”) has been prepared by Keyser Marston Associates, Inc. (“KMA”) for the City of Goleta (“City”) to provide nexus support for the City’s non-residential affordable housing requirements. The City’s Housing Element Policy 2.2b, *Mitigation of Employee Housing Impacts*, requires new, non-residential development and proposed expansion or intensification of existing, non-residential development to contribute to the provision of affordable employee housing. Projects subject to the policy have generally complied by making an in-lieu financial contribution for affordable housing determined on a project-by-project basis. This report provides a nexus analysis to support establishment of non-residential affordable housing impact fees in the City, also referred to as “commercial linkage fees.” Establishment of a fee is an implementation measure for the City’s Housing Element that would replace the current project-by-project application and help to mitigate the impacts of new development on the need for affordable housing.

This Nexus Analysis has been prepared for the limited purpose of determining nexus support for non-residential affordable housing fees in the City. The Nexus Analysis quantifies the linkages between new non-residential buildings, the employees who work in them, and their demand for affordable housing, and calculates maximum supported fee levels based on the cost of mitigating the increased demand for affordable housing consistent with the requirements of the Mitigation Fee Act (Government Code Section 66000 et seq.). Findings are not recommended fee levels. Fees may be set anywhere up to the maximums identified in this study.

The report entitled “Non-Residential Affordable Housing Fee Report,” to which this Nexus Analysis is appended, provides a range of analyses to inform consideration of potential fee levels.

Maximum Fee Conclusions of the Nexus Analysis

The maximum fee conclusions of the Nexus Analysis are summarized in Table 1-1. Findings reflect the cost of mitigating affordable housing impacts of new development as documented in the Nexus Analysis. Figures in Table 1-1 represent technical impact analysis findings only and are not recommended fee levels. The City is free to set fees anywhere below the maximums identified in Table 1-1.

Table 1-1. Nexus Analysis Maximum Fee Level Findings	
Use	Maximum Fee Per Sq. Ft. of Gross Building Area ⁽¹⁾
Office	\$97.80
Medical	\$85.20
Retail / Commercial	\$112.90
Hotel	\$45.40
Industrial	\$80.10
Research and Development	\$45.00
Warehouse	\$25.90
Residential Care	\$25.70

⁽¹⁾ Maximum fee level findings are per square foot of gross building area excluding parking.

The results of the Nexus Analysis are heavily driven by two factors: the density of employees within buildings and the occupational make-up of the workforce. Retail has both high employment density and a high proportion of lower paying jobs, factors that in combination result in the highest affordable housing impacts and maximum fee level conclusions among the eight land use types¹. Warehouse and residential care facilities have a high proportion of lower paying jobs, but a low density of employment, resulting in lower maximum fee level conclusions compared to other land uses.

¹ The terms land use type and building type are used interchangeably in this Nexus Analysis.

2.0 INTRODUCTION

This Nexus Analysis has been prepared by KMA to provide nexus support for potential new affordable housing impact fees that would apply to non-residential development in the City and implement a policy established in the City's Housing Element with respect to the mitigation of employee housing impacts. The Nexus Analysis analyzes the linkages between non-residential development in the City and the need for additional affordable housing and calculates maximum housing fee levels consistent with the Mitigation Fee Act (Government Code Section 66000 et. seq.), which requires a reasonable relationship be established between the fee and impacts of new development addressed by the fee.

The purpose of the Nexus Analysis is to document and quantify the impacts of development of new non-residential buildings and the employees that work in them, on the demand for affordable housing. Because jobs in all buildings cover a range of compensation levels, there are housing needs at all affordability levels. This analysis quantifies the need for affordable housing created by eight categories of new workplace buildings and determines maximum supported fees based on the cost of mitigating the increased affordable housing demand.

2.1 Use Categories Addressed

This analysis addresses the following eight types of workplace buildings potentially subject to a new non-residential affordable housing impact fee program in the City:

- **Office** encompasses the full range of office tenant types from professional service and administrative offices to technology sector tenants and medical and dental offices.
- **Medical** includes hospitals and outpatient medical facilities, but not medical office buildings, which are included in the office space category.
- **Retail/Commercial** includes retail, restaurants, dry cleaners, health clubs and other personal care and service uses that commonly occupy retail space.
- **Hotel** covers the range from full-service hotels to limited service accommodations.
- **Industrial** covers a broad range of uses occupying industrial buildings as well as auto repair and service, and other uses of a semi-industrial character.
- **Research and Development (R&D)** covers facilities for scientific or medial research, product design, prototype production, development and testing.
- **Warehouse** covers structures primarily devoted to storage or logistics activities and typically with a small amount of office space.
- **Residential Care** encompasses assisted living, nursing homes, memory care, residential treatment centers, congregate care, and other facilities that provide primarily non-medical care for persons in need of personal services, supervision, protection, or assistance for sustaining the activities of daily living.

2.2 Affordability Levels Addressed

The Nexus Analysis 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.

Households are categorized by income tier 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 2-1 identifies income limits for all applicable income categories and household sizes.

Table 2-1. Household Income Limits for Santa Barbara County, 2021						
	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, 2021 Income Limits.

Although the City's inclusionary program also addresses affordable housing needs of 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 housing options are available to households in the Above Moderate income category at market rate, the Nexus Analysis assumes that this income group can meet its housing needs through the private housing market without City assistance. Notwithstanding the ability of Above Moderate households to afford a portion of *existing* available units, new units are generally out of reach for a broad spectrum of Above Moderate households. Continuing to include the Above Moderate category as part of the City's inclusionary program helps to expand housing opportunities for this income group and promote mixed income and inclusive communities in Goleta for a broad spectrum of households. While the Above Moderate category is not included for purposes of the Nexus Analysis, the City is not precluded from continuing to address the Above Moderate category as part of the City's inclusionary housing policies.

2.3 Overview of Methodology

The Nexus Analysis links new non-residential buildings with new workers; these workers demand additional housing, a portion of which needs to be affordable to the workers in lower and moderate-income households. Following is an overview of the analysis steps used in determining the maximum housing fee levels:

- **Employment** – The number of employees is estimated for each land use type using employment density ratios, as described in Section 3.1.
- **Housing Units Required** – The number of housing units needed to house the new workforce is estimated based on the average number of workers per working household.
- **Worker Household Incomes** – Household incomes of workers are estimated by combining data on worker occupations from the Bureau of Labor Statistics, local wage data from the California Employment Development Department (EDD) and local U.S. Census data relating individual worker income to total household income.
- **Affordable Housing Need** – Worker household incomes are compared to income criteria from HCD to determine the number of housing units needed by affordability level.
- **Mitigation Cost and Maximum Fees** – The cost of mitigating affordable housing impacts of new development is calculated based on the net subsidy required to deliver the needed affordable housing. Mitigation costs are expressed per square foot of building area for each non-residential land use type, which establishes an upper limit on housing fees proportionate to the impacts.

2.4 Report Organization

The report is organized into five sections and two appendices, as follows:

- Section 1.0 is the Executive Summary.
- Section 2.0 provides an Introduction.
- Section 3.0 presents the Nexus Analysis for the eight non-residential use types under study, concluding with the maximum supported affordable housing fee level per square foot of building area.
- Section 4.0 contains the affordability gap analysis representing the net cost of delivering each unit of housing affordable to households at the income levels under study.

- Section 5.0 provides draft findings language consistent with the Mitigation Fee Act.
- Appendix A provides a discussion of various specific factors and assumptions in relation to the nexus concept.
- Appendix B provides supporting information on worker occupations and incomes.

Data Sources

This report 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: 2015-2019 American Community Survey, California Employment Development Department and the Bureau of Labor Statistics. While we believe all sources utilized are sufficiently sound and accurate for the purposes of this analysis, we cannot guarantee their accuracy. KMA assumes no liability for information from these and other sources.

3.0 NEXUS ANALYSIS

This section presents a summary of the analysis linking the development of new non-residential buildings to the estimated number of lower income housing units required in each of four income categories. Then, the cost of providing affordable housing to the employee households is determined and expressed per square foot of building area. Findings represent the full mitigation cost for the affordable housing impacts of new development and the ceiling for any affordable housing fee that may be imposed.

3.1 Step-by-Step Narrative of Nexus Methodology

The Nexus Analysis is conducted using a methodology KMA developed for application in many jurisdictions for which the firm has conducted similar nexus analyses in support of affordable housing impact fee programs. Analysis inputs are all local data to the extent possible and are fully documented.

The analysis uses an assumed 100,000-square foot building size. Selection of this building size enables the number of jobs and housing units to be presented in whole numbers that can be more readily understood. At the conclusion of the analysis, findings are divided by the building size to express the linkages on a per square foot basis so that findings can be applied to buildings of any size.

Following is a description of each step of the analysis:

Step 1 – Estimated Number of Employees

The number of employees who will work in the new non-residential building types being analyzed is estimated using employment density factors drawn from a variety of sources. Sources include documents prepared pursuant to the California Environmental Quality Act (CEQA) for local development projects, Institute of Transportation Engineers (ITE) and other sources as noted in the discussion below. Employment estimates are summarized in Table 3-1 and are followed by a narrative discussion.

Table 3-1. Employment Estimate for Prototypical 100,000-Square Foot Buildings		
Use	Employment Density (Gross Square Feet Per Employee)	Number of Employees per 100,000 square feet of building area (=100,000 / Employment Density)
Office	300	333
Medical	350	286
Retail / Commercial	500	200
Hotel	1,200	83
Industrial	500	200
Research and Development	500	200
Warehouse	2,000	50
Residential Care	2,000	50

- *Office* – 300 square feet per employee. The estimate is based on several sources, including the City's parking requirement for new office space, CEQA documents addressing office developments in Goleta, and the ITE Trip Generation Manual.
- *Medical* – 350 square feet per employee. This estimate is based on review of figures reported for the Goleta Valley Cottage Hospital in City staff reports and is consistent with employment densities reflected in CEQA documents for medical facilities in other California jurisdictions.
- *Retail / Commercial* – 500 square feet per employee. The employment density estimate for retail reflects consideration of a range of sources including the ITE Trip Generation Manual, restaurant employment densities derived from National Association of Restaurants data, and the City's parking requirements for retail uses. The density range within this category is wide, with some types of retail such as restaurant space as much as five times as dense as other types such as furniture or building material supply stores. The estimate used is at the low end of the range of sources considered and will tend to understate the number of employees relative to many types of retail.
- *Hotel* – 1,200 square feet per employee. Hotels have a range of employment levels with higher service hotels with conference facilities being more employment intensive and minimal service extended stay hotels representing the lower end of the employment density range. The estimate of 1,200 square feet per employee is approximately equivalent to 0.5 employees per room and an average of 600 square feet of building area per room. This estimate is based on the average employees per hotel room in Santa Barbara County based the 5,729 hotel industry employees reported in the Quarterly Census of Employment and Wages as of the first quarter of 2020 and the aggregate number of hotel rooms reported by Smith Travel Research of 10,414 rooms as of 2020, which results in a ratio of 0.55 employees per room. This figure is rounded down to 0.5 employees per room for purposes of the Nexus Analysis.

- *Industrial* – 500 square feet per employee. This density covers flex space, light industrial and manufacturing activities. The 500 square feet per employee average is based on estimates from the ITE Trip Generation Manual.
- *Research and Development (R&D)* – 500 square feet per employee estimated consistent with the City’s parking requirement for this use.
- *Warehouse* – 2,000 square feet per employee. This reflects that the primary activity in the building is assumed to be storage or logistics. A small amount of office or administrative space is assumed within warehouse structures. Sources consulted include ITE, a Portland Metro Employment Density Study, U.S. Department of Energy. The estimate is conservative in that it reflects fewer employees than provided for by the City’s parking requirement of one space per 1,000 square feet of floor area.
- *Residential Care* – 2,000 square feet per employee. The employment density estimate is based on review of estimates for two residential care facilities including Mariposa at Ellwood Shores Assisted Living Facility and Gran Vida in Carpinteria, in addition to facilities elsewhere in California.

This Nexus Analysis was prepared during the coronavirus pandemic, which could have implications regarding the density of employment in workplace buildings. Potential effects can be separated into short-term, during the pandemic, and longer-term, post-pandemic. As the Nexus Analysis determines mitigation costs over the life of new buildings, long-term effects are pertinent while short-term or temporary changes in response to the pandemic would not warrant an adjustment.

The experience adapting to remote working during the coronavirus pandemic has led some businesses to plan for remote work as a larger part of their operations post-pandemic. A trend toward remote work would be expected to reduce demand for new commercial buildings overall but does not necessarily reduce the impacts of commercial buildings that are built. A second potential long-term adjustment resulting from the pandemic is reduced employment density, as employers make modifications to office layouts that increase the distance and physical separation between employees. This potential effect is likely most relevant for office building users that had transitioned to higher employment density office configurations. Office employment density estimates used in the analysis are more representative of traditional office layouts that have a mix of private offices and cubicles than higher employment density layouts like “benching” where employees work side-by-side with no partitions or cubicles separating them. As high employment density office configurations are not assumed, a downward adjustment in consideration of a possible reversal of trends toward higher density of employment within offices is not warranted.

Step 2 – Net New Employment After Adjustment for Changing Industries

This step makes an adjustment to employment estimates to take into account any declines, changes and shifts within all sectors of the economy and to recognize that new space is not always 100% equivalent to net new employees.

Similar to the U.S. as a whole, 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.

The analysis makes an adjustment to take these declines, changes and shifts within all sectors of the economy into account, recognizing that jobs added are not 100% net new in all cases. A 6% adjustment is utilized based on the long-term shifts in employment that have occurred in some sectors of the local economy over the last decade 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 assumes that existing workers downsized from declining industries are available to fill a portion of jobs in new workplace buildings.

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%². 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 damage caused by the pandemic.

The discount for changing industries represents a conservative assumption because many displaced workers may exit the workforce entirely by retiring. Development of new workspace buildings will typically occur only to the extent there is positive net demand after re-occupancy of buildings vacated by businesses in declining sectors of the economy. To the extent existing buildings are re-occupied, the discount for changing industries is unnecessary because new buildings would represent net new growth in employment. The 6% adjustment is conservative in that it is mainly necessary to cover a special case in which buildings vacated by declining

² The 6% ratio is calculated as 1,600 jobs lost in declining sectors divided by 25,000 jobs gained in growing and stable sectors.

industries cannot be readily occupied by other users due to their special purpose nature, because of obsolescence, or because they are torn down or converted to residential.

Step two is illustrated in Table 3-2.

Table 3-2. Net New Jobs		
Use	Number of Employees per 100,000 square feet (Table 3-1)	Net New Employees after 6% Declining Industries Adjustment per 100,000 square feet
Office	333	313
Medical	286	269
Retail / Commercial	200	188
Hotel	83	78
Industrial	200	188
Research and Development	200	188
Warehouse	50	47
Residential Care	50	47

Step 3 – Adjustment from Employees to Employee Households

This step 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 needed for new workers is less than the number of new workers. The workers-per-worker-household ratio eliminates from the equation all non-working households, such as retired persons and students.

According to the 2015-2019 American Community Survey, the number of workers per worker household for Santa Barbara County is 1.93, including full- and part-time workers.³ The total number of jobs created is divided by the 1.93 workers-per-worker-household factor to determine the number of housing units that are needed to house the new workforce. Step three is illustrated in Table 3-3.

³ Source data does not allow a breakout between full and part-time workers; however, for purposes of compensation levels, full-time work is assumed for all workers as described in Step 5.

Table 3-3. Number of Housing Units Needed		
Use	Net New Jobs per 100,000 square feet (Table 3-2)	Number of Worker Households / Housing Units Needed per 100,000 square feet (= net new jobs / 1.93 workers per worker household)
Office	313	162.2
Medical	269	139.1
Retail / Commercial	188	97.3
Hotel	78	40.6
Industrial	188	97.3
Research and Development	188	97.3
Warehouse	47	24.3
Residential Care	47	24.3

Step 4 – Occupational Distribution of Employees

Estimating the occupational breakdown of employees is the first step to arrive at income levels. The occupational make up of jobs by land use type is estimated by combining two data sources: Bureau of Labor Statistics data on the distribution of occupations by industry category and data on employment by industry for Santa Barbara County from the Quarterly Census of Employment and Wages (QCEW). Industry categories are weighted to reflect the mix of employers in Santa Barbara County. An overview that relates industry categories to use categories is provided in Table 3-4, while Appendix B Table 17 provides the complete list.

Table 3-4. Overview of Industries Represented by Use Category	
Use	Overview of Industries Categories Represented
Office	Financial, professional service, and other industries that occupy office buildings
Medical	Outpatient care centers, diagnostic labs, hospitals, and skilled nursing facilities
Retail / Commercial	Retail, restaurants, and personal service industries
Hotel	Traveler accommodation industry
Industrial	Wholesale, manufacturing, automotive, maintenance, repair services
Research and Development	Research and development in the physical, engineering and life sciences
Warehouse	Warehouse and storage industry
Residential Care	Continuing care retirement communities and assisted living facilities industry

Note: See Appendix B Table 17 for additional information.

This step results in a distribution of workers by occupation category for the eight use categories. Table 3-5 indicates the percentage distribution by occupation.

Table 3-5. Percent of Jobs by Occupation

	Office	Medical	Retail / Comm'l	Hotel	Industrial	R&D	Warehouse	Residential Care
Management Occupations	10.0%	3.9%	2.6%	4.5%	6.9%	15.4%	2.7%	3.5%
Business and Financial	12.6%	2.2%	0.7%	1.6%	5.5%	10.1%	2.2%	1.0%
Computer & Mathematical	12.3%	1.3%	0.1%	0.1%	4.8%	12.7%	0.6%	0.1%
Architecture & Engineering	6.3%	0.0%	0.0%	0.0%	9.0%	16.0%	0.2%	0.0%
Sciences	1.9%	0.8%	0.0%	0.0%	0.6%	25.9%	0.1%	0.0%
Community & Social Svs	0.9%	3.8%	0.0%	0.0%	0.0%	0.2%	0.0%	0.8%
Legal	2.1%	0.0%	0.0%	0.0%	0.1%	0.6%	0.0%	0.0%
Education, and Library	0.6%	0.3%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%
Arts, Design, Entertainment	2.3%	0.2%	0.4%	0.2%	0.9%	1.1%	0.2%	0.1%
Healthcare Practitioners	9.0%	49.2%	1.5%	0.0%	0.1%	2.5%	0.0%	10.8%
Healthcare Support	5.0%	16.7%	0.3%	0.6%	0.0%	0.9%	0.0%	44.9%
Protective Service	0.5%	0.6%	0.3%	1.5%	0.1%	0.4%	0.8%	0.6%
Food Prep and Serving	0.7%	2.9%	45.8%	25.0%	2.0%	0.0%	0.1%	18.0%
Building and Grounds.	1.1%	3.0%	0.5%	30.7%	0.4%	0.4%	0.7%	6.0%
Personal Care and Service	1.3%	0.7%	2.6%	4.1%	0.0%	0.2%	0.0%	4.4%
Sales and Related	6.2%	0.3%	27.1%	2.5%	8.0%	1.5%	1.2%	0.5%
Office and Admin Support	22.3%	11.9%	4.5%	19.7%	9.8%	7.7%	13.1%	5.1%
Farming, Fishing, Forestry	0.0%	0.0%	0.1%	0.0%	5.0%	0.2%	0.1%	0.0%
Construction and Extraction	0.6%	0.1%	0.2%	0.2%	0.6%	0.3%	0.1%	0.1%
Installation, Maint., Repair	2.5%	0.9%	2.2%	5.6%	9.2%	1.2%	2.8%	2.5%
Production	0.9%	0.4%	2.3%	2.5%	27.9%	2.0%	2.3%	0.5%
Transportation	<u>0.8%</u>	<u>0.7%</u>	<u>8.8%</u>	<u>1.2%</u>	<u>9.0%</u>	<u>0.6%</u>	<u>72.7%</u>	<u>1.1%</u>
Totals	100%	100%	100%	100%	100%	100%	100%	100%

To determine the distribution of worker households by occupation category, the percentage distribution of worker occupations identified in Table 3-5 is multiplied by the total number of worker households from Table 3-3. The result is a distribution in the number of worker households by worker occupation category as shown in Table 3-6. As one example, the 162 estimated worker households with office (Table 3-3) is multiplied by the 10% share in management occupations (Table 3-5) to arrive at the 16 worker households in management occupations in Table 3-6.

Table 3-6. Number of Worker Households by Worker Occupation Category

	Office	Medical	Retail / Comm'l	Hotel	Industrial	R&D	Warehouse	Residential Care
Management Occupations	16.3	5.4	2.5	1.8	6.8	14.9	0.7	0.8
Business and Financial	20.4	3.0	0.6	0.6	5.4	9.8	0.5	0.2
Computer & Mathematical	20.0	1.8	0.1	0.0	4.7	12.4	0.2	0.0
Architecture & Engineering	10.2	0.1	0.0	0.0	8.7	15.5	0.1	0.0
Sciences	3.1	1.2	0.0	0.0	0.6	25.2	0.0	0.0
Community & Social Svs	1.5	5.3	0.0	0.0	0.0	0.2	0.0	0.2
Legal	3.4	0.0	0.0	0.0	0.1	0.5	0.0	0.0
Education, and Library	0.9	0.4	0.0	0.0	0.0	0.3	0.0	0.0
Arts, Design, Entertainment	3.7	0.3	0.4	0.1	0.9	1.1	0.0	0.0
Healthcare Practitioners	14.6	68.5	1.5	0.0	0.1	2.4	0.0	2.6
Healthcare Support	8.1	23.2	0.3	0.2	0.0	0.9	0.0	10.9
Protective Service	0.8	0.8	0.3	0.6	0.1	0.4	0.2	0.1
Food Prep and Serving	1.2	4.0	44.6	10.1	1.9	0.0	0.0	4.4
Building and Grounds.	1.7	4.2	0.4	12.4	0.4	0.4	0.2	1.5
Personal Care and Service	2.0	1.0	2.6	1.7	0.0	0.2	0.0	1.1
Sales and Related	10.1	0.4	26.4	1.0	7.7	1.4	0.3	0.1
Office and Admin Support	36.1	16.5	4.4	8.0	9.5	7.5	3.2	1.3
Farming, Fishing, Forestry	0.0	0.0	0.1	0.0	4.9	0.2	0.0	0.0
Construction and Extraction	1.1	0.2	0.2	0.1	0.6	0.3	0.0	0.0
Installation, Maint., Repair	4.1	1.3	2.1	2.3	9.0	1.2	0.7	0.6
Production	1.4	0.6	2.3	1.0	27.2	1.9	0.6	0.1
Transportation	<u>1.4</u>	<u>1.0</u>	<u>8.6</u>	<u>0.5</u>	<u>8.8</u>	<u>0.5</u>	<u>17.7</u>	<u>0.3</u>
Totals	162.2	139.1	97.3	40.6	97.3	97.3	24.3	24.3

Step 5 – Estimate of Employee Household Incomes

Employee wage and salary distribution is based on the occupational distribution from Step 4 in combination with recent Santa Barbara County wage and salary information from the California Employment Development Department (EDD) for the first quarter of 2020.

For each occupational category shown in Tables 3-5 and 3-6, the Occupational Employment Survey (OES) data provide a distribution of specific occupations within the category. For example, within the Food Preparation and Serving Category, there are Supervisors, Cooks, Servers, Dishwashers, etc. Each of these individual categories has a different distribution of wages which was obtained from EDD and is specific to workers in Santa Barbara County as of 2020. Worker compensations used in the analysis assume full time employment (40 hours per week) based on EDD's convention for reporting annual compensation. Compensations are adjusted where applicable to reflect the current \$14 per hour State minimum wage for businesses with 26 or more employees, which results in a minimum annual income of \$29,120, assuming full time employment. The detailed occupation and salary data is provided in Appendix B.

Employee income is then translated into an estimate of household income using ratios between individual employee income and household income derived from U.S. Census data shown in Table 3-7. Ratios reflect an analysis of data for the workforce in Santa Barbara County with annual household incomes under \$500,000. Households with income of \$500,000 or more are not included to avoid a disproportionate influence on averages by a small percentage of households with incomes well over levels addressed in the Nexus Analysis.

Table 3-7. Ratio of Household Income to Individual Worker Income			
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
\$60,000-\$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.

A ratio of 1.0 in Table 3-7 indicates the household has no additional income beyond that of the individual worker. A ratio of 2.0 means total household income is twice what the individual worker earns. With a two-earner household, a ratio of 2.0 indicates each worker in the household earns about the same amount. A ratio above 2.0 would indicate the other worker in the household earns more, on average, while a ratio less than 2 indicates the other worker earned less. The ratio between worker income and overall household income decreases as worker pay increases. This is because workers with higher pay are more likely to represent the largest source of household income.

The ratios adjust employee incomes upward even for households with only one worker. This is in consideration of non-wage/salary income sources such as child support, disability, social security, investment income and others. Ratios for one-worker households at the lower end of the compensation range tend to be larger, an indication that these workers are more likely to derive a share of household income from non-employment sources such as social security.

Household income estimates for workers within each detailed occupation category are summarized in Appendix B. A separate estimate is provided for households with one, two, and three or more workers. Household income estimates are compared to HCD income criteria summarized in Table 2-1 to estimate the percent of worker households that would fall into each

income category. This is done for each 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 data. In addition to the distribution in household sizes, the data also accounts for a range in the number of workers in households of various sizes. Table 3-8 indicates the percentage distribution utilized 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.

Table 3-8. Percent of Households by Size and No. of Workers		
No. of Persons in Household	No. of Workers in Household	Percent of Total Households
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%
Total		100.0%

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

Step 7 – Estimate of Households that meet HCD Size and Income Criteria

Step 7 calculates the number of employee households that fall into each income category for each size household. This calculation is based on combining the household income distribution (Step 5) with the worker household size distribution (Step 6) to arrive at a distribution of worker households by income category. Table 3-14A at the end of this section shows the results by occupation category after completing Steps 5, 6 and 7 for the Extremely Low Income Tier. The methodology is repeated for each of the four income tiers (Tables 3-14B, 3-14C, and 3-14D).

3.2 Housing Demand by Income Level

Table 3-9 indicates the results of the analysis for each of the eight land use types. The table presents the number of households in each affordability category, the total number up to 120% of median, and the remaining households earning over 120% of median associated with a 100,000-square foot building.

Table 3-9. Number of Households by Income Category Per 100,000 Square Feet of Building								
	Office	Medical	Retail / Comm'l	Hotel	Industrial	R&D	Warehouse	Residential Care
Extremely Low	3.7	3.8	11.5	4.4	5.1	1.3	2.1	2.3
Very Low	22.8	22.8	35.7	14.0	21.7	6.5	7.9	8.0
Low	36.8	27.8	24.6	10.6	25.1	19.9	6.6	6.3
Moderate	<u>7.2</u>	<u>5.6</u>	<u>2.1</u>	<u>1.0</u>	<u>3.9</u>	<u>5.1</u>	<u>0.8</u>	<u>0.7</u>
Subtotal	70.5	60.1	73.8	30.0	55.7	32.9	17.4	17.2
Above 120% AMI	<u>91.7</u>	<u>79.0</u>	<u>23.5</u>	<u>10.5</u>	<u>41.6</u>	<u>64.4</u>	<u>7.0</u>	<u>7.1</u>
Total	162.2	139.1	97.3	40.6	97.3	97.3	24.3	24.3

Table 3-10 summarizes the percentage of worker households that fall into each income category. As indicated, over 70% of Retail/Commercial, Warehouse, Residential Care, and Hotel worker households earn less than the 120% of median income level. R&D space has the lowest percentage of workers under 120% of median at just 33.8% of worker households.

Table 3-10. Percentage of Households by Income Category								
	Office	Medical	Retail / Comm'l	Hotel	Industrial	R&D	Warehouse	Residential Care
Extremely Low	2.3%	2.7%	11.9%	10.9%	5.3%	1.4%	8.6%	9.4%
Very Low	14.1%	16.4%	36.6%	34.6%	22.3%	6.7%	32.6%	32.9%
Low	22.7%	20.0%	25.2%	26.2%	25.7%	20.5%	27.0%	25.7%
Moderate	<u>4.4%</u>	<u>4.0%</u>	<u>2.1%</u>	<u>2.3%</u>	<u>4.0%</u>	<u>5.3%</u>	<u>3.3%</u>	<u>2.7%</u>
Subtotal	43.5%	43.2%	75.9%	74.0%	57.2%	33.8%	71.4%	70.6%
Above 120% AMI	<u>56.5%</u>	<u>56.8%</u>	<u>24.1%</u>	<u>26.0%</u>	<u>42.8%</u>	<u>66.2%</u>	<u>28.6%</u>	<u>29.4%</u>
Total	100%	100%	100%	100%	100%	100%	100%	100%

3.3 Housing Demand Per Square Foot of Building Area

The analysis thus far has used 100,000-square foot buildings. In this step, the conclusions are translated to affordable housing demand per square foot of building area (see Table 3-11).

Table 3-11. New Worker Households Per Square Foot

	Office	Medical	Retail / Commercial	Hotel	Industrial	R&D	Warehouse	Residential Care
Extr. Low	0.0000371	0.0000382	0.0001154	0.0000442	0.0000514	0.0000134	0.0000209	0.0000228
Very Low	0.0002281	0.0002279	0.0003566	0.0001403	0.0002166	0.0000649	0.0000793	0.0000801
Low Income	0.0003676	0.0002784	0.0002457	0.0001064	0.0002506	0.0001994	0.0000657	0.0000626
Moderate	0.0000721	0.0000562	0.0000206	0.0000095	0.0000386	0.0000512	0.0000079	0.0000065
Total	0.0007049	0.0006007	0.0007384	0.0003003	0.0005572	0.0003289	0.0001738	0.0001719

Note: Figures in Table 3-11 are calculated by dividing findings from Table 3-9 by 100,000 square feet of building.

This is the summary of the housing nexus analysis, or the linkage from buildings to employees to housing demand, by income level. Estimates are conservative and most likely understate the number of worker households within the four affordability categories.

3.4 Affordability Gap

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: 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 3-12, below.

Table 3-12. Affordability Gaps

Extremely Low (Under 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

See Section 4 for supporting analysis.

3.5 Maximum Supported Fees Per Square Foot of Building Area

The last step in the Nexus Analysis calculates the cost of delivering affordable housing to workers in new non-residential buildings. The demand for affordable units within each income category per square foot of building area from Table 3-11 is multiplied by the affordability gaps from Table 3-12 to determine the cost to mitigate the affordable housing impacts.

Affordability Gap (Table 3-12)	X	No. affordable units per square foot of building area. (from Table 3-11)	=	Maximum Fee Per Square Foot of Building Area
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The results of this calculation are presented in Table 3-13. The findings in Table 3-13 represent the maximum housing fee that could be charged to new non-residential developments to mitigate the development's impacts on the need for affordable housing. These figures are not recommended fee levels; they represent only the maximums established by this analysis.

Table 3-13. Maximum Supported Housing Fee Per Square Foot of Building Area.								
INCOME CATEGORY	Office	Medical	Retail / Comm'l	Hotel	Industrial	R&D	Warehouse	Residential Care
Extremely Low	\$9.30	\$9.50	\$28.80	\$11.00	\$12.90	\$3.30	\$5.20	\$5.70
Very Low	\$34.70	\$34.60	\$54.20	\$21.30	\$32.90	\$9.90	\$12.10	\$12.20
Low	\$37.90	\$28.70	\$25.30	\$11.00	\$25.80	\$20.50	\$6.80	\$6.40
Moderate	\$15.90	\$12.40	\$4.60	\$2.10	\$8.50	\$11.30	\$1.80	\$1.40
Total Mitigation Cost / Maximum Supported Fee	\$97.80	\$85.20	\$112.90	\$45.40	\$80.10	\$45.00	\$25.90	\$25.70

Note: Nexus findings are not recommended fee levels.

Total nexus or mitigation costs are driven by employment densities, the compensation levels of jobs, and the cost of developing residential units. Higher employment densities contribute to higher nexus costs. Retail has the highest nexus cost, driven by the combination of generally lower worker compensation levels and the density of employment. While hotel, warehouse and residential care have a similar percentage of their workforce at or below Moderate income as retail, the lower density of employment results in a lower nexus cost compared to retail.

3.6 Conservative Assumptions

In establishing maximum fees, conservative assumptions were employed in the analysis that result in a cost to mitigate affordable housing needs that may be considerably understated. These conservative assumptions include:

- Only direct employees are counted in the analysis. Many indirect employees are also associated with each new workspace. Indirect employees in an office building, for example, include security, delivery personnel, building cleaning and maintenance personnel, and a whole range of others. Hotels do have many of these workers on staff, but hotels also "contract out" services that are not taken into account in the analysis. For simplicity and because the results using only direct employees are significantly higher than the fee levels typically considered for adoption, we limit it to direct employees only.

- A downward adjustment has been reflected in the analysis to account for declining industries and the potential that displaced workers from declining sectors of the economy will fill a portion of new jobs. This is a conservative assumption because many displaced workers may exit the workforce by retiring and the adjustment is only necessary to the extent vacated space is not re-occupied.
- Annual incomes for workers reflect full time employment based upon EDD's convention for reporting the compensation information. In fact, many workers work less than full time; therefore, annual compensations for these workers is likely overstated.

In summary, less conservative assumptions could have been made that would have resulted in higher maximum fees. Use of these conservative assumptions helps ensure that maximum fee levels are not overstated and are helpful in simplifying the analysis. Even with the conservative assumptions noted above, maximum supported fee levels are substantial and provide significant discretion to the City in selecting a fee level.

TABLE 3-14A
ESTIMATE OF QUALIFYING HOUSEHOLDS - EXTREMELY LOW INCOME
COMMERCIAL / HOUSING NEXUS ANALYSIS
GOLETA, CA

Analysis for Households Earning up to 30% of Median

	Office	Medical	Retail / Commercial	Hotel	Industrial	Research and Development	Warehouse	Residential Care
Per 100,000 SF Building								
Households Earning up to 30% of Median (Step 5, 6, & 7) ⁽¹⁾								
Management	-	-	-	-	-	0.24	-	-
Business and Financial Operations	0.13	0.02	-	-	0.03	0.10	0.00	-
Computer and Mathematical	0.03	-	-	-	0.01	0.11	-	-
Architecture and Engineering	-	-	-	-	0.05	-	-	-
Life, Physical and Social Science	-	-	-	-	-	0.46	-	-
Community and Social Services	-	0.09	-	-	-	-	-	-
Legal	0.05	-	-	-	-	-	-	-
Education Training and Library	-	-	-	-	-	-	-	-
Arts, Design, Entertainment, Sports, and Media	0.12	-	-	-	-	-	-	-
Healthcare Practitioners and Technical	0.01	0.46	-	-	-	0.05	-	0.01
Healthcare Support	0.44	1.34	-	-	-	-	-	1.22
Protective Service	-	-	-	-	-	-	-	-
Food Preparation and Serving Related	-	0.48	5.78	1.18	-	-	-	0.53
Building Grounds and Maintenance	-	0.50	-	1.58	-	-	-	0.19
Personal Care and Service	-	-	0.27	0.17	-	-	-	0.10
Sales and Related	0.46	-	3.39	0.09	0.50	-	-	-
Office and Admin	1.83	0.67	0.27	0.85	0.53	0.25	0.22	0.08
Farm, Fishing, and Forestry	-	-	-	-	0.74	-	-	-
Construction and Extraction	-	-	-	-	-	-	-	-
Installation Maintenance and Repair	0.29	-	0.15	0.17	0.35	-	0.04	0.05
Production	-	-	0.23	0.14	1.83	-	0.05	-
Transportation and Material Moving	-	-	0.99	-	0.85	-	1.69	-
HH earning up to 30% of Median - major occupations	3.36	3.57	11.07	4.18	4.89	1.20	2.00	2.17
HH earning up to 30% of Median - all other occupations	0.35	0.25	0.46	0.24	0.25	0.13	0.09	0.11
Total Households Earning up to 30% of Median	3.7	3.8	11.5	4.4	5.1	1.3	2.1	2.3

Notes:

(1) Appendix Tables 1 through 16 contain additional information on worker occupation categories, compensation levels and estimated household incomes.

TABLE 3-14B
ESTIMATE OF QUALIFYING HOUSEHOLDS - VERY LOW INCOME
COMMERCIAL / HOUSING NEXUS ANALYSIS
GOLETA, CA

Analysis for Households Earning 30% to 50% of Median

	Office	Medical	Retail / Commercial	Hotel	Industrial	Research and Development	Warehouse	Residential Care
Per 100,000 SF Building								
Households Earning 30% to 50% of Median (Step 5, 6, & 7) ⁽¹⁾								
Management	0.39	0.12	0.16	0.10	0.15	0.31	0.03	0.03
Business and Financial Operations	1.46	0.25	-	-	0.37	0.80	0.04	-
Computer and Mathematical	0.73	-	-	-	0.13	0.62	-	-
Architecture and Engineering	0.16	-	-	-	0.27	0.18	-	-
Life, Physical and Social Science	-	-	-	-	-	1.94	-	-
Community and Social Services	-	0.93	-	-	-	-	-	-
Legal	0.26	-	-	-	-	-	-	-
Education Training and Library	-	-	-	-	-	-	-	-
Arts, Design, Entertainment, Sports, and Media	0.74	-	-	-	-	-	-	-
Healthcare Practitioners and Technical	0.20	2.99	-	-	-	0.31	-	0.14
Healthcare Support	2.84	8.99	-	-	-	-	-	4.31
Protective Service	-	-	-	-	-	-	-	-
Food Preparation and Serving Related	-	1.49	17.07	3.80	-	-	-	1.64
Building Grounds and Maintenance	-	1.58	-	4.69	-	-	-	0.56
Personal Care and Service	-	-	0.92	0.61	-	-	-	0.39
Sales and Related	2.12	-	10.14	0.28	1.66	-	-	-
Office and Admin	10.70	4.97	1.28	2.81	2.61	1.71	0.91	0.40
Farm, Fishing, and Forestry	-	-	-	-	1.86	-	-	-
Construction and Extraction	-	-	-	-	-	-	-	-
Installation Maintenance and Repair	1.07	-	0.58	0.59	1.77	-	0.16	0.16
Production	-	-	0.82	0.39	8.73	-	0.17	-
Transportation and Material Moving	-	-	3.27	-	3.08	-	6.28	-
HH earning 30% to 50% of Median - major occupations	20.67	21.32	34.23	13.27	20.61	5.86	7.60	7.62
HH earning 30% to 50% of Median - all other occupations	2.14	1.47	1.43	0.76	1.05	0.64	0.33	0.38
Total Households Earning 30% to 50% of Median	22.8	22.8	35.7	14.0	21.7	6.5	7.9	8.0

Notes:

(1) Appendix Tables 1 through 16 contain additional information on worker occupation categories, compensation levels and estimated household incomes.

TABLE 3-14C
ESTIMATE OF QUALIFYING HOUSEHOLDS - LOW INCOME
COMMERCIAL / HOUSING NEXUS ANALYSIS
GOLETA, CA

Analysis for Households Earning 50% to 80% of Median

	Office	Medical	Retail / Commercial	Hotel	Industrial	Research and Development	Warehouse	Residential Care
<i>Per 100,000 SF Building</i>								
Households Earning 50% to 80% of Median (Step 5, 6, & 7) ⁽¹⁾								
Management	1.74	0.76	0.57	0.37	0.65	1.52	0.11	0.15
Business and Financial Operations	5.81	0.93	-	-	1.61	2.92	0.16	-
Computer and Mathematical	3.77	-	-	-	0.81	2.16	-	-
Architecture and Engineering	1.57	-	-	-	1.29	2.23	-	-
Life, Physical and Social Science	-	-	-	-	-	6.16	-	-
Community and Social Services	-	1.62	-	-	-	-	-	-
Legal	0.61	-	-	-	-	-	-	-
Education Training and Library	-	-	-	-	-	-	-	-
Arts, Design, Entertainment, Sports, and Media	1.09	-	-	-	-	-	-	-
Healthcare Practitioners and Technical	0.65	9.02	-	-	-	0.44	-	0.74
Healthcare Support	2.38	6.32	-	-	-	-	-	2.71
Protective Service	-	-	-	-	-	-	-	-
Food Preparation and Serving Related	-	1.00	10.98	2.57	-	-	-	1.11
Building Grounds and Maintenance	-	1.06	-	3.24	-	-	-	0.38
Personal Care and Service	-	-	0.69	0.45	-	-	-	0.28
Sales and Related	2.89	-	6.59	0.29	1.78	-	-	-
Office and Admin	11.48	5.32	1.36	2.16	3.06	2.55	0.98	0.38
Farm, Fishing, and Forestry	-	-	-	-	1.16	-	-	-
Construction and Extraction	-	-	-	-	-	-	-	-
Installation Maintenance and Repair	1.33	-	0.67	0.74	3.01	-	0.23	0.20
Production	-	-	0.59	0.25	8.14	-	0.16	-
Transportation and Material Moving	-	-	2.14	-	2.33	-	4.66	-
HH earning 50% to 80% of Median - major occupations	33.32	26.04	23.59	10.06	23.85	17.99	6.29	5.96
HH earning 50% to 80% of Median - all other occupations	3.44	1.80	0.98	0.58	1.21	1.95	0.27	0.30
Total Households Earning 50% to 80% of Median	36.8	27.8	24.6	10.6	25.1	19.9	6.6	6.3

Notes:

(1) Appendix Tables 1 through 16 contain additional information on worker occupation categories, compensation levels and estimated household incomes.

TABLE 3-14D
ESTIMATE OF QUALIFYING HOUSEHOLDS - MODERATE INCOME
COMMERCIAL / HOUSING NEXUS ANALYSIS
GOLETA, CA

Analysis for Households Earning 80% to 120% of Median

	Office	Medical	Retail / Commercial	Hotel	Industrial	Research and Development	Warehouse	Residential Care
<i>Per 100,000 SF Building</i>								
Households Earning 80% to 120% of Median (Step 5, 6, & 7) ⁽¹⁾								
Management	0.74	0.19	0.18	0.12	0.33	0.57	0.04	0.05
Business and Financial Operations	1.30	0.20	-	-	0.36	0.61	0.04	-
Computer and Mathematical	1.04	-	-	-	0.24	0.63	-	-
Architecture and Engineering	0.52	-	-	-	0.43	0.85	-	-
Life, Physical and Social Science	-	-	-	-	-	1.52	-	-
Community and Social Services	-	0.30	-	-	-	-	-	-
Legal	0.12	-	-	-	-	-	-	-
Education Training and Library	-	-	-	-	-	-	-	-
Arts, Design, Entertainment, Sports, and Media	0.21	-	-	-	-	-	-	-
Healthcare Practitioners and Technical	0.36	3.06	-	-	-	0.10	-	0.16
Healthcare Support	0.29	0.68	-	-	-	-	-	0.20
Protective Service	-	-	-	-	-	-	-	-
Food Preparation and Serving Related	-	0.08	0.84	0.22	-	-	-	0.09
Building Grounds and Maintenance	-	0.08	-	0.23	-	-	-	0.03
Personal Care and Service	-	-	0.07	0.05	-	-	-	0.03
Sales and Related	0.50	-	0.44	0.04	0.26	-	-	-
Office and Admin	1.34	0.65	0.16	0.17	0.37	0.35	0.12	0.05
Farm, Fishing, and Forestry	-	-	-	-	0.07	-	-	-
Construction and Extraction	-	-	-	-	-	-	-	-
Installation Maintenance and Repair	0.12	-	0.07	0.06	0.44	-	0.02	0.02
Production	-	-	0.06	0.01	0.91	-	0.02	-
Transportation and Material Moving	-	-	0.18	-	0.25	-	0.52	-
HH earning 80% to 120% of Median - major occupations	6.54	5.25	1.98	0.90	3.68	4.62	0.76	0.62
HH earning 80% to 120% of Median - all other occupations	0.68	0.36	0.08	0.05	0.19	0.50	0.03	0.03
Total Households Earning 80% to 120% of Median	7.2	5.6	2.1	1.0	3.9	5.1	0.8	0.7

Notes:

(1) Appendix C Tables 1 through 16 contain additional information on worker occupation categories, compensation levels and estimated household incomes.

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. The affordability gap analysis identifies the financial assistance required to produce each unit of affordable housing that is needed to mitigate the affordable housing impacts of new development, using affordable housing impact fee funds. 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 analyzed for both an affordable rental and affordable ownership unit type. For the affordable rental unit, the affordability gap is equal to the difference between the estimated development costs of a Moderate-income rental unit and the amount of developer investment that can be supported based on Moderate-income rents. For the Moderate-income for-sale unit, the affordability gap is based on the difference between the estimated development cost of the unit and the affordable purchase price.

4.1 City-Assisted Affordable Unit Prototypes

To estimate 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 affordable developments that the City is likely to provide financial assistance to using affordable housing impact fee funds. The focus is on affordable projects developed for families rather than projects consisting of primarily studios or single room occupancy units that would be too small to accommodate a typical-size worker household, given the purpose of the fee is to address affordable housing needs of workers and should reflect units that meet housing needs of the workforce more broadly.

It is assumed that the City will use impact fee funds to provide financial assistance for 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. Providing financial assistance to for-sale developments tends to be less common; however, the analysis also evaluates an affordability gap for a prototype for-sale affordable development that receives financial assistance from the City. For purposes of the for-sale affordability gap analysis, a three-bedroom attached unit with wood-frame construction is analyzed. As the affordability gap for a Moderate-income for-sale unit was found to be somewhat greater than a Moderate-income rental unit, the lower cost rental affordability gap is used for purposes of the fee calculations as a conservative assumption.

4.2 Development Costs

KMA prepared an estimate of total development costs for the affordable housing prototype unit 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) | ▪ Mountain View Apartments (Fillmore) |
| ▪ Centennial Gardens (Santa Maria) | ▪ Vintage at Sycamore (Simi Valley) |
| ▪ Coastal Meadows (Lompoc) | ▪ Westview Village Ph III (Ventura) |

The projects were selected as the nearest multi-family affordable projects that reflect recent 2020 development cost information and new construction. As there were no such projects in Goleta, it was necessary to identify projects in other communities. The most recent multi-family affordable rental project in Goleta was part of the Village at 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. KMA recommends updating the analysis to reflect current development cost and affordability gap data approximately every five years.

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 of 9% tax credits 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 is provided in Table 4-3.

Table 4-1. Unit Values for Affordable Units		
<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.

Table 4-2. Affordability Gap Calculation			
	<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.

The affordability gap for the 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 utilized. 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
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS STUDY
GOLETA, CA

		Extremely Low	Very Low	Low Income	Moderate Income
I. Affordable Prototype					
Tenure		Rental			
Average No. of Bedrooms		2.25 Bedrooms			
II. Development Costs	^[1]	Per Unit	Per Unit	Per Unit	Per Unit
Land			\$45,000		
Direct Construction			\$335,000		
Indirect Costs			\$134,000		
Financing			\$30,000		
Total Development Costs			\$544,000		
III. Supported Financing		Per Unit	Per Unit	Per Unit	Per Unit
<u>Affordable Rents</u>					
Average Number of Bedrooms		2.25 BR			
Maximum TCAC Rent ^[2]		\$876	\$1,460	\$1,752	\$2,292
(Less) Utility Allowance ^[3]		(\$77)	(\$77)	(\$77)	(\$77)
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%	(\$483)	(\$834)	(\$1,009)	(\$1,333)
Effective Gross Income (EGI)		\$9,183	\$15,846	\$19,175	\$25,329
(Less) Operating Expenses		(\$5,900)	(\$5,900)	(\$5,900)	(\$5,900)
(Less) Property Taxes ^[4]		\$0	\$0	\$0	(\$3,600)
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 ^[5]		\$218,000	\$218,000	\$218,000	\$63,000
Total Sources		\$294,000	\$392,000	\$441,000	\$323,000
IV. Affordability Gap		Per Unit	Per Unit	Per Unit	Per Unit
Supported Permanent Financing		\$294,000	\$392,000	\$441,000	\$323,000
(Less) Total Development Costs		(\$544,000)	(\$544,000)	(\$544,000)	(\$544,000)
Affordability Gap		(\$250,000)	(\$152,000)	(\$103,000)	(\$221,000)

^[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
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS STUDY
GOLETA, CA

	Escalante Meadows	Centennial Gardens	Coastal Meadows	Westview Village Ph III	Mountain View Apts	Vintage at Sycamore	Average
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
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS STUDY
GOLETA, CA

Moderate
(110% AMI)

I. Affordable Prototype

Tenure	For Sale
Density	15 du/a
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

	Townhome
Unit Size (Bedroom)	3-Bedroom
Household Size	4-person HH
Santa Barbara County 2020 Median Income	\$90,100
Moderate Income Home Price at 110% of AMI	\$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 ⁽³⁾	(\$700)
(Less) Mortgage Insurance	(\$3,040)
Income Available for Mortgage	\$20,601
Supported Mortgage	\$382,300
Down Payment @5%	\$20,100
Home Price @110% AMI	\$402,400
<u>Expense Assumptions</u>	
- HOA	\$200
- Utilities ⁽¹⁾	\$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 ⁽²⁾	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 MITIGATION FEE ACT FINDINGS

This section provides draft findings language for potential use by the City in adopting affordable housing impact fees consistent with the requirements of the Mitigation Fee Act, as set forth in Government Code § 66000 et seq.

(1) Identify the purpose of the fee (66001(a)(1)).

The purpose of the housing fee is to fund construction of affordable housing to mitigate the increased demand for affordable housing from workers in newly developed workplace buildings.

(2) Identify the use to which the fee is to be put (66001(a)(2)).

Housing fees are used to increase the supply of affordable housing for qualifying households.

(3) Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed (66001(a)(3)).

The Nexus Analysis, prepared by KMA in 2021, has demonstrated that there is a reasonable relationship between the use of the fee, which is to increase the supply of affordable housing in the City, and the development of new non-residential buildings which increases the need for affordable housing. Development of new non-residential buildings increases the number of jobs in the City. A share of the new workers in these new jobs will have household incomes that qualify as Extremely Low, Very Low, Low and Moderate income and result in an increased need for affordable housing. Therefore, the finding that there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed can be made.

(4) Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed (66001(a)(4)).

The Nexus Analysis, prepared by KMA in 2021, has demonstrated that there is a reasonable relationship between the development of non-residential workspace buildings in Goleta and the need for additional affordable units. Development of new workspace buildings accommodates additional jobs in Goleta. Eight different non-residential uses were analyzed (office, medical, retail / commercial, hotel, industrial, R&D, warehouse, and residential care). The number of jobs added by various types of non-residential development is documented in Table 3-2 of the Nexus Analysis. Based on household income levels for the new workers in these new jobs, a significant share of

the need is for housing affordable to Extremely Low, Very Low, Low and Moderate income levels. The Nexus Analysis concludes that for every 100,000 square feet of new office space, 70.5 additional affordable units are needed. For Medical, 60.1 affordable units are needed per 100,000 square feet of space developed, 73.8 for Retail / Commercial, 30 for Hotel, 55.7 for Industrial, 32.9 for Research and Development, 17.4 for Warehouse and 17.2 for Residential Care. Therefore, the finding that there is a there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed can be made.

(5) Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. (66001(b)).

There is a reasonable relationship between the amount of the fee and the cost of the needed affordable housing attributable to the new non-residential development. The Nexus Analysis, prepared by KMA in 2021 has quantified the increased need for affordable units in relation to each type of new non-residential use being developed and determined maximum fee levels based on the cost of providing the needed affordable housing. Costs reflect the net subsidy required to produce the affordable units based on recent cost information for development of affordable housing. Housing fees do not exceed the cost of providing the affordable housing that is attributable to the new development. Therefore, the finding that there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed can be made.

(6) A fee shall not include the costs attributable to existing deficiencies in public facilities (66001(g)).

The Nexus Analysis quantifies only the net new affordable housing needs generated by new non-residential development in Goleta. Existing deficiencies with respect to housing conditions in the City are not considered nor in any way included in the analysis.

APPENDIX A: DISCUSSION OF VARIOUS FACTORS IN RELATION TO NEXUS CONCEPT

This appendix includes a discussion of various factors and assumptions in relation to the Nexus Analysis and describes the validity of certain assumptions in Goleta.

1. No Excess Supply of Affordable Housing

An assumption of this 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 new non-residential development. Based on a review of recent Census information for the City and other sources, conditions in Goleta are consistent with the underlying assumption that no excess supply of housing affordable to Extremely Low, Very Low, Low and Moderate income households exists, as evidenced by the following:

- Census data for Goleta from the 2015 to 2019 American Community Survey shows 40% of all households in the City are paying thirty percent or more of their income on housing.
- For households earning less than \$75,000 per year, a group that includes 41% of all households in the City, 71% are paying thirty percent or more of their income on housing according to the U.S. Census 2015 to 2019 American Community Survey.
- Development of new rental units affordable to Extremely Low, Very Low, Low and Moderate income households is unlikely to occur without a subsidy because rents affordable to these income groups are not sufficient to support the high cost of construction, as demonstrated in Section 4.

2. Addressing the Housing Needs of a New Population vs. the Existing Population

This Nexus Analysis assumes 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 workplace buildings.

This Nexus Analysis does not address the housing needs of the existing population. Rather, the study focuses exclusively on documenting and quantifying the housing needs created by development of new workplace buildings.

3. Substitution Factor

Any given new building may be occupied partly, or even perhaps totally, by employees relocating from elsewhere in the region. Buildings are often leased entirely to firms relocating from other buildings in the same jurisdiction. However, when a firm relocates to a new building from elsewhere in the region, there is a space in an existing building that is vacated and occupied by another firm. That building in turn may be filled by some combination of newcomers

to the area and existing workers. Somewhere in the chain there are jobs new to the region. The net effect is that new workplace buildings accommodate new employees, although not necessarily inside the new buildings themselves.

4. Indirect Employment and Multiplier Effects

The multiplier effect refers to the concept that the income generated by a new job recycles through the economy and results in additional jobs. The total number of jobs generated is broken down into three categories – direct, indirect and induced. In the case of this Nexus Analysis, the direct jobs are those located in the new workspace buildings that would be subject to the housing fee. Multiplier effects encompass indirect and induced employment. Indirect jobs are generated by suppliers to the businesses located in the new workspace buildings. Induced jobs are generated by local spending on goods and services by employees.

Multiplier effects vary by industry. Industries that draw heavily on a network of local suppliers tend to generate larger multiplier effects. Industries that are labor intensive also tend to have larger multiplier effects as a result of the induced effects of employee spending.

Theoretically, a jobs-housing nexus analysis could consider multiplier effects although the potential for double-counting exists to the extent indirect and induced jobs are added in other new buildings in jurisdictions that have housing fees. KMA chose to omit the multiplier effects (the indirect and induced employment impacts) to avoid potential double-counting and make the analysis more conservative.

In addition, the Nexus Analysis addresses direct “inside” employment only. In the case of an office building, for example, direct employment covers the various managerial, professional and clerical people that work in the building; it does not include delivery services, landscape maintenance workers, janitorial contractors and many others that are associated with the normal functioning of an office building. In other words, any analysis that ties lower income housing to the number of workers inside buildings will continue to understate the demand. Thus, confining the analysis to the direct employees does not address all the lower income workers associated with each type of building and understates the impacts.

5. Economic Cycles

An impact analysis of this nature is intended to support a one-time impact requirement to address impacts generated over the life of a project (generally 40 years or more). Short-term conditions, such as a recession or a vigorous boom period, are not an appropriate basis for estimating impacts over the life of the building. These cycles can produce impacts that are higher or lower on a temporary basis.

Development of new workspace buildings tends to be minimal during a recession and generally remains minimal until conditions improve or there is confidence that improved conditions are

imminent. When this occurs, the improved economic condition will absorb existing vacant space and underutilized capacity of existing workers, employed and unemployed. By the time new buildings become occupied, conditions will have likely improved.

To the limited extent that new workspace buildings are built during a recession, housing impacts from these new buildings may not be fully experienced immediately, but the impacts will be experienced at some point. New buildings delivered during a recession can sometimes sit vacant for a period after completion. Even if new buildings are immediately occupied, overall absorption of space can still be zero or negative if other buildings are vacated in the process. Jobs added may also be filled in part by unemployed or underemployed workers who are already housed locally. As the economy recovers, firms will begin to expand and hire again filling unoccupied space as unemployment is reduced. New space delivered during the recession still adds to the total supply of employment space in the region. Though the jobs are not realized immediately, as the economy recovers and vacant space is filled, this new employment space absorbs or accommodates job growth. Although there may be a delay in experiencing the impacts, the fundamental relationship between new buildings, added jobs, and housing needs remains over the long term.

In contrast, during a vigorous economic boom period, conditions exist in which elevated impacts are experienced on a temporary basis. As an example, compression of employment densities can occur as firms add employees while making do with existing space.

While economic cycles can produce impacts that are temporarily higher or lower than normal, an impact fee is designed to be collected once, during the development of the project. Over the lifetime of the project, the impacts of the development on the demand for affordable housing will be realized, despite short-term booms and recessions.

6. Compatibility with Inclusionary Ordinance

The Inclusionary Housing policies of the City's General Plan are included in Goleta Municipal Code, Title 17 (Zoning) within Chapter 17.28 and, for purposes of this study, are referred to as the Inclusionary Housing Ordinance (IHO). The IHO was adopted in 2020 and applies to residential developments with two or more units. The City also contemplates adopting a non-residential affordable housing impact fee or "commercial linkage fee" that mitigates the affordable housing impacts of new non-residential development. These two programs are fully compatible with one another, and implementation does not result in any duplication in terms of mitigation of affordable housing impacts of new development.

In contrast to affordable housing impact fees contemplated to be applied to non-residential development projects, the IHO is not limited in purpose or extent to mitigation of impacts of new development. The purposes and intent of the IHO are much broader, as listed on the following page. As long as the Goleta housing market is consistent with the underlying assumption described in Appendix A, No. 1, that there is no excess supply of affordable housing available to

meet the needs of new workers, which includes consideration of units produced through the IHO, proposed non-residential affordable housing fees applicable to non-residential development remain a valid requirement fully compatible with implementation of the IHO.

The purposes and intent of the IHO, excerpted from Section 17.28.010 of the City's Municipal Code, are as follows:

- A. Implement Statewide policies to make available an adequate supply of housing for persons and households from all economic sectors of the community because persons with low and moderate incomes who work and/or live within the City are unable to locate housing at prices they can afford and are increasingly excluded from living in the City;*
- B. Support General Plan policies intended to promote and maintain balanced and economically diverse community with a mix of workplaces and residential uses that offer a variety of housing types to meet the needs of an economically diverse work force, thereby reducing both adverse impacts on air quality and energy consumed by commuting;*
- C. Avoid the depletion of limited land resources needed to accommodate the demand for housing that is affordable to low- and moderate-income households by requiring the development of affordable housing when market-rate units are constructed, which is a more efficient use of land;*
- D. Construct new affordable units on the same site as new market-rate construction and only when this is infeasible, provide comparable new or substantially rehabilitated affordable units at another site or similar neighborhood character;*
- E. Establish standards and procedures to implement the inclusionary housing requirements in a streamlined manner that complies with Federal and State law; and*
- F. Provide additional incentives for the development of affordable housing units that exceed those to which developers are entitled under State law.*

The primary intent of the inclusionary requirement is to achieve the construction of new affordable units on site.

APPENDIX B: SUPPORTING TECHNICAL ANALYSIS TABLES

Addressing: worker occupations, compensations, household incomes, and industry categories

APPENDIX B TABLE 1
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2019
OFFICE WORKERS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

	Worker Occupation Distribution Office
Major Occupations (2% or more)	
Management Occupations	10.0%
Business and Financial Operations Occupations	12.6%
Computer and Mathematical Occupations	12.3%
Architecture and Engineering Occupations	6.3%
Legal Occupations	2.1%
Arts, Design, Entertainment, Sports, and Media Occupations	2.3%
Healthcare Practitioners and Technical Occupations	9.0%
Healthcare Support Occupations	5.0%
Sales and Related Occupations	6.2%
Office and Administrative Support Occupations	22.3%
Installation, Maintenance, and Repair Occupations	2.5%
All Other Worker Occupations - Office	<u>9.4%</u>
TOTAL	100.0%

APPENDIX B TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
OFFICE WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Office Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 4						
<i>Management Occupations</i>						
Chief Executives	\$195,300	\$206,000	\$266,000	\$292,000	3.0%	0.3%
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	24.2%	2.4%
Marketing Managers	\$163,900	\$173,000	\$224,000	\$245,000	5.8%	0.6%
Sales Managers	\$132,500	\$139,000	\$201,000	\$231,000	5.0%	0.5%
Administrative Services and Facilities Managers	\$106,000	\$115,000	\$176,000	\$205,000	3.6%	0.4%
Computer and Information Systems Managers	\$186,600	\$197,000	\$255,000	\$279,000	11.4%	1.1%
Financial Managers	\$143,800	\$150,000	\$218,000	\$251,000	11.5%	1.2%
Human Resources Managers	\$132,600	\$139,000	\$201,000	\$231,000	2.4%	0.2%
Architectural and Engineering Managers	\$180,000	\$190,000	\$246,000	\$269,000	4.9%	0.5%
Medical and Health Services Managers	\$124,700	\$135,000	\$207,000	\$241,000	3.8%	0.4%
Property, Real Estate, and Com. Assoc. Managers	\$67,300	\$76,000	\$131,000	\$161,000	8.4%	0.8%
Personal Service, Enter. and Recreation Managers	\$133,600	\$140,000	\$203,000	\$233,000	5.9%	0.6%
Other Management Occupations	<u>\$138,100</u>	<u>\$144,000</u>	<u>\$209,000</u>	<u>\$241,000</u>	<u>10.0%</u>	<u>1.0%</u>
Weighted Mean Annual Wage	\$138,100	\$146,000	\$206,000	\$235,000	100.0%	10.0%
<i>Business and Financial Operations Occupations</i>						
Buyers and Purchasing Agents	\$73,900	\$84,000	\$144,000	\$177,000	2.7%	0.3%
Claims Adjusters, Examiners, and Investigators	\$74,900	\$85,000	\$146,000	\$179,000	2.6%	0.3%
Compliance Officers	\$70,200	\$80,000	\$137,000	\$168,000	2.4%	0.3%
Human Resources Specialists	\$72,700	\$83,000	\$142,000	\$174,000	6.1%	0.8%
Management Analysts	\$83,000	\$91,000	\$143,000	\$170,000	9.9%	1.3%
Training and Development Specialists	\$71,600	\$81,000	\$140,000	\$171,000	3.3%	0.4%
Market Research Analysts and Marketing Specialists	\$68,000	\$77,000	\$133,000	\$163,000	11.5%	1.4%
Project Management and Business Operations Specialists	\$71,300	\$81,000	\$139,000	\$171,000	14.7%	1.8%
Accountants and Auditors	\$85,400	\$93,000	\$147,000	\$175,000	19.6%	2.5%
Personal Financial Advisors	\$157,000	\$166,000	\$214,000	\$235,000	2.3%	0.3%
Loan Officers	\$115,500	\$125,000	\$192,000	\$223,000	4.6%	0.6%
Financial, Investment, and Risk Specialists	\$93,900	\$103,000	\$162,000	\$192,000	6.3%	0.8%
Other Business and Financial Operations Occupations	<u>\$82,000</u>	<u>\$90,000</u>	<u>\$141,000</u>	<u>\$168,000</u>	<u>14.1%</u>	<u>1.8%</u>
Weighted Mean Annual Wage	\$82,000	\$91,000	\$147,000	\$176,000	100.0%	12.6%
<i>Computer and Mathematical Occupations</i>						
Computer Systems Analysts	\$111,900	\$121,000	\$186,000	\$216,000	11.8%	1.5%
Information Security Analysts	\$101,200	\$109,000	\$168,000	\$196,000	2.6%	0.3%
Computer Network Support Specialists	\$73,400	\$83,000	\$143,000	\$176,000	3.0%	0.4%
Computer User Support Specialists	\$59,100	\$76,000	\$123,000	\$164,000	11.9%	1.5%
Computer Network Architects	\$116,100	\$126,000	\$193,000	\$225,000	3.1%	0.4%
Network and Computer Systems Administrators	\$100,400	\$109,000	\$167,000	\$194,000	5.8%	0.7%
Database Administrators and Architects*	\$77,800	\$88,000	\$152,000	\$186,000	2.3%	0.3%
Computer Programmers	\$99,600	\$109,000	\$172,000	\$204,000	4.9%	0.6%
Software Developers and Quality Assurance Analysts	\$113,600	\$123,000	\$188,000	\$220,000	39.8%	4.9%
Web Developers and Digital Interface Designers*	\$83,200	\$91,000	\$143,000	\$170,000	3.9%	0.5%
Computer Occupations, All Other	\$80,300	\$88,000	\$138,000	\$164,000	7.0%	0.9%
Other Computer and Mathematical Occupations	<u>\$99,100</u>	<u>\$108,000</u>	<u>\$171,000</u>	<u>\$203,000</u>	<u>3.9%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$99,100	\$109,000	\$170,000	\$201,000	100.0%	12.3%

APPENDIX B TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
OFFICE WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Office Workers
		One Worker	Two Workers	Three+ Workers		
<i>Architecture and Engineering Occupations</i>						
Architects, Except Landscape and Naval	\$108,400	\$117,000	\$180,000	\$210,000	10.1%	0.6%
Surveyors	\$105,300	\$114,000	\$175,000	\$204,000	3.7%	0.2%
Civil Engineers	\$113,500	\$123,000	\$188,000	\$220,000	18.8%	1.2%
Computer Hardware Engineers	\$120,300	\$130,000	\$200,000	\$233,000	2.7%	0.2%
Electrical Engineers	\$102,600	\$111,000	\$170,000	\$199,000	6.4%	0.4%
Electronics Engineers, Except Computer	\$116,300	\$126,000	\$193,000	\$225,000	2.9%	0.2%
Environmental Engineers	\$104,300	\$113,000	\$173,000	\$202,000	2.2%	0.1%
Industrial Engineers	\$116,300	\$126,000	\$193,000	\$225,000	4.2%	0.3%
Mechanical Engineers	\$104,600	\$113,000	\$173,000	\$202,000	9.3%	0.6%
Engineers, All Other	\$124,000	\$134,000	\$206,000	\$240,000	4.4%	0.3%
Architectural and Civil Drafters	\$66,400	\$75,000	\$130,000	\$159,000	8.1%	0.5%
Civil Engineering Technologists and Technicians	\$71,600	\$81,000	\$140,000	\$171,000	3.7%	0.2%
Electrical and Electronic Engineering Technicians	\$65,400	\$74,000	\$128,000	\$156,000	2.9%	0.2%
Surveying and Mapping Technicians	\$79,500	\$90,000	\$155,000	\$190,000	3.8%	0.2%
Calibration and Engineering Technicians	\$75,000	\$85,000	\$146,000	\$179,000	2.5%	0.2%
Other Architecture and Engineering Occupations	<u>\$101,000</u>	<u>\$109,000</u>	<u>\$168,000</u>	<u>\$195,000</u>	<u>14.3%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$101,000	\$110,000	\$172,000	\$202,000	100.0%	6.3%
<i>Legal Occupations</i>						
Lawyers	\$138,800	\$145,000	\$210,000	\$242,000	59.6%	1.2%
Paralegals and Legal Assistants	\$61,600	\$70,000	\$120,000	\$147,000	33.4%	0.7%
Title Examiners, Abstractors, and Searchers	\$53,500	\$69,000	\$112,000	\$149,000	4.7%	0.1%
Other Legal Occupations	<u>\$108,300</u>	<u>\$117,000</u>	<u>\$180,000</u>	<u>\$210,000</u>	<u>2.4%</u>	<u>0.0%</u>
Weighted Mean Annual Wage	\$108,300	\$116,000	\$175,000	\$205,000	100.0%	2.1%
<i>Arts, Design, Entertainment, Sports, and Media Occupations</i>						
Art Directors	\$29,100	\$40,000	\$76,000	\$118,000	3.7%	0.1%
Special Effects Artists and Animators	\$80,300	\$88,000	\$138,000	\$164,000	4.2%	0.1%
Commercial and Industrial Designers	\$77,000	\$87,000	\$150,000	\$184,000	2.2%	0.0%
Graphic Designers	\$58,000	\$74,000	\$121,000	\$161,000	16.8%	0.4%
Interior Designers	\$68,600	\$78,000	\$134,000	\$164,000	9.3%	0.2%
Merchandise Displayers and Window Trimmers	\$34,300	\$43,000	\$87,000	\$127,000	4.3%	0.1%
Producers and Directors	\$29,100	\$40,000	\$76,000	\$118,000	3.5%	0.1%
Coaches and Scouts	\$45,000	\$57,000	\$101,000	\$132,000	2.5%	0.1%
Public Relations Specialists	\$65,500	\$74,000	\$128,000	\$157,000	19.2%	0.4%
Editors	\$81,500	\$89,000	\$141,000	\$167,000	6.3%	0.1%
Technical Writers	\$86,500	\$95,000	\$149,000	\$177,000	5.6%	0.1%
Writers and Authors	\$29,100	\$40,000	\$76,000	\$118,000	3.6%	0.1%
Interpreters and Translators	\$63,400	\$72,000	\$124,000	\$152,000	3.7%	0.1%
Photographers	\$50,900	\$65,000	\$106,000	\$141,000	4.3%	0.1%
Other Arts, Design, Sports, and Media Occupations	<u>\$60,600</u>	<u>\$69,000</u>	<u>\$118,000</u>	<u>\$145,000</u>	<u>10.6%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$60,600	\$71,000	\$120,000	\$153,000	100.0%	2.3%

APPENDIX B TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
OFFICE WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Office Workers
	One Worker	Two Workers	Three+ Workers			
<i>Healthcare Practitioners and Technical Occupations</i>						
Dentists, General	\$127,900	\$134,000	\$194,000	\$223,000	5.6%	0.5%
Physician Assistants	\$124,900	\$135,000	\$207,000	\$242,000	3.4%	0.3%
Physical Therapists	\$102,900	\$111,000	\$171,000	\$199,000	4.3%	0.4%
Veterinarians	\$164,700	\$174,000	\$225,000	\$246,000	2.2%	0.2%
Registered Nurses	\$111,300	\$120,000	\$185,000	\$215,000	12.1%	1.1%
Nurse Practitioners	\$141,300	\$148,000	\$214,000	\$246,000	5.0%	0.5%
Family Medicine Physicians	\$219,600	\$231,000	\$300,000	\$329,000	3.6%	0.3%
Physicians and Ophthalmologists, Except Pediatric	\$194,600	\$205,000	\$265,000	\$291,000	9.4%	0.8%
Dental Hygienists	\$143,200	\$150,000	\$217,000	\$249,000	11.6%	1.0%
Clinical Laboratory Technologists and Technicians	\$73,300	\$83,000	\$143,000	\$175,000	2.1%	0.2%
Radiologic Technologists and Technicians	\$90,800	\$99,000	\$157,000	\$186,000	2.1%	0.2%
Other Healthcare Practitioners and Technical Occupations	\$140,500	\$147,000	\$213,000	\$245,000	38.6%	3.5%
Weighted Mean Annual Wage	\$140,500	\$148,000	\$213,000	\$243,000	100.0%	9.0%
<i>Healthcare Support Occupations</i>						
Home Health and Personal Care Aides	\$30,000	\$38,000	\$76,000	\$111,000	2.3%	0.1%
Nursing Assistants	\$38,300	\$48,000	\$97,000	\$142,000	2.4%	0.1%
Physical Therapist Assistants	\$70,300	\$80,000	\$137,000	\$168,000	3.9%	0.2%
Physical Therapist Aides	\$29,900	\$41,000	\$78,000	\$121,000	2.6%	0.1%
Massage Therapists	\$58,100	\$74,000	\$121,000	\$161,000	2.6%	0.1%
Dental Assistants	\$50,700	\$65,000	\$106,000	\$141,000	31.9%	1.6%
Medical Assistants	\$37,800	\$47,000	\$96,000	\$140,000	41.0%	2.1%
Medical Transcriptionists	\$42,000	\$53,000	\$95,000	\$123,000	2.1%	0.1%
Veterinary Assistants and Laboratory Animal Caretakers	\$37,600	\$47,000	\$96,000	\$140,000	5.4%	0.3%
Other Healthcare Support Occupations	\$43,800	\$55,000	\$99,000	\$128,000	5.6%	0.3%
Weighted Mean Annual Wage	\$43,800	\$55,000	\$101,000	\$140,000	100.0%	5.0%
<i>Sales and Related Occupations</i>						
First-Line Supervisors of Non-Retail Sales Workers	\$68,800	\$78,000	\$134,000	\$165,000	4.1%	0.3%
Counter and Rental Clerks	\$36,000	\$45,000	\$91,000	\$134,000	8.4%	0.5%
Retail Salespersons	\$32,900	\$41,000	\$84,000	\$122,000	2.3%	0.1%
Advertising Sales Agents	\$62,100	\$70,000	\$121,000	\$149,000	3.7%	0.2%
Insurance Sales Agents	\$77,800	\$88,000	\$152,000	\$186,000	12.3%	0.8%
Securities, Commodities, and Financial Services Sales	\$64,000	\$73,000	\$125,000	\$153,000	11.5%	0.7%
Sales Representatives	\$63,000	\$71,000	\$123,000	\$151,000	22.8%	1.4%
Sales Reps., Wholesale, Manuf., Technical, Scientific	\$93,700	\$102,000	\$162,000	\$192,000	6.9%	0.4%
Sales Reps., Wholesale & Manuf., Excl. Tech. & Scientific	\$75,500	\$86,000	\$147,000	\$181,000	4.9%	0.3%
Other Sales and Related Occupations	\$65,500	\$74,000	\$128,000	\$157,000	23.2%	1.4%
Weighted Mean Annual Wage	\$65,500	\$74,000	\$129,000	\$160,000	100.0%	6.2%

APPENDIX B TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
OFFICE WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Office Workers
	One Worker	Two Workers	Three+ Workers			
<i>Office and Administrative Support Occupations</i>						
Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	8.2%	1.8%
Billing and Posting Clerks	\$45,400	\$57,000	\$102,000	\$133,000	4.4%	1.0%
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	8.4%	1.9%
Tellers	\$36,900	\$46,000	\$94,000	\$137,000	4.0%	0.9%
Customer Service Representatives	\$41,300	\$52,000	\$93,000	\$121,000	15.0%	3.3%
Receptionists and Information Clerks	\$34,800	\$44,000	\$88,000	\$129,000	10.4%	2.3%
Executive Secretaries and Executive Admin. Assistants	\$72,100	\$82,000	\$141,000	\$172,000	3.3%	0.7%
Medical Secretaries and Administrative Assistants	\$43,700	\$55,000	\$99,000	\$128,000	6.6%	1.5%
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	9.3%	2.1%
Office Clerks, General	\$40,400	\$51,000	\$91,000	\$119,000	12.9%	2.9%
Other Office and Administrative Support Occupations	<u>\$45,800</u>	<u>\$58,000</u>	<u>\$103,000</u>	<u>\$134,000</u>	<u>17.4%</u>	<u>3.9%</u>
Weighted Mean Annual Wage	\$45,800	\$57,000	\$102,000	\$133,000	100.0%	22.3%
<i>Installation, Maintenance, and Repair Occupations</i>						
Supervisors of Mechanics, Installers, and Repairers	\$78,400	\$89,000	\$153,000	\$187,000	9.0%	0.2%
Telecommunications Equipment Installers and Repairers	\$29,100	\$40,000	\$76,000	\$118,000	7.3%	0.2%
Telecommunications Line Installers and Repairers	\$62,700	\$71,000	\$122,000	\$150,000	3.8%	0.1%
Maintenance and Repair Workers, General	\$45,600	\$58,000	\$103,000	\$134,000	68.0%	1.7%
Other Installation, Maintenance, and Repair Occupations	<u>\$48,300</u>	<u>\$61,000</u>	<u>\$109,000</u>	<u>\$142,000</u>	<u>11.9%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$48,300	\$60,000	\$107,000	\$139,000	100.0%	2.5%

90.6%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. EDD data is adjusted by KMA to reflect the State minimum wage. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

² 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.

³ Including occupations representing 2% or more of the major occupation group.

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-7.

APPENDIX B TABLE 3
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2019
MEDICAL WORKERS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Worker Occupation Distribution Medical	
Major Occupations (2% or more)	
Management Occupations	3.9%
Business and Financial Operations Occupations	2.2%
Community and Social Service Occupations	3.8%
Healthcare Practitioners and Technical Occupations	49.2%
Healthcare Support Occupations	16.7%
Food Preparation and Serving Related Occupations	2.9%
Building and Grounds Cleaning and Maintenance Occupations	3.0%
Office and Administrative Support Occupations	11.9%
All Other Worker Occupations - Medical	<u>6.5%</u>
TOTAL	100.0%

APPENDIX B TABLE 4
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
MEDICAL WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation¹	Household Income Estimate ⁴ One Worker	Two Workers	Three+ Workers	% of Total Occupation Group ²	% of Total Medical Workers
Page 1 of 3						
<i>Management Occupations</i>						
Chief Executives	\$195,300	\$206,000	\$266,000	\$292,000	2.2%	0.1%
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	9.1%	0.4%
Administrative Services and Facilities Managers	\$106,000	\$115,000	\$176,000	\$205,000	6.5%	0.3%
Computer and Information Systems Managers	\$186,600	\$197,000	\$255,000	\$279,000	3.3%	0.1%
Financial Managers	\$143,800	\$150,000	\$218,000	\$251,000	4.1%	0.2%
Human Resources Managers	\$132,600	\$139,000	\$201,000	\$231,000	2.0%	0.1%
Medical and Health Services Managers	\$124,700	\$135,000	\$207,000	\$241,000	57.0%	2.2%
Social and Community Service Managers	\$93,900	\$103,000	\$162,000	\$192,000	3.6%	0.1%
Personal Service, Enter. and Recreation Managers	\$133,600	\$140,000	\$203,000	\$233,000	4.7%	0.2%
Other Management Occupations	<u>\$127,600</u>	<u>\$133,000</u>	<u>\$193,000</u>	<u>\$222,000</u>	<u>7.4%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$127,600	\$137,000	\$204,000	\$236,000	100.0%	3.9%
<i>Business and Financial Operations Occupations</i>						
Buyers and Purchasing Agents	\$73,900	\$84,000	\$144,000	\$177,000	5.9%	0.1%
Compliance Officers	\$70,200	\$80,000	\$137,000	\$168,000	6.3%	0.1%
Human Resources Specialists	\$72,700	\$83,000	\$142,000	\$174,000	16.5%	0.4%
Management Analysts	\$83,000	\$91,000	\$143,000	\$170,000	8.1%	0.2%
Fundraisers	\$66,400	\$75,000	\$130,000	\$159,000	2.1%	0.0%
Compensation, Benefits, and Job Analysis Specialists	\$68,700	\$78,000	\$134,000	\$164,000	2.3%	0.0%
Training and Development Specialists	\$71,600	\$81,000	\$140,000	\$171,000	9.3%	0.2%
Market Research Analysts and Marketing Specialists	\$68,000	\$77,000	\$133,000	\$163,000	5.7%	0.1%
Project Management and Business Operations Specialists	\$71,300	\$81,000	\$139,000	\$171,000	20.3%	0.4%
Accountants and Auditors	\$85,400	\$93,000	\$147,000	\$175,000	11.6%	0.3%
Financial, Investment, and Risk Specialists	\$93,900	\$103,000	\$162,000	\$192,000	6.2%	0.1%
Other Business and Financial Operations Occupations	<u>\$75,500</u>	<u>\$86,000</u>	<u>\$147,000</u>	<u>\$181,000</u>	<u>5.7%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$75,500	\$85,000	\$142,000	\$173,000	100.0%	2.2%
<i>Community and Social Service Occupations</i>						
Marriage and Family Therapists	\$70,400	\$80,000	\$137,000	\$168,000	2.9%	0.1%
Substance abuse, behavioral, & mental health counselors	\$60,700	\$69,000	\$118,000	\$145,000	28.2%	1.1%
Child, Family, and School Social Workers	\$58,300	\$75,000	\$122,000	\$162,000	4.1%	0.2%
Healthcare Social Workers	\$63,900	\$73,000	\$125,000	\$153,000	22.8%	0.9%
Mental Health and Substance Abuse Social Workers	\$80,600	\$88,000	\$139,000	\$165,000	11.9%	0.5%
Health Education Specialists	\$79,000	\$90,000	\$154,000	\$189,000	6.0%	0.2%
Social and Human Service Assistants	\$46,400	\$59,000	\$105,000	\$136,000	11.6%	0.4%
Community Health Workers	\$60,500	\$69,000	\$118,000	\$145,000	3.6%	0.1%
Clergy	\$78,400	\$89,000	\$153,000	\$187,000	3.1%	0.1%
Other Community and Social Service Occupations	<u>\$64,200</u>	<u>\$73,000</u>	<u>\$125,000</u>	<u>\$154,000</u>	<u>5.8%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$64,200	\$74,000	\$125,000	\$154,000	100.0%	3.8%

APPENDIX B TABLE 4
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
MEDICAL WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Medical Workers
		One Worker	Two Workers	Three+ Workers		
<i>Healthcare Practitioners and Technical Occupations</i>						
Pharmacists	\$161,200	\$170,000	\$220,000	\$241,000	2.1%	1.0%
Respiratory Therapists	\$95,300	\$104,000	\$164,000	\$195,000	2.6%	1.3%
Registered Nurses	\$111,300	\$120,000	\$185,000	\$215,000	48.4%	23.8%
Physicians and Ophthalmologists, Except Pediatric	\$194,600	\$205,000	\$265,000	\$291,000	3.2%	1.6%
Clinical Laboratory Technologists and Technicians	\$73,300	\$83,000	\$143,000	\$175,000	6.0%	3.0%
Radiologic Technologists and Technicians	\$90,800	\$99,000	\$157,000	\$186,000	3.7%	1.8%
Emergency Medical Technicians and Paramedics	\$38,400	\$48,000	\$98,000	\$143,000	3.0%	1.5%
Surgical Technologists	\$67,800	\$77,000	\$132,000	\$162,000	2.2%	1.1%
Licensed Practical and Licensed Vocational Nurses	\$62,200	\$71,000	\$121,000	\$149,000	6.9%	3.4%
Medical Dosimetrists, Records, Health Technicians	\$53,400	\$68,000	\$111,000	\$148,000	4.5%	2.2%
Other Healthcare Practitioners and Technical Occupations	<u>\$100,500</u>	<u>\$109,000</u>	<u>\$167,000</u>	<u>\$194,000</u>	<u>17.4%</u>	<u>8.6%</u>
Weighted Mean Annual Wage	\$100,500	\$110,000	\$169,000	\$199,000	100.0%	49.2%
<i>Healthcare Support Occupations</i>						
Home Health and Personal Care Aides	\$30,000	\$38,000	\$76,000	\$111,000	5.5%	0.9%
Nursing Assistants	\$38,300	\$48,000	\$97,000	\$142,000	58.9%	9.8%
Orderlies	\$40,200	\$51,000	\$91,000	\$118,000	2.8%	0.5%
Medical Assistants	\$37,800	\$47,000	\$96,000	\$140,000	13.1%	2.2%
Medical Equipment Preparers	\$44,600	\$56,000	\$101,000	\$131,000	3.2%	0.5%
Phlebotomists	\$49,500	\$62,000	\$112,000	\$145,000	7.8%	1.3%
Healthcare Support Workers, All Other	\$47,200	\$60,000	\$106,000	\$138,000	2.5%	0.4%
Other Healthcare Support Occupations	<u>\$39,200</u>	<u>\$49,000</u>	<u>\$100,000</u>	<u>\$146,000</u>	<u>6.2%</u>	<u>1.0%</u>
Weighted Mean Annual Wage	\$39,200	\$49,000	\$97,000	\$139,000	100.0%	16.7%
<i>Food Preparation and Serving Related Occupations</i>						
Supervisors of Food Preparation and Serving Workers	\$39,200	\$49,000	\$100,000	\$146,000	6.2%	0.2%
Cooks, Institution and Cafeteria	\$41,700	\$53,000	\$94,000	\$122,000	27.9%	0.8%
Food Preparation Workers	\$30,800	\$39,000	\$78,000	\$114,000	11.1%	0.3%
Fast Food and Counter Workers	\$29,100	\$40,000	\$76,000	\$118,000	11.8%	0.3%
Food Servers, Nonrestaurant	\$30,700	\$39,000	\$78,000	\$114,000	35.3%	1.0%
Dining Room and Cafeteria Attendants	\$29,100	\$40,000	\$76,000	\$118,000	2.1%	0.1%
Other Food Preparation and Serving Related Occupations	<u>\$34,300</u>	<u>\$43,000</u>	<u>\$87,000</u>	<u>\$127,000</u>	<u>5.6%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$34,300	\$44,000	\$84,000	\$120,000	100.0%	2.9%

APPENDIX B TABLE 4
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
MEDICAL WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Medical Workers
		One Worker	Two Workers	Three+ Workers		
<i>Building and Grounds Cleaning and Maintenance Occupations</i>						
Supervisors of Housekeeping & Janitorial Workers	\$45,500	\$57,000	\$103,000	\$133,000	4.5%	0.1%
Janitors and Cleaners	\$34,500	\$43,000	\$88,000	\$128,000	32.6%	1.0%
Maids and Housekeeping Cleaners	\$31,500	\$40,000	\$80,000	\$117,000	61.5%	1.8%
Other Building and Grounds Cleaning and Maint. Occupations	<u>\$33,100</u>	<u>\$42,000</u>	<u>\$84,000</u>	<u>\$123,000</u>	<u>1.5%</u>	<u>0.0%</u>
Weighted Mean Annual Wage	\$33,100	\$42,000	\$84,000	\$121,000	100.0%	3.0%
<i>Office and Administrative Support Occupations</i>						
Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	7.4%	0.9%
Billing and Posting Clerks	\$45,400	\$57,000	\$102,000	\$133,000	6.7%	0.8%
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	3.3%	0.4%
Customer Service Representatives	\$41,300	\$52,000	\$93,000	\$121,000	10.4%	1.2%
Interviewers, Except Eligibility and Loan	\$48,700	\$61,000	\$110,000	\$143,000	8.2%	1.0%
Receptionists and Information Clerks	\$34,800	\$44,000	\$88,000	\$129,000	8.7%	1.0%
Executive Secretaries and Executive Admin. Assistants	\$72,100	\$82,000	\$141,000	\$172,000	2.7%	0.3%
Medical Secretaries and Administrative Assistants	\$43,700	\$55,000	\$99,000	\$128,000	21.5%	2.6%
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	7.8%	0.9%
Office Clerks, General	\$40,400	\$51,000	\$91,000	\$119,000	9.5%	1.1%
Other Office and Administrative Support Occupations	<u>\$46,000</u>	<u>\$58,000</u>	<u>\$104,000</u>	<u>\$135,000</u>	<u>13.8%</u>	<u>1.6%</u>
Weighted Mean Annual Wage	\$46,000	\$57,000	\$102,000	\$133,000	100.0%	11.9%
						93.5%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. EDD data is adjusted by KMA to reflect the State minimum wage. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

² 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.

³ Including occupations representing 2% or more of the major occupation group.

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-7.

APPENDIX B TABLE 5
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2019
RETAIL WORKERS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

	Worker Occupation Distribution Retail
Major Occupations (2% or more)	
Management Occupations	2.6%
Food Preparation and Serving Related Occupations	45.8%
Personal Care and Service Occupations	2.6%
Sales and Related Occupations	27.1%
Office and Administrative Support Occupations	4.5%
Installation, Maintenance, and Repair Occupations	2.2%
Production Occupations	2.3%
Transportation and Material Moving Occupations	8.8%
All Other Worker Occupations - Retail	<u>4.0%</u>
TOTAL	100.0%

APPENDIX B TABLE 6
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
RETAIL WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Retail Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 2						
<i>Management Occupations</i>						
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	53.3%	1.4%
Sales Managers	\$132,500	\$139,000	\$201,000	\$231,000	8.3%	0.2%
Food Service Managers	\$64,200	\$73,000	\$125,000	\$154,000	29.8%	0.8%
Other Management Occupations	<u>\$105,900</u>	<u>\$115,000</u>	<u>\$176,000</u>	<u>\$205,000</u>	<u>8.6%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$105,900	\$113,000	\$170,000	\$199,000	100.0%	2.6%
<i>Food Preparation and Serving Related Occupations</i>						
Supervisors of Food Preparation and Serving Workers	\$39,200	\$49,000	\$100,000	\$146,000	7.7%	3.5%
Cooks, Fast Food	\$29,100	\$40,000	\$76,000	\$118,000	4.7%	2.2%
Cooks, Restaurant	\$32,900	\$41,000	\$84,000	\$122,000	11.3%	5.2%
Food Preparation Workers	\$30,800	\$39,000	\$78,000	\$114,000	6.2%	2.8%
Bartenders	\$33,800	\$42,000	\$86,000	\$126,000	4.1%	1.9%
Fast Food and Counter Workers	\$29,100	\$40,000	\$76,000	\$118,000	32.0%	14.7%
Waiters and Waitresses	\$34,800	\$44,000	\$88,000	\$129,000	20.3%	9.3%
Dining Room and Cafeteria Attendants	\$29,100	\$40,000	\$76,000	\$118,000	3.0%	1.4%
Dishwashers	\$29,100	\$40,000	\$76,000	\$118,000	3.8%	1.8%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$29,100	\$40,000	\$76,000	\$118,000	3.5%	1.6%
Other Food Preparation and Serving Related Occupations	<u>\$31,900</u>	<u>\$40,000</u>	<u>\$81,000</u>	<u>\$119,000</u>	<u>3.3%</u>	<u>1.5%</u>
Weighted Mean Annual Wage	\$31,900	\$42,000	\$82,000	\$123,000	100.0%	45.8%
<i>Personal Care and Service Occupations</i>						
Supervisors of Personal Service, Entert. & Rec. Workers	\$47,900	\$60,000	\$108,000	\$141,000	6.0%	0.2%
Animal Caretakers	\$36,000	\$45,000	\$91,000	\$134,000	20.5%	0.5%
Ushers, Lobby Attendants, and Ticket Takers	\$29,100	\$40,000	\$76,000	\$118,000	10.1%	0.3%
Hairdressers, Hairstylists, and Cosmetologists	\$39,100	\$49,000	\$99,000	\$145,000	35.7%	0.9%
Manicurists and Pedicurists	\$30,400	\$38,000	\$77,000	\$113,000	11.0%	0.3%
Skincare Specialists	\$56,600	\$73,000	\$118,000	\$157,000	4.5%	0.1%
Other Personal Care and Service Occupations	<u>\$37,600</u>	<u>\$47,000</u>	<u>\$96,000</u>	<u>\$140,000</u>	<u>12.2%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$37,600	\$48,000	\$94,000	\$136,000	100.0%	2.6%
<i>Sales and Related Occupations</i>						
First-Line Supervisors of Retail Sales Workers	\$46,000	\$58,000	\$104,000	\$135,000	11.5%	3.1%
Cashiers	\$29,200	\$40,000	\$76,000	\$118,000	37.0%	10.0%
Counter and Rental Clerks	\$36,000	\$45,000	\$91,000	\$134,000	2.3%	0.6%
Retail Salespersons	\$32,900	\$41,000	\$84,000	\$122,000	43.6%	11.8%
Other Sales and Related Occupations	<u>\$33,100</u>	<u>\$42,000</u>	<u>\$84,000</u>	<u>\$123,000</u>	<u>5.6%</u>	<u>1.5%</u>
Weighted Mean Annual Wage	\$33,100	\$43,000	\$84,000	\$122,000	100.0%	27.1%

APPENDIX B TABLE 6
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
RETAIL WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Retail Workers
		One Worker	Two Workers	Three+ Workers		
<i>Office and Administrative Support Occupations</i>						
Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	9.8%	0.4%
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	11.5%	0.5%
Customer Service Representatives	\$41,300	\$52,000	\$93,000	\$121,000	28.2%	1.3%
Receptionists and Information Clerks	\$34,800	\$44,000	\$88,000	\$129,000	7.5%	0.3%
Shipping, Receiving, and Inventory Clerks	\$40,400	\$51,000	\$91,000	\$119,000	7.7%	0.3%
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	6.2%	0.3%
Office Clerks, General	\$40,400	\$51,000	\$91,000	\$119,000	16.6%	0.7%
Other Office and Administrative Support Occupations	<u>\$44,900</u>	<u>\$57,000</u>	<u>\$101,000</u>	<u>\$132,000</u>	<u>12.6%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$44,900	\$56,000	\$99,000	\$129,000	100.0%	4.5%
<i>Installation, Maintenance, and Repair Occupations</i>						
Supervisors of Mechanics, Installers, and Repairers	\$78,400	\$89,000	\$153,000	\$187,000	7.5%	0.2%
Computer, Automated Teller, and Office Machine Repairers	\$43,000	\$54,000	\$97,000	\$126,000	3.5%	0.1%
Automotive Body and Related Repairers	\$62,500	\$71,000	\$122,000	\$149,000	3.5%	0.1%
Automotive Service Technicians and Mechanics	\$45,600	\$58,000	\$103,000	\$134,000	38.0%	0.8%
Tire Repairers and Changers	\$35,000	\$44,000	\$89,000	\$130,000	9.3%	0.2%
Maintenance and Repair Workers, General	\$45,600	\$58,000	\$103,000	\$134,000	10.5%	0.2%
Installation, Maintenance, and Repair Workers, All Other	\$43,500	\$55,000	\$98,000	\$128,000	3.6%	0.1%
Other Installation, Maintenance, and Repair Occupations	<u>\$48,100</u>	<u>\$61,000</u>	<u>\$108,000</u>	<u>\$141,000</u>	<u>24.1%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$48,100	\$60,000	\$107,000	\$139,000	100.0%	2.2%
<i>Production Occupations</i>						
Supervisors of Production and Operating Workers	\$72,700	\$83,000	\$142,000	\$174,000	6.8%	0.2%
Miscellaneous Assemblers and Fabricators	\$36,800	\$46,000	\$94,000	\$137,000	2.8%	0.1%
Bakers	\$37,200	\$47,000	\$95,000	\$138,000	17.0%	0.4%
Butchers and Meat Cutters	\$36,100	\$45,000	\$92,000	\$134,000	20.4%	0.5%
Meat, Poultry, and Fish Cutters and Trimmers	\$31,300	\$39,000	\$80,000	\$116,000	3.4%	0.1%
Food Batchmakers	\$29,100	\$40,000	\$76,000	\$118,000	2.1%	0.0%
Laundry and Dry-Cleaning Workers	\$30,300	\$38,000	\$77,000	\$113,000	23.1%	0.5%
Pressers, Textile, Garment, and Related Materials	\$29,100	\$40,000	\$76,000	\$118,000	7.0%	0.2%
Tailors, Dressmakers, and Custom Sewers	\$46,800	\$59,000	\$106,000	\$137,000	2.3%	0.1%
Other Production Occupations	<u>\$37,000</u>	<u>\$46,000</u>	<u>\$94,000</u>	<u>\$137,000</u>	<u>14.9%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$37,000	\$46,000	\$91,000	\$131,000	100.0%	2.3%
<i>Transportation and Material Moving Occupations</i>						
Supervisors of Transportation and Material-Moving Workers	\$71,300	\$81,000	\$139,000	\$171,000	2.5%	0.2%
Driver/Sales Workers	\$32,800	\$41,000	\$83,000	\$122,000	12.4%	1.1%
Light Truck Drivers	\$43,000	\$54,000	\$97,000	\$126,000	9.5%	0.8%
Parking Attendants	\$29,500	\$40,000	\$77,000	\$119,000	4.8%	0.4%
Cleaners of Vehicles and Equipment	\$30,200	\$38,000	\$77,000	\$112,000	3.5%	0.3%
Laborers and Freight, Stock, and Material Movers, Hand	\$36,700	\$46,000	\$93,000	\$136,000	9.1%	0.8%
Packers and Packagers, Hand	\$29,100	\$40,000	\$76,000	\$118,000	6.0%	0.5%
Stockers and Order Fillers	\$31,900	\$40,000	\$81,000	\$119,000	45.8%	4.0%
Other Transportation and Material Moving Occupations	<u>\$34,300</u>	<u>\$43,000</u>	<u>\$87,000</u>	<u>\$127,000</u>	<u>6.5%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$34,300	\$43,000	\$85,000	\$123,000	100.0%	8.8%
						96.0%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. EDD data is adjusted by KMA to reflect the State minimum wage. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

² 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.

³ Including occupations representing 2% or more of the major occupation group.

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-7.

APPENDIX B TABLE 7
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2019
HOTEL WORKERS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

	<div>Worker Occupation Distribution</div> <div>Hotel</div>
Major Occupations (2% or more)	
Management Occupations	4.5%
Food Preparation and Serving Related Occupations	25.0%
Building and Grounds Cleaning and Maintenance Occupations	30.7%
Personal Care and Service Occupations	4.1%
Sales and Related Occupations	2.5%
Office and Administrative Support Occupations	19.7%
Installation, Maintenance, and Repair Occupations	5.6%
Production Occupations	2.5%
All Other Worker Occupations - Hotel	<u>5.4%</u>
TOTAL	100.0%

APPENDIX B TABLE 8
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
HOTEL WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴ One Worker	Two Workers	Three+ Workers	% of Total Occupation Group ²	% of Total Hotel Workers
Page 1 of 2						
<i>Management Occupations</i>						
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	21.1%	1.0%
Sales Managers	\$132,500	\$139,000	\$201,000	\$231,000	7.7%	0.3%
Administrative Services and Facilities Managers	\$106,000	\$115,000	\$176,000	\$205,000	4.4%	0.2%
Financial Managers	\$143,800	\$150,000	\$218,000	\$251,000	4.5%	0.2%
Human Resources Managers	\$132,600	\$139,000	\$201,000	\$231,000	2.3%	0.1%
Food Service Managers	\$64,200	\$73,000	\$125,000	\$154,000	9.6%	0.4%
Lodging Managers	\$89,700	\$98,000	\$155,000	\$183,000	43.1%	2.0%
Personal Service, Enter. and Recreation Managers	\$133,600	\$140,000	\$203,000	\$233,000	3.4%	0.2%
Other Management Occupations	<u>\$104,200</u>	<u>\$113,000</u>	<u>\$173,000</u>	<u>\$202,000</u>	<u>3.9%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$104,200	\$112,000	\$170,000	\$199,000	100.0%	4.5%
<i>Food Preparation and Serving Related Occupations</i>						
Chefs and Head Cooks	\$60,900	\$69,000	\$119,000	\$146,000	2.8%	0.7%
Supervisors of Food Preparation and Serving Workers	\$39,200	\$49,000	\$100,000	\$146,000	6.0%	1.5%
Cooks, Restaurant	\$32,900	\$41,000	\$84,000	\$122,000	16.1%	4.0%
Food Preparation Workers	\$30,800	\$39,000	\$78,000	\$114,000	2.1%	0.5%
Bartenders	\$33,800	\$42,000	\$86,000	\$126,000	7.8%	1.9%
Fast Food and Counter Workers	\$29,100	\$40,000	\$76,000	\$118,000	4.6%	1.2%
Waiters and Waitresses	\$34,800	\$44,000	\$88,000	\$129,000	30.6%	7.6%
Food Servers, Nonrestaurant	\$30,700	\$39,000	\$78,000	\$114,000	6.2%	1.6%
Dining Room and Cafeteria Attendants	\$29,100	\$40,000	\$76,000	\$118,000	12.0%	3.0%
Dishwashers	\$29,100	\$40,000	\$76,000	\$118,000	6.1%	1.5%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$29,100	\$40,000	\$76,000	\$118,000	3.6%	0.9%
Other Food Preparation and Serving Related Occupations	<u>\$33,600</u>	<u>\$42,000</u>	<u>\$85,000</u>	<u>\$125,000</u>	<u>2.2%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$33,600	\$43,000	\$85,000	\$125,000	100.0%	25.0%
<i>Building and Grounds Cleaning and Maintenance Occupations</i>						
Supervisors of Housekeeping & Janitorial Workers	\$45,500	\$57,000	\$103,000	\$133,000	6.3%	1.9%
Janitors and Cleaners	\$34,500	\$43,000	\$88,000	\$128,000	5.5%	1.7%
Maids and Housekeeping Cleaners	\$31,500	\$40,000	\$80,000	\$117,000	85.8%	26.3%
Other Building and Grounds Cleaning and Maint. Occupations	<u>\$32,600</u>	<u>\$41,000</u>	<u>\$83,000</u>	<u>\$121,000</u>	<u>2.4%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$32,600	\$41,000	\$82,000	\$119,000	100.0%	30.7%
<i>Personal Care and Service Occupations</i>						
Supervisors of Personal Service, Entert. & Rec. Workers	\$47,900	\$60,000	\$108,000	\$141,000	5.5%	0.2%
Amusement and Recreation Attendants	\$29,100	\$40,000	\$76,000	\$118,000	17.2%	0.7%
Locker Room, Coatroom, and Dressing Room Attendants	\$34,700	\$44,000	\$88,000	\$129,000	4.7%	0.2%
Skincare Specialists	\$56,600	\$73,000	\$118,000	\$157,000	3.4%	0.1%
Baggage Porters and Bellhops	\$33,600	\$42,000	\$85,000	\$125,000	29.0%	1.2%
Concierges	\$40,000	\$50,000	\$90,000	\$117,000	17.2%	0.7%
Exercise Trainers and Group Fitness Instructors	\$58,700	\$75,000	\$122,000	\$163,000	4.1%	0.2%
Recreation Workers	\$33,500	\$42,000	\$85,000	\$124,000	7.5%	0.3%
Other Personal Care and Service Occupations	<u>\$37,000</u>	<u>\$46,000</u>	<u>\$94,000</u>	<u>\$137,000</u>	<u>11.4%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$37,000	\$47,000	\$89,000	\$127,000	100.0%	4.1%

APPENDIX B TABLE 8
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
HOTEL WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Hotel Workers
		One Worker	Two Workers	Three+ Workers		
Page 2 of 2						
<i>Sales and Related Occupations</i>						
First-Line Supervisors of Retail Sales Workers	\$46,000	\$58,000	\$104,000	\$135,000	3.9%	0.1%
First-Line Supervisors of Non-Retail Sales Workers	\$68,800	\$78,000	\$134,000	\$165,000	3.7%	0.1%
Cashiers	\$29,200	\$40,000	\$76,000	\$118,000	17.7%	0.4%
Retail Salespersons	\$32,900	\$41,000	\$84,000	\$122,000	11.8%	0.3%
Sales Representatives	\$63,000	\$71,000	\$123,000	\$151,000	55.2%	1.4%
Sales Reps., Wholesale & Manuf., Excl. Tech. & Scientific	\$75,500	\$86,000	\$147,000	\$181,000	2.3%	0.1%
Other Sales and Related Occupations	<u>\$52,700</u>	<u>\$68,000</u>	<u>\$110,000</u>	<u>\$146,000</u>	<u>5.6%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$52,700	\$62,000	\$110,000	\$142,000	100.0%	2.5%
<i>Office and Administrative Support Occupations</i>						
Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	9.5%	1.9%
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	5.5%	1.1%
Hotel, Motel, and Resort Desk Clerks	\$30,600	\$38,000	\$78,000	\$114,000	72.8%	14.3%
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	2.3%	0.4%
Other Office and Administrative Support Occupations	<u>\$35,900</u>	<u>\$45,000</u>	<u>\$91,000</u>	<u>\$133,000</u>	<u>9.9%</u>	<u>1.9%</u>
Weighted Mean Annual Wage	\$35,900	\$44,000	\$86,000	\$122,000	100.0%	19.7%
<i>Installation, Maintenance, and Repair Occupations</i>						
Supervisors of Mechanics, Installers, and Repairers	\$78,400	\$89,000	\$153,000	\$187,000	7.6%	0.4%
Maintenance and Repair Workers, General	\$45,600	\$58,000	\$103,000	\$134,000	89.5%	5.0%
Other Installation, Maintenance, and Repair Occupations	<u>\$48,200</u>	<u>\$61,000</u>	<u>\$109,000</u>	<u>\$141,000</u>	<u>2.8%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$48,200	\$60,000	\$107,000	\$138,000	100.0%	5.6%
<i>Production Occupations</i>						
Supervisors of Production and Operating Workers	\$72,700	\$83,000	\$142,000	\$174,000	2.1%	0.1%
Bakers	\$37,200	\$47,000	\$95,000	\$138,000	6.2%	0.2%
Laundry and Dry-Cleaning Workers	\$30,300	\$38,000	\$77,000	\$113,000	85.9%	2.1%
Other Production Occupations	<u>\$31,700</u>	<u>\$40,000</u>	<u>\$81,000</u>	<u>\$118,000</u>	<u>5.8%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$31,700	\$40,000	\$80,000	\$116,000	100.0%	2.5%
						94.6%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. EDD data is adjusted by KMA to reflect the State minimum wage. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

² 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.

³ Including occupations representing 2% or more of the major occupation group.

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-7.

APPENDIX B TABLE 9
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2019
INDUSTRIAL WORKERS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

	Worker Occupation Distribution Industrial
Major Occupations (2% or more)	
Management Occupations	6.9%
Business and Financial Operations Occupations	5.5%
Computer and Mathematical Occupations	4.8%
Architecture and Engineering Occupations	9.0%
Sales and Related Occupations	8.0%
Office and Administrative Support Occupations	9.8%
Farming, Fishing, and Forestry Occupations	5.0%
Installation, Maintenance, and Repair Occupations	9.2%
Production Occupations	27.9%
Transportation and Material Moving Occupations	9.0%
All Other Worker Occupations - Industrial	<u>4.8%</u>
TOTAL	100.0%

APPENDIX B TABLE 10
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
INDUSTRIAL WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Industrial Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 3						
<i>Management Occupations</i>						
Chief Executives	\$195,300	\$206,000	\$266,000	\$292,000	2.2%	0.2%
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	31.4%	2.2%
Marketing Managers	\$163,900	\$173,000	\$224,000	\$245,000	4.8%	0.3%
Sales Managers	\$132,500	\$139,000	\$201,000	\$231,000	8.3%	0.6%
Administrative Services and Facilities Managers	\$106,000	\$115,000	\$176,000	\$205,000	3.1%	0.2%
Computer and Information Systems Managers	\$186,600	\$197,000	\$255,000	\$279,000	6.3%	0.4%
Financial Managers	\$143,800	\$150,000	\$218,000	\$251,000	5.8%	0.4%
Industrial Production Managers	\$125,900	\$132,000	\$191,000	\$219,000	10.8%	0.7%
Purchasing Managers	\$150,200	\$158,000	\$205,000	\$225,000	3.0%	0.2%
Transportation, Storage, and Distribution Managers	\$116,200	\$126,000	\$193,000	\$225,000	2.1%	0.1%
Human Resources Managers	\$132,600	\$139,000	\$201,000	\$231,000	2.1%	0.1%
Architectural and Engineering Managers	\$180,000	\$190,000	\$246,000	\$269,000	11.7%	0.8%
Personal Service, Enter. and Recreation Managers	\$133,600	\$140,000	\$203,000	\$233,000	6.1%	0.4%
Other Management Occupations	<u>\$141,600</u>	<u>\$148,000</u>	<u>\$215,000</u>	<u>\$247,000</u>	<u>2.3%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$141,600	\$149,000	\$208,000	\$236,000	100.0%	6.9%
<i>Business and Financial Operations Occupations</i>						
Buyers and Purchasing Agents	\$73,900	\$84,000	\$144,000	\$177,000	18.0%	1.0%
Compliance Officers	\$70,200	\$80,000	\$137,000	\$168,000	3.6%	0.2%
Cost Estimators	\$70,100	\$80,000	\$137,000	\$168,000	4.6%	0.3%
Human Resources Specialists	\$72,700	\$83,000	\$142,000	\$174,000	6.5%	0.4%
Logisticians	\$82,900	\$91,000	\$143,000	\$170,000	8.5%	0.5%
Management Analysts	\$83,000	\$91,000	\$143,000	\$170,000	5.3%	0.3%
Training and Development Specialists	\$71,600	\$81,000	\$140,000	\$171,000	3.4%	0.2%
Market Research Analysts and Marketing Specialists	\$68,000	\$77,000	\$133,000	\$163,000	11.0%	0.6%
Project Management and Business Operations Specialists	\$71,300	\$81,000	\$139,000	\$171,000	15.7%	0.9%
Accountants and Auditors	\$85,400	\$93,000	\$147,000	\$175,000	13.6%	0.8%
Financial, Investment, and Risk Specialists	\$93,900	\$103,000	\$162,000	\$192,000	5.9%	0.3%
Other Business and Financial Operations Occupations	<u>\$76,500</u>	<u>\$87,000</u>	<u>\$149,000</u>	<u>\$183,000</u>	<u>3.8%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$76,500	\$86,000	\$143,000	\$173,000	100.0%	5.5%
<i>Computer and Mathematical Occupations</i>						
Computer Systems Analysts	\$111,900	\$121,000	\$186,000	\$216,000	8.6%	0.4%
Information Security Analysts	\$101,200	\$109,000	\$168,000	\$196,000	2.1%	0.1%
Computer Network Support Specialists	\$73,400	\$83,000	\$143,000	\$176,000	2.4%	0.1%
Computer User Support Specialists	\$59,100	\$76,000	\$123,000	\$164,000	9.7%	0.5%
Computer Network Architects	\$116,100	\$126,000	\$193,000	\$225,000	2.1%	0.1%
Network and Computer Systems Administrators	\$100,400	\$109,000	\$167,000	\$194,000	5.6%	0.3%
Computer Programmers	\$99,600	\$109,000	\$172,000	\$204,000	3.4%	0.2%
Software Developers and Quality Assurance Analysts	\$113,600	\$123,000	\$188,000	\$220,000	56.0%	2.7%
Computer Occupations, All Other	\$80,300	\$88,000	\$138,000	\$164,000	4.9%	0.2%
Other Computer and Mathematical Occupations	<u>\$103,600</u>	<u>\$112,000</u>	<u>\$172,000</u>	<u>\$200,000</u>	<u>5.1%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$103,600	\$114,000	\$175,000	\$207,000	100.0%	4.8%

APPENDIX B TABLE 10
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
INDUSTRIAL WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Industrial Workers
		One Worker	Two Workers	Three+ Workers		
<i>Page 2 of 3</i>						
<i>Architecture and Engineering Occupations</i>						
Aerospace Engineers	\$122,700	\$133,000	\$204,000	\$237,000	7.1%	0.6%
Computer Hardware Engineers	\$120,300	\$130,000	\$200,000	\$233,000	3.6%	0.3%
Electrical Engineers	\$102,600	\$111,000	\$170,000	\$199,000	12.1%	1.1%
Electronics Engineers, Except Computer	\$116,300	\$126,000	\$193,000	\$225,000	7.9%	0.7%
Industrial Engineers	\$116,300	\$126,000	\$193,000	\$225,000	20.3%	1.8%
Mechanical Engineers	\$104,600	\$113,000	\$173,000	\$202,000	14.8%	1.3%
Engineers, All Other	\$124,000	\$134,000	\$206,000	\$240,000	6.1%	0.5%
Mechanical Drafters	\$79,200	\$90,000	\$155,000	\$189,000	2.1%	0.2%
Electrical and Electronic Engineering Technicians	\$65,400	\$74,000	\$128,000	\$156,000	7.7%	0.7%
Industrial Engineering Technologists and Technicians	\$29,100	\$40,000	\$76,000	\$118,000	4.6%	0.4%
Calibration and Engineering Technicians	\$75,000	\$85,000	\$146,000	\$179,000	3.2%	0.3%
Other Architecture and Engineering Occupations	\$102,500	\$111,000	\$170,000	\$198,000	10.6%	0.9%
Weighted Mean Annual Wage	\$102,500	\$112,000	\$174,000	\$205,000	100.0%	9.0%
<i>Sales and Related Occupations</i>						
First-Line Supervisors of Non-Retail Sales Workers	\$68,800	\$78,000	\$134,000	\$165,000	4.2%	0.3%
Cashiers	\$29,200	\$40,000	\$76,000	\$118,000	3.1%	0.2%
Counter and Rental Clerks	\$36,000	\$45,000	\$91,000	\$134,000	2.9%	0.2%
Parts Salespersons	\$37,300	\$47,000	\$95,000	\$139,000	4.3%	0.3%
Retail Salespersons	\$32,900	\$41,000	\$84,000	\$122,000	10.4%	0.8%
Sales Representatives	\$63,000	\$71,000	\$123,000	\$151,000	3.0%	0.2%
Sales Reps., Wholesale, Manuf., Technical, Scientific	\$93,700	\$102,000	\$162,000	\$192,000	13.5%	1.1%
Sales Reps., Wholesale & Manuf., Excl. Tech. & Scientific	\$75,500	\$86,000	\$147,000	\$181,000	45.7%	3.6%
Demonstrators and Product Promoters	\$33,400	\$42,000	\$85,000	\$124,000	6.6%	0.5%
Sales Engineers	\$164,700	\$174,000	\$225,000	\$246,000	3.0%	0.2%
Other Sales and Related Occupations	\$68,300	\$78,000	\$133,000	\$163,000	3.3%	0.3%
Weighted Mean Annual Wage	\$68,300	\$78,000	\$133,000	\$167,000	100.0%	8.0%
<i>Office and Administrative Support Occupations</i>						
Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	6.9%	0.7%
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	11.1%	1.1%
Customer Service Representatives	\$41,300	\$52,000	\$93,000	\$121,000	16.9%	1.7%
Order Clerks	\$45,300	\$57,000	\$102,000	\$133,000	2.3%	0.2%
Production, Planning, and Expediting Clerks	\$56,900	\$73,000	\$119,000	\$158,000	9.1%	0.9%
Shipping, Receiving, and Inventory Clerks	\$40,400	\$51,000	\$91,000	\$119,000	14.3%	1.4%
Executive Secretaries and Executive Admin. Assistants	\$72,100	\$82,000	\$141,000	\$172,000	2.8%	0.3%
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	9.7%	0.9%
Office Clerks, General	\$40,400	\$51,000	\$91,000	\$119,000	16.8%	1.6%
Other Office and Administrative Support Occupations	\$47,300	\$60,000	\$107,000	\$139,000	10.2%	1.0%
Weighted Mean Annual Wage	\$47,300	\$59,000	\$103,000	\$134,000	100.0%	9.8%
<i>Farming, Fishing, and Forestry Occupations</i>						
Supervisors of Farming, Fishing, and Forestry Workers	\$52,500	\$67,000	\$110,000	\$146,000	5.0%	0.3%
Graders and Sorters, Agricultural Products	\$29,300	\$40,000	\$76,000	\$118,000	3.0%	0.2%
Agricultural Equipment Operators	\$32,500	\$41,000	\$83,000	\$121,000	2.3%	0.1%
Farmworkers and Laborers, Crop, Nursery, and Greenhouse	\$28,200	\$39,000	\$73,000	\$114,000	88.0%	4.4%
Other Farming, Fishing, and Forestry Occupations	\$29,600	\$40,000	\$77,000	\$120,000	1.7%	0.1%
Weighted Mean Annual Wage	\$29,600	\$40,000	\$75,000	\$116,000	100.0%	5.0%

APPENDIX B TABLE 10
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
INDUSTRIAL WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Industrial Workers
		One Worker	Two Workers	Three+ Workers		
<i>Installation, Maintenance, and Repair Occupations</i>						
Supervisors of Mechanics, Installers, and Repairers	\$78,400	\$89,000	\$153,000	\$187,000	7.7%	0.7%
Computer, Automated Teller, and Office Machine Repairers	\$43,000	\$54,000	\$97,000	\$126,000	2.6%	0.2%
Electrical and Electronics Repairers, Com. and Industrial	\$58,700	\$75,000	\$122,000	\$163,000	2.5%	0.2%
Aircraft Mechanics and Service Technicians	\$65,200	\$74,000	\$127,000	\$156,000	3.5%	0.3%
Automotive Body and Related Repairers	\$62,500	\$71,000	\$122,000	\$149,000	9.4%	0.9%
Automotive Service Technicians and Mechanics	\$45,600	\$58,000	\$103,000	\$134,000	22.0%	2.0%
Bus and Truck Mechanics and Diesel Engine Specialists	\$52,800	\$68,000	\$110,000	\$147,000	5.0%	0.5%
Mobile Heavy Equipment Mechanics, Except Engines	\$60,300	\$68,000	\$118,000	\$144,000	3.0%	0.3%
Industrial Machinery Mechanics	\$69,100	\$78,000	\$135,000	\$165,000	13.6%	1.3%
Maintenance and Repair Workers, General	\$45,600	\$58,000	\$103,000	\$134,000	9.2%	0.9%
Installation, Maintenance, and Repair Workers, All Other	\$43,500	\$55,000	\$98,000	\$128,000	2.5%	0.2%
Other Installation, Maintenance, and Repair Occupations	<u>\$56,700</u>	<u>\$73,000</u>	<u>\$118,000</u>	<u>\$158,000</u>	<u>19.0%</u>	<u>1.8%</u>
Weighted Mean Annual Wage	\$56,700	\$69,000	\$118,000	\$150,000	100.0%	9.2%
<i>Production Occupations</i>						
Supervisors of Production and Operating Workers	\$72,700	\$83,000	\$142,000	\$174,000	6.7%	1.9%
Aircraft Structure, Surfaces, Rigging, and Assemblers	\$54,700	\$70,000	\$114,000	\$152,000	2.0%	0.6%
Electrical, electronic, and electromechanical assemblers	\$40,500	\$51,000	\$91,000	\$119,000	13.9%	3.9%
Miscellaneous Assemblers and Fabricators	\$36,800	\$46,000	\$94,000	\$137,000	14.4%	4.0%
Machinists	\$46,600	\$59,000	\$105,000	\$137,000	7.0%	2.0%
Welders, Cutters, Solderers, and Brazers	\$50,900	\$65,000	\$106,000	\$141,000	3.5%	1.0%
Separating, Filtering, Precipitating, Machine Operators	\$52,600	\$67,000	\$110,000	\$146,000	3.4%	1.0%
Inspectors, Testers, Sorters, Samplers, and Weighers	\$45,500	\$57,000	\$103,000	\$133,000	7.5%	2.1%
Packaging and Filling Machine Operators and Tenders	\$34,600	\$43,000	\$88,000	\$129,000	6.0%	1.7%
Computer Numerically Controlled Tool Operators	\$42,000	\$53,000	\$95,000	\$123,000	2.9%	0.8%
Other Production Occupations	<u>\$45,200</u>	<u>\$57,000</u>	<u>\$102,000</u>	<u>\$133,000</u>	<u>32.7%</u>	<u>9.1%</u>
Weighted Mean Annual Wage	\$45,200	\$56,000	\$102,000	\$135,000	100.0%	27.9%
<i>Transportation and Material Moving Occupations</i>						
Supervisors of Transportation and Material-Moving Workers	\$71,300	\$81,000	\$139,000	\$171,000	5.4%	0.5%
Driver/Sales Workers	\$32,800	\$41,000	\$83,000	\$122,000	5.1%	0.5%
Heavy and Tractor-Trailer Truck Drivers	\$52,800	\$68,000	\$110,000	\$147,000	8.9%	0.8%
Light Truck Drivers	\$43,000	\$54,000	\$97,000	\$126,000	9.1%	0.8%
Automotive and Watercraft Service Attendants	\$34,500	\$43,000	\$88,000	\$128,000	3.6%	0.3%
Industrial Truck and Tractor Operators	\$37,200	\$47,000	\$95,000	\$138,000	7.6%	0.7%
Cleaners of Vehicles and Equipment	\$30,200	\$38,000	\$77,000	\$112,000	14.7%	1.3%
Laborers and Freight, Stock, and Material Movers, Hand	\$36,700	\$46,000	\$93,000	\$136,000	26.8%	2.4%
Packers and Packagers, Hand	\$29,000	\$40,000	\$75,000	\$117,000	4.9%	0.4%
Stockers and Order Fillers	\$31,900	\$40,000	\$81,000	\$119,000	10.9%	1.0%
Other Transportation and Material Moving Occupations	<u>\$38,500</u>	<u>\$48,000</u>	<u>\$98,000</u>	<u>\$143,000</u>	<u>2.9%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$38,500	\$48,000	\$92,000	\$131,000	100.0%	9.0%
						86.1%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. EDD data is adjusted by KMA to reflect the State minimum wage. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

² 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.

³ Including occupations representing 2% or more of the major occupation group.

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-7.

APPENDIX B TABLE 11
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2019
R&D WORKERS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

	Worker Occupation Distribution R&D
Major Occupations (2% or more)	
Management Occupations	15.4%
Business and Financial Operations Occupations	10.1%
Computer and Mathematical Occupations	12.7%
Architecture and Engineering Occupations	16.0%
Life, Physical, and Social Science Occupations	25.9%
Healthcare Practitioners and Technical Occupations	2.5%
Office and Administrative Support Occupations	7.7%
All Other Worker Occupations - R&D	<u>9.8%</u>
TOTAL	100.0%

APPENDIX B TABLE 12
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
R&D WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total R&D Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 3						
<i>Management Occupations</i>						
Chief Executives	\$195,300	\$206,000	\$266,000	\$292,000	2.5%	0.4%
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	16.1%	2.5%
Marketing Managers	\$163,900	\$173,000	\$224,000	\$245,000	4.5%	0.7%
Sales Managers	\$132,500	\$139,000	\$201,000	\$231,000	2.7%	0.4%
Administrative Services and Facilities Managers	\$106,000	\$115,000	\$176,000	\$205,000	3.6%	0.6%
Computer and Information Systems Managers	\$186,600	\$197,000	\$255,000	\$279,000	8.4%	1.3%
Financial Managers	\$143,800	\$150,000	\$218,000	\$251,000	6.6%	1.0%
Industrial Production Managers	\$125,900	\$132,000	\$191,000	\$219,000	3.2%	0.5%
Human Resources Managers	\$132,600	\$139,000	\$201,000	\$231,000	2.2%	0.3%
Architectural and Engineering Managers	\$180,000	\$190,000	\$246,000	\$269,000	11.3%	1.7%
Medical and Health Services Managers	\$124,700	\$135,000	\$207,000	\$241,000	4.4%	0.7%
Natural Sciences Managers	\$117,700	\$127,000	\$195,000	\$228,000	19.6%	3.0%
Personal Service, Enter. and Recreation Managers	\$133,600	\$140,000	\$203,000	\$233,000	9.2%	1.4%
Other Management Occupations	<u>\$141,200</u>	<u>\$148,000</u>	<u>\$214,000</u>	<u>\$246,000</u>	<u>5.5%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$141,200	\$149,000	\$211,000	\$240,000	100.0%	15.4%
<i>Business and Financial Operations Occupations</i>						
Buyers and Purchasing Agents	\$73,900	\$84,000	\$144,000	\$177,000	7.2%	0.7%
Compliance Officers	\$70,200	\$80,000	\$137,000	\$168,000	10.5%	1.1%
Human Resources Specialists	\$72,700	\$83,000	\$142,000	\$174,000	7.3%	0.7%
Logisticians	\$82,900	\$91,000	\$143,000	\$170,000	4.4%	0.4%
Management Analysts	\$83,000	\$91,000	\$143,000	\$170,000	9.1%	0.9%
Training and Development Specialists	\$71,600	\$81,000	\$140,000	\$171,000	3.7%	0.4%
Market Research Analysts and Marketing Specialists	\$68,000	\$77,000	\$133,000	\$163,000	8.3%	0.8%
Project Management and Business Operations Specialists	\$71,300	\$81,000	\$139,000	\$171,000	27.3%	2.8%
Accountants and Auditors	\$85,400	\$93,000	\$147,000	\$175,000	12.4%	1.3%
Financial, Investment, and Risk Specialists	\$93,900	\$103,000	\$162,000	\$192,000	4.3%	0.4%
Other Business and Financial Operations Occupations	<u>\$75,700</u>	<u>\$86,000</u>	<u>\$148,000</u>	<u>\$181,000</u>	<u>5.6%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$75,700	\$85,000	\$142,000	\$172,000	100.0%	10.1%
<i>Computer and Mathematical Occupations</i>						
Computer Systems Analysts	\$111,900	\$121,000	\$186,000	\$216,000	12.1%	1.5%
Information Security Analysts	\$101,200	\$109,000	\$168,000	\$196,000	4.1%	0.5%
Computer and Information Research Scientists	\$29,100	\$40,000	\$76,000	\$118,000	6.2%	0.8%
Computer User Support Specialists	\$59,100	\$76,000	\$123,000	\$164,000	4.7%	0.6%
Computer Network Architects	\$116,100	\$126,000	\$193,000	\$225,000	3.8%	0.5%
Network and Computer Systems Administrators	\$100,400	\$109,000	\$167,000	\$194,000	6.0%	0.8%
Database Administrators and Architects*	\$77,800	\$88,000	\$152,000	\$186,000	2.2%	0.3%
Computer Programmers	\$99,600	\$109,000	\$172,000	\$204,000	5.2%	0.7%
Software Developers and Quality Assurance Analysts	\$113,600	\$123,000	\$188,000	\$220,000	35.3%	4.5%
Computer Occupations, All Other	\$80,300	\$88,000	\$138,000	\$164,000	6.5%	0.8%
Operations Research Analysts	\$124,900	\$135,000	\$207,000	\$242,000	2.5%	0.3%
Statisticians	\$82,600	\$90,000	\$142,000	\$169,000	7.1%	0.9%
Other Computer and Mathematical Occupations	<u>\$98,100</u>	<u>\$107,000</u>	<u>\$169,000</u>	<u>\$201,000</u>	<u>4.3%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$98,100	\$108,000	\$167,000	\$199,000	100.0%	12.7%

APPENDIX B TABLE 12
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
R&D WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total R&D Workers
		One Worker	Two Workers	Three+ Workers		
<i>Page 2 of 3</i>						
<i>Architecture and Engineering Occupations</i>						
Aerospace Engineers	\$122,700	\$133,000	\$204,000	\$237,000	4.7%	0.8%
Bioengineers and Biomedical Engineers	\$90,700	\$99,000	\$156,000	\$185,000	2.7%	0.4%
Chemical Engineers	\$125,200	\$131,000	\$190,000	\$218,000	3.0%	0.5%
Computer Hardware Engineers	\$120,300	\$130,000	\$200,000	\$233,000	7.5%	1.2%
Electrical Engineers	\$102,600	\$111,000	\$170,000	\$199,000	9.8%	1.6%
Electronics Engineers, Except Computer	\$116,300	\$126,000	\$193,000	\$225,000	8.4%	1.3%
Industrial Engineers	\$116,300	\$126,000	\$193,000	\$225,000	8.0%	1.3%
Mechanical Engineers	\$104,600	\$113,000	\$173,000	\$202,000	16.8%	2.7%
Nuclear Engineers	\$135,800	\$142,000	\$206,000	\$237,000	2.1%	0.3%
Engineers, All Other	\$124,000	\$134,000	\$206,000	\$240,000	10.2%	1.6%
Electrical and Electronic Engineering Technicians	\$65,400	\$74,000	\$128,000	\$156,000	4.4%	0.7%
Mechanical Engineering Technologists and Technicians	\$71,200	\$81,000	\$139,000	\$170,000	2.6%	0.4%
Calibration and Engineering Technicians	\$75,000	\$85,000	\$146,000	\$179,000	5.7%	0.9%
Other Architecture and Engineering Occupations	<u>\$107,300</u>	<u>\$116,000</u>	<u>\$178,000</u>	<u>\$208,000</u>	<u>14.0%</u>	<u>2.2%</u>
Weighted Mean Annual Wage	\$107,300	\$116,000	\$180,000	\$211,000	100.0%	16.0%
<i>Life, Physical, and Social Science Occupations</i>						
Microbiologists	\$91,300	\$100,000	\$157,000	\$187,000	2.7%	0.7%
Biological Scientists, All Other	\$82,500	\$90,000	\$142,000	\$169,000	5.9%	1.5%
Medical Scientists, Except Epidemiologists	\$113,600	\$123,000	\$188,000	\$220,000	27.8%	7.2%
Physicists	\$128,000	\$134,000	\$194,000	\$223,000	3.2%	0.8%
Chemists	\$75,900	\$86,000	\$148,000	\$182,000	7.1%	1.8%
Biological Technicians	\$52,100	\$67,000	\$109,000	\$145,000	16.2%	4.2%
Chemical Technicians	\$65,800	\$75,000	\$128,000	\$157,000	3.6%	0.9%
Social Science Research Assistants	\$55,400	\$71,000	\$116,000	\$154,000	3.5%	0.9%
Life, Physical, and Social Science Technicians	\$60,900	\$69,000	\$119,000	\$146,000	4.6%	1.2%
Other Life, Physical, and Social Science Occupations	<u>\$85,700</u>	<u>\$94,000</u>	<u>\$148,000</u>	<u>\$175,000</u>	<u>25.4%</u>	<u>6.6%</u>
Weighted Mean Annual Wage	\$85,700	\$96,000	\$151,000	\$182,000	100.0%	25.9%
<i>Healthcare Practitioners and Technical Occupations</i>						
Veterinarians	\$164,700	\$174,000	\$225,000	\$246,000	2.3%	0.1%
Registered Nurses	\$111,300	\$120,000	\$185,000	\$215,000	16.9%	0.4%
Nurse Practitioners	\$141,300	\$148,000	\$214,000	\$246,000	3.4%	0.1%
Physicians and Ophthalmologists, Except Pediatric	\$194,600	\$205,000	\$265,000	\$291,000	6.9%	0.2%
Clinical Laboratory Technologists and Technicians	\$73,300	\$83,000	\$143,000	\$175,000	41.2%	1.0%
Veterinary Technologists and Technicians	\$42,600	\$54,000	\$96,000	\$125,000	6.1%	0.2%
Medical Dosimetrists, Records, Health Technicians	\$53,400	\$68,000	\$111,000	\$148,000	5.2%	0.1%
Healthcare Practitioners and Technical Workers	\$62,100	\$70,000	\$121,000	\$149,000	3.1%	0.1%
Other Healthcare Practitioners and Technical Occupations	<u>\$92,000</u>	<u>\$101,000</u>	<u>\$159,000</u>	<u>\$188,000</u>	<u>15.0%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$92,000	\$102,000	\$160,000	\$190,000	100.0%	2.5%

APPENDIX B TABLE 12
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
R&D WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker <u>Compensation</u> ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total R&D Workers
		<u>One Worker</u>	<u>Two Workers</u>	<u>Three+ Workers</u>		
<i>Office and Administrative Support Occupations</i>						
Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	7.6%	0.6%
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	6.5%	0.5%
Customer Service Representatives	\$41,300	\$52,000	\$93,000	\$121,000	6.0%	0.5%
Production, Planning, and Expediting Clerks	\$56,900	\$73,000	\$119,000	\$158,000	5.1%	0.4%
Shipping, Receiving, and Inventory Clerks	\$40,400	\$51,000	\$91,000	\$119,000	3.0%	0.2%
Executive Secretaries and Executive Admin. Assistants	\$72,100	\$82,000	\$141,000	\$172,000	16.1%	1.2%
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	22.1%	1.7%
Office Clerks, General	\$40,400	\$51,000	\$91,000	\$119,000	17.9%	1.4%
Other Office and Administrative Support Occupations	<u>\$52,300</u>	<u>\$67,000</u>	<u>\$109,000</u>	<u>\$145,000</u>	<u>15.7%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$52,300	\$64,000	\$111,000	\$142,000	100.0%	7.7%
						90.2%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. EDD data is adjusted by KMA to reflect the State minimum wage. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

² 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.

³ Including occupations representing 2% or more of the major occupation group.

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-7.

APPENDIX B TABLE 13
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2019
WAREHOUSE WORKERS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Worker Occupation Distribution Warehouse	
Major Occupations (2% or more)	
Management Occupations	2.7%
Business and Financial Operations Occupations	2.2%
Office and Administrative Support Occupations	13.1%
Installation, Maintenance, and Repair Occupations	2.8%
Production Occupations	2.3%
Transportation and Material Moving Occupations	72.7%
All Other Worker Occupations - Warehouse	<u>4.2%</u>
TOTAL	100.0%

APPENDIX B TABLE 14
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
WAREHOUSE WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Warehouse Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 2						
<i>Management Occupations</i>						
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	35.2%	0.9%
Sales Managers	\$132,500	\$139,000	\$201,000	\$231,000	3.3%	0.1%
Administrative Services and Facilities Managers	\$106,000	\$115,000	\$176,000	\$205,000	4.4%	0.1%
Financial Managers	\$143,800	\$150,000	\$218,000	\$251,000	2.7%	0.1%
Industrial Production Managers	\$125,900	\$132,000	\$191,000	\$219,000	2.2%	0.1%
Transportation, Storage, and Distribution Managers	\$116,200	\$126,000	\$193,000	\$225,000	38.2%	1.0%
Human Resources Managers	\$132,600	\$139,000	\$201,000	\$231,000	2.9%	0.1%
Personal Service, Enter. and Recreation Managers	\$133,600	\$140,000	\$203,000	\$233,000	3.9%	0.1%
Other Management Occupations	<u>\$121,900</u>	<u>\$132,000</u>	<u>\$202,000</u>	<u>\$236,000</u>	<u>7.2%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$121,900	\$130,000	\$193,000	\$224,000	100.0%	2.7%
<i>Business and Financial Operations Occupations</i>						
Buyers and Purchasing Agents	\$73,900	\$84,000	\$144,000	\$177,000	13.3%	0.3%
Compliance Officers	\$70,200	\$80,000	\$137,000	\$168,000	2.8%	0.1%
Human Resources Specialists	\$72,700	\$83,000	\$142,000	\$174,000	14.9%	0.3%
Logisticians	\$82,900	\$91,000	\$143,000	\$170,000	13.4%	0.3%
Management Analysts	\$83,000	\$91,000	\$143,000	\$170,000	2.1%	0.0%
Training and Development Specialists	\$71,600	\$81,000	\$140,000	\$171,000	16.3%	0.4%
Market Research Analysts and Marketing Specialists	\$68,000	\$77,000	\$133,000	\$163,000	4.6%	0.1%
Project Management and Business Operations Specialists	\$71,300	\$81,000	\$139,000	\$171,000	19.3%	0.4%
Accountants and Auditors	\$85,400	\$93,000	\$147,000	\$175,000	8.9%	0.2%
Financial, Investment, and Risk Specialists	\$93,900	\$103,000	\$162,000	\$192,000	2.4%	0.1%
Other Business and Financial Operations Occupations	<u>\$75,400</u>	<u>\$86,000</u>	<u>\$147,000</u>	<u>\$180,000</u>	<u>1.9%</u>	<u>0.0%</u>
Weighted Mean Annual Wage	\$75,400	\$85,000	\$142,000	\$173,000	100.0%	2.2%
<i>Office and Administrative Support Occupations</i>						
Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	10.5%	1.4%
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	2.4%	0.3%
Customer Service Representatives	\$41,300	\$52,000	\$93,000	\$121,000	12.4%	1.6%
Order Clerks	\$45,300	\$57,000	\$102,000	\$133,000	3.9%	0.5%
Production, Planning, and Expediting Clerks	\$56,900	\$73,000	\$119,000	\$158,000	6.9%	0.9%
Shipping, Receiving, and Inventory Clerks	\$40,400	\$51,000	\$91,000	\$119,000	35.8%	4.7%
Weighers, Measurers, Checkers, and Samplers	\$41,200	\$52,000	\$93,000	\$121,000	6.6%	0.9%
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	3.8%	0.5%
Office Clerks, General	\$40,400	\$51,000	\$91,000	\$119,000	8.5%	1.1%
Other Office and Administrative Support Occupations	<u>\$45,500</u>	<u>\$57,000</u>	<u>\$103,000</u>	<u>\$133,000</u>	<u>9.2%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$45,500	\$57,000	\$100,000	\$129,000	100.0%	13.1%

APPENDIX B TABLE 14
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
WAREHOUSE WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Warehouse Workers
		One Worker	Two Workers	Three+ Workers		
<i>Installation, Maintenance, and Repair Occupations</i>						
Supervisors of Mechanics, Installers, and Repairers	\$78,400	\$89,000	\$153,000	\$187,000	8.9%	0.2%
Bus and Truck Mechanics and Diesel Engine Specialists	\$52,800	\$68,000	\$110,000	\$147,000	7.6%	0.2%
Mobile Heavy Equipment Mechanics, Except Engines	\$60,300	\$68,000	\$118,000	\$144,000	2.5%	0.1%
Industrial Machinery Mechanics	\$69,100	\$78,000	\$135,000	\$165,000	2.9%	0.1%
Maintenance Workers, Machinery	\$63,600	\$72,000	\$124,000	\$152,000	2.1%	0.1%
Maintenance and Repair Workers, General	\$45,600	\$58,000	\$103,000	\$134,000	62.6%	1.8%
Installation, Maintenance, and Repair Workers, All Other	\$43,500	\$55,000	\$98,000	\$128,000	3.3%	0.1%
Other Installation, Maintenance, and Repair Occupations	<u>\$51,000</u>	<u>\$65,000</u>	<u>\$106,000</u>	<u>\$142,000</u>	<u>10.0%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$51,000	\$63,000	\$110,000	\$142,000	100.0%	2.8%
<i>Production Occupations</i>						
Supervisors of Production and Operating Workers	\$72,700	\$83,000	\$142,000	\$174,000	8.4%	0.2%
Miscellaneous Assemblers and Fabricators	\$36,800	\$46,000	\$94,000	\$137,000	19.1%	0.4%
Sewing Machine Operators	\$31,900	\$40,000	\$81,000	\$119,000	2.3%	0.1%
Inspectors, Testers, Sorters, Samplers, and Weighers	\$45,500	\$57,000	\$103,000	\$133,000	28.2%	0.7%
Packaging and Filling Machine Operators and Tenders	\$34,600	\$43,000	\$88,000	\$129,000	11.3%	0.3%
Helpers--Production Workers	\$29,600	\$40,000	\$77,000	\$120,000	2.3%	0.1%
Production Workers, All Other	\$59,800	\$77,000	\$125,000	\$166,000	7.0%	0.2%
Other Production Occupations	<u>\$45,200</u>	<u>\$57,000</u>	<u>\$102,000</u>	<u>\$133,000</u>	<u>21.6%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$45,200	\$56,000	\$103,000	\$138,000	100.0%	2.3%
<i>Transportation and Material Moving Occupations</i>						
Supervisors of Transportation and Material-Moving Workers	\$71,300	\$81,000	\$139,000	\$171,000	5.3%	3.9%
Heavy and Tractor-Trailer Truck Drivers	\$52,800	\$68,000	\$110,000	\$147,000	6.6%	4.8%
Industrial Truck and Tractor Operators	\$37,200	\$47,000	\$95,000	\$138,000	22.2%	16.1%
Laborers and Freight, Stock, and Material Movers, Hand	\$36,700	\$46,000	\$93,000	\$136,000	34.1%	24.8%
Packers and Packagers, Hand	\$29,100	\$40,000	\$76,000	\$118,000	7.0%	5.1%
Stockers and Order Fillers	\$31,900	\$40,000	\$81,000	\$119,000	20.2%	14.7%
Other Transportation and Material Moving Occupations	<u>\$38,300</u>	<u>\$48,000</u>	<u>\$97,000</u>	<u>\$142,000</u>	<u>4.6%</u>	<u>3.3%</u>
Weighted Mean Annual Wage	\$38,300	\$48,000	\$94,000	\$135,000	100.0%	72.7%
					<hr/> <hr/> 95.8%	

¹ The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. EDD data is adjusted by KMA to reflect the State minimum wage. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

² 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.

³ Including occupations representing 2% or more of the major occupation group.

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-7.

APPENDIX B TABLE 15
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2019
RESIDENTIAL CARE WORKERS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Worker Occupation Distribution Residential Care	
Major Occupations (2% or more)	
Management Occupations	3.5%
Healthcare Practitioners and Technical Occupations	10.8%
Healthcare Support Occupations	44.9%
Food Preparation and Serving Related Occupations	18.0%
Building and Grounds Cleaning and Maintenance Occupations	6.0%
Personal Care and Service Occupations	4.4%
Office and Administrative Support Occupations	5.1%
Installation, Maintenance, and Repair Occupations	2.5%
All Other Worker Occupations - Residential Care	<u>4.8%</u>
TOTAL	100.0%

APPENDIX B TABLE 16
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
RESIDENTIAL CARE WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Res. Care Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 2						
<i>Management Occupations</i>						
General and Operations Managers	\$125,000	\$131,000	\$190,000	\$218,000	29.9%	1.0%
Marketing Managers	\$163,900	\$173,000	\$224,000	\$245,000	2.6%	0.1%
Administrative Services and Facilities Managers	\$106,000	\$115,000	\$176,000	\$205,000	6.6%	0.2%
Food Service Managers	\$64,200	\$73,000	\$125,000	\$154,000	7.3%	0.3%
Medical and Health Services Managers	\$124,700	\$135,000	\$207,000	\$241,000	31.8%	1.1%
Social and Community Service Managers	\$93,900	\$103,000	\$162,000	\$192,000	7.5%	0.3%
Personal Service, Enter. and Recreation Managers	\$133,600	\$140,000	\$203,000	\$233,000	2.7%	0.1%
Other Management Occupations	<u>\$117,300</u>	<u>\$127,000</u>	<u>\$195,000</u>	<u>\$227,000</u>	<u>11.6%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$117,300	\$126,000	\$189,000	\$220,000	100.0%	3.5%
<i>Healthcare Practitioners and Technical Occupations</i>						
Registered Nurses	\$111,300	\$120,000	\$185,000	\$215,000	34.3%	3.7%
Dietetic Technicians	\$31,200	\$39,000	\$79,000	\$116,000	2.3%	0.3%
Licensed Practical and Licensed Vocational Nurses	\$62,200	\$71,000	\$121,000	\$149,000	52.3%	5.6%
Other Healthcare Practitioners and Technical Occupations	<u>\$80,300</u>	<u>\$88,000</u>	<u>\$138,000</u>	<u>\$164,000</u>	<u>11.1%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$80,300	\$89,000	\$144,000	\$173,000	100.0%	10.8%
<i>Healthcare Support Occupations</i>						
Home Health and Personal Care Aides	\$30,000	\$38,000	\$76,000	\$111,000	58.4%	26.2%
Nursing Assistants	\$38,300	\$48,000	\$97,000	\$142,000	37.0%	16.6%
Medical Assistants	\$37,800	\$47,000	\$96,000	\$140,000	3.5%	1.6%
Other Healthcare Support Occupations	<u>\$33,400</u>	<u>\$42,000</u>	<u>\$85,000</u>	<u>\$124,000</u>	<u>1.1%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$33,400	\$42,000	\$85,000	\$124,000	100.0%	44.9%
<i>Food Preparation and Serving Related Occupations</i>						
Supervisors of Food Preparation and Serving Workers	\$39,200	\$49,000	\$100,000	\$146,000	5.0%	0.9%
Cooks, Institution and Cafeteria	\$41,700	\$53,000	\$94,000	\$122,000	24.6%	4.4%
Food Preparation Workers	\$30,800	\$39,000	\$78,000	\$114,000	5.7%	1.0%
Fast Food and Counter Workers	\$29,100	\$40,000	\$76,000	\$118,000	5.5%	1.0%
Waiters and Waitresses	\$34,800	\$44,000	\$88,000	\$129,000	8.2%	1.5%
Food Servers, Nonrestaurant	\$30,700	\$39,000	\$78,000	\$114,000	36.5%	6.6%
Dining Room and Cafeteria Attendants	\$29,100	\$40,000	\$76,000	\$118,000	4.3%	0.8%
Dishwashers	\$29,100	\$40,000	\$76,000	\$118,000	6.0%	1.1%
Other Food Preparation and Serving Related Occupations	<u>\$34,100</u>	<u>\$43,000</u>	<u>\$87,000</u>	<u>\$127,000</u>	<u>4.2%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$34,100	\$44,000	\$84,000	\$120,000	100.0%	18.0%
<i>Building and Grounds Cleaning and Maintenance Occupations</i>						
Supervisors of Housekeeping & Janitorial Workers	\$45,500	\$57,000	\$103,000	\$133,000	4.8%	0.3%
Janitors and Cleaners	\$34,500	\$43,000	\$88,000	\$128,000	10.4%	0.6%
Maids and Housekeeping Cleaners	\$31,500	\$40,000	\$80,000	\$117,000	81.4%	4.9%
Landscaping and Groundskeeping Workers	\$33,500	\$42,000	\$85,000	\$124,000	3.0%	0.2%
Other Building and Grounds Cleaning and Maint. Occupations	<u>\$32,600</u>	<u>\$41,000</u>	<u>\$83,000</u>	<u>\$121,000</u>	<u>0.4%</u>	<u>0.0%</u>
Weighted Mean Annual Wage	\$32,600	\$41,000	\$82,000	\$119,000	100.0%	6.0%

APPENDIX B TABLE 16
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2020
RESIDENTIAL CARE WORKER OCCUPATIONS
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Occupation ³	2020 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Res. Care Workers
		One Worker	Two Workers	Three+ Workers		
Page 2 of 2						
<i>Personal Care and Service Occupations</i>						
Supervisors of Personal Service, Entert. & Rec. Workers	\$47,900	\$60,000	\$108,000	\$141,000	18.8%	0.8%
Concierges	\$40,000	\$50,000	\$90,000	\$117,000	9.3%	0.4%
Exercise Trainers and Group Fitness Instructors	\$58,700	\$75,000	\$122,000	\$163,000	2.0%	0.1%
Recreation Workers	\$33,500	\$42,000	\$85,000	\$124,000	54.8%	2.4%
Other Personal Care and Service Occupations	<u>\$38,000</u>	<u>\$48,000</u>	<u>\$97,000</u>	<u>\$141,000</u>	<u>15.1%</u>	<u>0.7%</u>
Weighted Mean Annual Wage	\$38,000	\$48,000	\$92,000	\$130,000	100.0%	4.4%
<i>Office and Administrative Support Occupations</i>						
Supervisors of Office and Admin. Support Workers	\$65,500	\$74,000	\$128,000	\$157,000	8.4%	0.4%
Bookkeeping, Accounting, and Auditing Clerks	\$50,800	\$65,000	\$106,000	\$141,000	7.1%	0.4%
Customer Service Representatives	\$41,300	\$52,000	\$93,000	\$121,000	2.1%	0.1%
Receptionists and Information Clerks	\$34,800	\$44,000	\$88,000	\$129,000	37.9%	2.0%
Executive Secretaries and Executive Admin. Assistants	\$72,100	\$82,000	\$141,000	\$172,000	2.1%	0.1%
Medical Secretaries and Administrative Assistants	\$43,700	\$55,000	\$99,000	\$128,000	4.5%	0.2%
Secretaries and Administrative Assistants	\$46,800	\$59,000	\$106,000	\$137,000	12.8%	0.7%
Office Clerks, General	\$40,400	\$51,000	\$91,000	\$119,000	16.0%	0.8%
Other Office and Administrative Support Occupations	<u>\$43,000</u>	<u>\$54,000</u>	<u>\$97,000</u>	<u>\$126,000</u>	<u>9.0%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$43,000	\$53,000	\$98,000	\$132,000	100.0%	5.1%
<i>Installation, Maintenance, and Repair Occupations</i>						
Supervisors of Mechanics, Installers, and Repairers	\$78,400	\$89,000	\$153,000	\$187,000	9.8%	0.2%
Maintenance and Repair Workers, General	\$45,600	\$58,000	\$103,000	\$134,000	87.5%	2.2%
Other Installation, Maintenance, and Repair Occupations	<u>\$48,900</u>	<u>\$62,000</u>	<u>\$110,000</u>	<u>\$143,000</u>	<u>2.7%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$48,900	\$61,000	\$108,000	\$139,000	100.0%	2.5%
					<hr/> <hr/> 95.2%	

- ¹ The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. EDD data is adjusted by KMA to reflect the State minimum wage. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.
- ² 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.
- ³ Including occupations representing 2% or more of the major occupation group.
- ⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Table 3-7.

APPENDIX B TABLE 17
INDUSTRIES REPRESENTED
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

NAICS	Representative Industries	Percent of Employment
Page 1 of 3		
<u>Office</u>		
621100	Offices of Physicians	11.639%
541300	Architectural, Engineering, and Related Services	10.283%
551100	Management of Companies and Enterprises	8.914%
541500	Computer Systems Design and Related Services	8.537%
531000	Real Estate	7.463%
511200	Software Publishers	5.588%
621200	Offices of Dentists	4.756%
5220A1	Credit Intermediation and Related Activities (5221 And 5223 only)	4.141%
621300	Offices of Other Health Practitioners	3.672%
541700	Scientific Research and Development Services	3.383%
541600	Management, Scientific, and Technical Consulting Services	3.113%
541200	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	3.086%
541100	Legal Services	2.805%
813400	Civic and Social Organizations	2.757%
524200	Agencies, Brokerages, and Other Insurance Related Activities	2.566%
519100	Other Information Services	2.277%
541900	Other Professional, Scientific, and Technical Services	2.175%
561100	Office Administrative Services	1.853%
813200	Grantmaking and Giving Services	1.268%
561400	Business Support Services	1.215%
541800	Advertising and Related Services	1.120%
523000	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	1.057%
813900	Business, Professional, Labor, Political, and Similar Organizations	0.996%
524100	Insurance Carriers	0.917%
813300	Social Advocacy Organizations	0.907%
522200	Nondepository Credit Intermediation	0.895%
517000	Telecommunications	0.794%
541400	Specialized Design Services	0.664%
518200	Data Processing, Hosting, and Related Services	0.654%
561900	Other Support Services	0.505%
<u>Medical</u>		
622100	General Medical and Surgical Hospitals	65.984%
623100	Nursing Care Facilities (Skilled Nursing Facilities)	14.814%
621400	Outpatient Care Centers	13.245%
621500	Medical and Diagnostic Laboratories	3.730%
621900	Other Ambulatory Health Care Services	2.227%

APPENDIX B TABLE 17
INDUSTRIES REPRESENTED
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

NAICS	Representative Industries	Percent of Employment
Page 2 of 3		
<u>Retail / Commercial</u>		
722500	Restaurant and Other Eating Places	45.679%
4450A1	Food and Beverage Stores (4451 and 4452 only)	12.314%
444100	Building Material and Supplies Dealers	3.979%
448100	Clothing Stores	3.863%
452000	General Merchandise Stores	3.571%
441100	Automobile Dealers	3.349%
446100	Health and Personal Care Stores	3.316%
812100	Personal Care Services	1.945%
4530A1	Miscellaneous Store Retailers (4532 and 4533 only)	1.794%
722300	Special Food Services	1.781%
451100	Sporting Goods/Musical Instrument Stores	1.669%
447100	Gasoline Stations	1.629%
443100	Electronics and Appliance Stores	1.536%
812900	Other Personal Services	1.525%
812300	Drycleaning and Laundry Services	1.439%
722400	Drinking Places (Alcoholic Beverages)	1.304%
441300	Auto Parts, Accessories, and Tire Stores	1.292%
453900	Other Miscellaneous Store Retailers	1.187%
442200	Home Furnishings Stores	1.088%
445300	Beer, Wine, and Liquor Stores	1.016%
713940	Fitness and Recreational Sports Centers	0.767%
512130	Motion Picture and Video Exhibition	0.749%
442100	Furniture Stores	0.594%
532100	Automotive Equipment Rental and Leasing	0.507%
448200	Shoe Stores	0.502%
444200	Lawn & Garden Equipment/Supplies Stores	0.440%
448300	Jewelry, Luggage & Leather Goods Stores	0.404%
441200	Other Motor Vehicle Dealers	0.299%
451200	Book, Periodical, and Music Stores	0.287%
453100	Florists	0.175%
713940	Fitness and Recreational Sports Centers	0.000%
<u>Hotel</u>		
721100	Traveler Accommodation (with Casino hotels removed)	100.00%

APPENDIX B TABLE 17
INDUSTRIES REPRESENTED
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

NAICS	Representative Industries	Percent of Employment
Page 3 of 3		
<u>Industrial</u>		
334500	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	19.453%
312100	Beverage Manufacturing	12.730%
811100	Automotive Repair and Maintenance	8.017%
339100	Medical Equipment and Supplies Manufacturing	6.334%
423400	Professional and Commercial Equipment and Supplies Merchant Wholesalers	4.486%
4230A1	Merchant Wholesalers, Durable Goods (4232, 4233, 4235, 4236, 4237, and 4238)	4.376%
3330A1	Machinery Manufacturing (3331, 3332, 3334, and 3339 only)	4.221%
334400	Semiconductor and Other Electronic Component Manufacturing	4.039%
423800	Machinery, Equipment, and Supplies Merchant Wholesalers	3.650%
339900	Other Miscellaneous Manufacturing	2.555%
332700	Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	2.490%
423100	Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers	2.026%
311800	Bakeries and Tortilla Manufacturing	1.961%
333300	Commercial and Service Industry Machinery Manufacturing	1.832%
811300	Commercial Machinery Repair/Maintenance	1.626%
111400	Greenhouse, Nursery, and Floriculture Production	1.613%
335100	Electric Lighting Equipment Manufacturing	1.577%
3370A1	Furniture and Related Product Manufacturing (3371 and 3372 only)	1.331%
334200	Communications Equipment Manufacturing	1.264%
323100	Printing and Related Support Activities	1.102%
325400	Pharmaceutical and Medicine Manufacturing	0.702%
327000	Nonmetallic Mineral Product Manufacturing	0.672%
3320A1	Fabricated Metal Product Manufacturing (3321, 3322, 3325, 3326, and 3329 only)	0.599%
321900	Other Wood Product Manufacturing	0.381%
311900	Other Food Manufacturing	0.285%
811200	Electronic Equipment Repair/Maintenance	0.239%
336300	Motor Vehicle Parts Manufacturing	0.225%
3250A1	Chemical Manufacturing (3251, 3252, 3253, and 3259 only)	0.136%
<u>Research and Development</u>		
541710	Research and Development in the Physical, Engineering, and Life Sciences	100.000%
<u>Warehouse</u>		
493100	Warehousing and Storage	100.000%
<u>Residential Care</u>		
623300	Continuing Care Retirement Communities and Assisted Living Facilities	100.000%

(1) Employment by industry is weighted to reflect mix of industries in Santa Barbara County using data from the Quarterly Census of Employment and Wages for 1st Q 2020.

NAICS = North American Industry Classification System

APPENDIX TABLE 18
IDENTIFICATION OF CITY USE CLASIFICATIONS BY NEXUS STUDY USE CATEGORY (1)
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Use Categories Utilized in City Zoning Code	Nexus Study Use Categories								
	Office	Medical	Retail / Commercial	Hotel	Industrial	Research and Development	Warehouse	Residential Care	Not Addressed in Nexus Study
Animal Keeping									x
Caretaker Unit									x
Family Day Care									x
Adult Bookstore, Adult Novelty Store, or Adult Video Store			x						
Adult Live Entertainment Theater			x						
Adult Motion Picture or Video Arcade			x						
Adult Motion Picture Theater			x						
Adult-Oriented Business			x						
Animal Sales and Grooming			x						
Animal Sales, Care and Services			x						
Auction			x						
Automobile Rentals			x						
Automobile/Vehicle Sales and Leasing			x						
Automobile/Vehicle Service and Repair			x						
Automobile/Vehicle Washing			x						
Automobile/Vehicles Sales and Services			x						
Banquet and Conference Center			x						
Bars/Night Clubs/ Lounges			x						
Boarding, Kennel					x				
Building Materials, Sales, and Service			x						
Business Services	x								
Cannabis Microbusiness			x						
Cannabis Retailer			x						
Catering Service			x						
Check-Cashing Business			x						
Cinemas			x						
Commercial Entertainment and Recreation			x						
Eating and Drinking Establishments			x						
Finance, Insurance, and Real Estate Services	x								
Food and Beverage Sales			x						
Funeral Parlors and Interment Services			x						
General Market			x						
General Personal Services			x						
General Retail			x						
Hotels and Motels				x					
Indoor Sports and Recreation			x						
Information Technology Services	x								
Instructional Services	x								
Large Format Retail			x						
Liquor Store			x						
Live/Work Units									x
Lodging				x					
Maintenance and Repair Services			x						
Media-Production Facility					x				

APPENDIX TABLE 18
IDENTIFICATION OF CITY USE CLASIFICATIONS BY NEXUS STUDY USE CATEGORY (1)
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Use Categories Utilized in City Zoning Code	Nexus Study Use Categories								
	Office	Medical	Retail / Commercial	Hotel	Industrial	Research and Development	Warehouse	Residential Care	Not Addressed in Nexus Study
Medical, Dental, and Health-Related Services	X (for medical office)	X (for medical clinics)							
Nurseries and Garden Centers			x (2)						
Outdoor Entertainment									x
Personal Services			x						
Professional Services	x								
Recreational Vehicle Parks									x
Restaurant			x						
Restricted Personal Services			x						
Retail Sales			x						
Service and Gas Stations			x						
Specialty Food Sales and Facilities			x						
Storefront			x						
Time Share Use									x
Veterinary Services			x						
Automobile Wrecking/Junk Yard					x (2)				
Cannabis Cultivation					x (2)				
Cannabis Distribution							x		
Cannabis Manufacturing					x				
Cannabis Testing					x				
Chemical, Mineral and Explosives Storage							x		
Construction and Material Yards							x (2)		
Custom Manufacturing					x				
Heavy Manufacturing					x				
Heavy Vehicle and Large Equipment Sales/Rental, Service, and Repair					x (2)				
Indoor Cultivation					x				
Indoor Warehousing and Storage							x		
Industrial Uses					x				
Non-Volatile Solvent Manufacturing					x				
Nursery			x (2)						
Oil and Gas Facilities									x
Outdoor Storage Yard									x
Packaging and Labeling					x				
Personal Storage									x
Processor					x				
R&D and Technology						x			
Towing Services					x				
Vehicle/Equipment Facilities					x				
Volatile Solvent Manufacturing					x				
Wholesale Trade, Warehouse, Storage and Distribution							x		
Wholesaling and Distribution							x		
Cemetery									x
Colleges and Trade Schools									x
Community Assembly									x
Community Garden									x
Cultural Institutions and Facilities									x
Day Care Facility									x
Emergency Shelter									x

APPENDIX TABLE 18
IDENTIFICATION OF CITY USE CLASIFICATIONS BY NEXUS STUDY USE CATEGORY (1)
NON-RESIDENTIAL AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF GOLETA

Use Categories Utilized in City Zoning Code	Nexus Study Use Categories								
	Office	Medical	Retail / Commercial	Hotel	Industrial	Research and Development	Warehouse	Residential Care	Not Addressed in Nexus Study
Government Buildings									x
Hospital		x							
Park and Recreation Facilities									x
Parking, Public or Private									x
Passive Open Space									x
Public Safety Facility									x
Public/Quasi-Public Uses									x
Schools, Private									x
Skilled Nursing Facility		x							
Social Service Facilities									x
Residential Care Facilities								x	
Antennas and Transmission Towers									x
Communication Facilities									x
Light Fleet-Based Services					x (2)				
Major Utilities									x
Transportation Passenger Terminal									x
Transportation, Communication, and Utility Uses									x

(1) This matrix is intended to serve as a general guide regarding how City use categories relate to Nexus Analysis use / building type categories; however, there may be instances of specific projects that, because of their unique character, another category would be more applicable. Buildings may house more than one use over their useful life and Nexus Analysis findings reflect a representative range of uses.

(2) With respect to indoor conditioned spaces within such facilities. Nexus Analysis does not address outdoor storage or open air facilities.

Attachment C

Ordinance No. 21-__, entitled “An Ordinance of the City Council of the City of Goleta, California, Adopting Development Impact Fees for Affordable Housing on Non-Residential Development, Adopting In-Lieu Fees for Affordable Housing on Residential Development, and Adopting Various Amendments to Title 17 of the Goleta Municipal Code”

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Ordinance No. 21-__

An Ordinance of the City Council of the City of Goleta, California, Adopting Development Impact Fees for Affordable Housing on Non-Residential Development, Adopting In-Lieu Fees for Affordable Housing on Residential Development, and Adopting Various Amendments to Title 17 of the Goleta Municipal Code

A. RECITALS FOR FEES

1. Non-Residential Affordable Housing Development Impact Fees

- a.** The Mitigation Fee Act, Government Code Sections 66000, *et seq.*, governs the establishment and administration of development impact fees (DIFs) paid by new development projects for public facilities needed to serve new development; and
- b.** The imposition of DIFs is one of the preferred methods of ensuring that new development bears a proportionate share of the estimated reasonable cost of providing public facilities and service improvements necessary to accommodate such development; and
- c.** The Mitigation Fee Act provides that prior to the adoption of an impact fee ordinance, the local government agency must:
 - i.** Identify the purpose of the fee,
 - ii.** Identify the use to which the fee will be put,
 - iii.** Make specific findings to determine that there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
 - iv.** Make specific findings to determine that there is a reasonable relationship between the need for the public facility and the type of the development project on which the fee is imposed,
 - v.** Make specific findings to determine that there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development project on which the fee is imposed, including that the fee shall not exceed the estimated reasonable cost of providing the service or facility, and
 - vi.** Hold at least one noticed, public hearing as part of a regularly scheduled meeting.
- d.** In accordance with the above-referenced requirements of the Mitigation Fee Act, the City Council finds the following with respect to the non-residential affordable housing DIFs:

- i. **Purpose of the Fee.** The purpose of the DIFs established herein is to provide funding to achieve the City's goal of providing affordable housing throughout the City, as established by the goals and objectives of City's General Plan, by imposing fees on new development in the City to offset the increased demand for housing related thereto. In particular, the City's Housing Element of the General Plan details the specific standards related to housing needs that are or will be impacted by the City's increased growth, including without limitation those goals, policies, and standards set forth in General Plan subpolicies HE 2.2 and HE 2.5, which are incorporated herein by this reference. Accordingly, to comply with the requirements and policies of the General Plan, the City will need to provide additional or rehabilitated affordable housing units as growth increases within the City as a result of new development projects. Without assessing the proposed DIFs, there will be insufficient affordable housing within the City to remain consistent with the General Plan's goals, policies, and standards.
- ii. **Use of the Fee.** The proceeds from the respective DIFs will be used for the purpose of constructing and acquiring new or rehabilitating existing affordable housing units, to the extent a project for new development results in impacts for which the respective fee reasonably relates. The Ordinance proposes to collect a proportionate fee from development projects to the extent such projects result in impacts requiring the imposition of such fee. New development projects will result in increased demands on the City's existing housing stock. The need to plan and provide for population increases, and the attendant impacts on the City's housing stock, is demonstrated through the City's General Plan, which anticipates that increased growth will create housing constraints on the City (i.e., General Plan subpolicies HE 2.2 and HE 2.5, which are incorporated herein by this reference). Any DIF shall not include the costs attributable to existing deficiencies in affordable housing but may include the costs for increased demand for additional affordable housing units reasonably related to new development project. Revenues from the proposed DIFs are anticipated to be used to, among other things, offset costs associated with the increased demand for housing from new development, as set forth in the General Plan.
- iii. **Relationship Between the Fee's Use and the Type of Development Project on Which the Fee is Imposed.** The DIFs may be applied to projects for new development within the City, but only to the extent that such projects create housing impacts that require mitigation that may be offset by the DIF, as set forth in Title 17. New development will place additional burdens on all or some of the Citywide housing stock. Accordingly, the imposed DIFs will be used to acquire and construct new affordable housing units needed to offset the impacts resulting from the associated development. The affordable housing units that are constructed, acquired, and/or rehabilitated with the proceeds

of the DIFs, to the extent a development project results in impacts for which the imposed fee reasonably relates, will help address and mitigate the additional impacts and demands created by these new development projects.

- iv. ***Relationship Between the Need for the Facilities and the Type of Project.*** The need for affordable housing and increase in demand for housing anticipated some future development herein referenced are based upon an analysis of existing housing stock, land uses, and zoning. Each new development project will generate new demand for housing through the resulting increase in population working and living within the City. To the extent new housing units are not constructed as a part of the new development project, the increased demand on existing housing stock will be mitigated by the payment of the DIFs in order for the City to pursue constructing or otherwise providing the required units. Current housing stock is only adequate for the existing development and population in the City. The City will need to construct, acquire, and/or rehabilitate additional housing units within the City to meet increased demands resulting from new development, and the housing units developed and or increased through the housing DIFs will address and mitigate the additional impacts and demands created by the new development projects.
- v. ***Relationship Between the Amount of the Fee and the Cost of the Facility or Portion of the Facilities Attributed to the Project.*** The amounts of the proposed DIFs, as set forth in the fee setting resolution, have been established in accordance with the Fee Study, adopted by the City Council by Resolution No. 2021-__ and incorporated herein by this reference, and do not exceed the estimated reasonable cost of providing the required affordable housing on site by development projects within the City. The amounts of the DIFs established by the fee setting resolution relate rationally to the estimated reasonable cost of providing said affordable units on site as part of the development projects within the City.
- vi. ***Public Hearing.*** Pursuant to Government Code sections 66016, 66017, and 66018, the City has: (a) mailed notice as least fourteen (14) days prior to this meeting to all interested parties that have requested notice of new or increased fees or service charges; (b) published notice pursuant to the requirements of Government Code section 6062a; and (c) held a duly noticed, regularly scheduled public hearing at which oral and written testimony was received; and
- e. It is necessary through the provisions of this Ordinance to impose fees on new development in order to protect the public health, safety and welfare through the provision of adequate public facilities, to afford developers certainty with regard to their financial obligations, and to ensure that such development will

not create a burden on the interrelated public facilities and services networks of the City.

- f. The Mitigation Fee Act, Government Code Section 66006(b), requires that the City prepare annual financial reports of all development impact fees and make the reports available to the public; and

2. Residential Affordable Housing In-Lieu Fees

- a. 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 housing fees that are alternatives to providing required affordable housing units on site; and
- b. 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 on the provision of on-site affordable housing units; and

B. GENERAL RECITALS

- a. The City of Goleta (City) adopted Title 17 (Zoning) of the Goleta Municipal Code on March 3, 2020; and
- b. Since the adoption of Title 17, City staff has identified a variety of edits that are needed to improve Title 17 to address State law and General Plan policy; and
- c. The Planning Commission conducted a duly noticed public hearing on September 13, 2021, at which time all interested parties were given an opportunity to be heard; and
- d. The Planning Commission recommended to City Council adoption of the Title 17 Ordinance Amendments at the public hearing on September 13, 2021; and
- e. The City Council conducted a duly noticed public hearing on October 5, 2021, at which time all interested persons were given an opportunity to be heard; and
- f. The City Council adopted Resolution No. 21-___, which establishes a new affordable housing fee program; and
- g. The City Council adopted Ordinance No. 21-___, which amends Title 17 of the Goleta Municipal Code, by a majority vote on _____, 2021.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GOLETA DOES HEREBY ORDAIN 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. Required Findings for Ordinance Amendments

Pursuant to subsection 17.66.050(B) of the Goleta Municipal Code, the City Council makes the following findings:

A. The amendments are consistent with the General Plan, the requirements of State planning and zoning laws, and Title 17 of the Goleta Municipal Code.

The textual amendments to Title 17 will allow the City to implement Housing Element policies HE 2.2 and HE 2.5. Specifically, HE 2.2, Linkage of Housing and Jobs, relates to non-residential development, and directs the City to encourage adequate housing opportunities that meet the needs of the local workforce. HE 2.5, Inclusionary Housing, relates to residential development, and directs the City (to the extent permitted by law) to require all residential development to provide affordable housing. Therefore, creating a new Affordable Housing Fee Program for a Residential In-Lieu Fee and a Non-Residential Impact Fee is consistent with all applicable provisions of the City's General Plan, State planning and zoning laws, and Title 17 of the municipal code that relate to developing and facilitating the development of affordable housing on real property throughout the City. Therefore, this finding can be made.

B. The amendments are in the interests of the general community welfare.

The textual amendments will allow the City to continue to effectively exercise its police power rights over privately-owned real property. These police power ensure the City's ability to implement the goals, objectives, and policies of the General Plan, which protect the health, safety, and general welfare of the community. Furthermore, providing and facilitating affordable housing for households at all income-levels fall squarely within the interest of the general welfare of the community. Therefore, this finding can be made.

C. The amendments are consistent with good zoning and planning practices.

The amendments will help the City continue to implement the community goals, objectives, and policies of the General Plan that relate to providing and facilitating development of affordable housing at all income-levels throughout the City. Furthermore, the amendments ensure the City complies with State requirements to provide housing that satisfies the City's allocated number of housing units through the Regional Housing Needs Assessment. Therefore, the amendments are consistent with good zoning and planning practices and this finding can be made.

SECTION 3. Environmental Assessment

Title 17 Ordinance Amendment

The Ordinance Amendment is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(3) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity is not a project as defined in Section 15378(b)(5) as an organizational or administrative activity by government that will not result in direct or indirect physical changes in the environment. The Ordinance Amendment is also exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines because the activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Furthermore, Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183, projects that are consistent with the development density of existing zoning, community plan, or General Plan policies for which an Environmental Impact Report (EIR) was certified shall be exempt from additional CEQA analysis except as may be necessary to determine whether there are project-specific significant effects that are peculiar to the project or site that would otherwise require additional CEQA review. There is no new substantial information indicating that the impacts of the project will be more severe than described in the General Plan EIR and there are no cumulative or off-site impacts from the proposed project that were not addressed in the General Plan EIR. As such, the Ordinance Amendment is exempt from further CEQA review.

SECTION 4. Title 17 of the Goleta Municipal Code (GMC) Amendments

Title 17 of the GMC is hereby amended as follows:

A. Section 17.28.010 “Clean-up” Edits

Edits to the last paragraph of Section 17.28.010 to insert the term “fee” between the phrase “in-lieu payment” to read “in-lieu fee payment” and to replace the word “may” with “shall” in order to read as follows:

The primary intent of the inclusionary requirement is to achieve the construction of new affordable units on site. A second priority is construction of affordable units off site, or the transfer of sufficient land to the City or a City-approved affordable housing specialist or an in-lieu fee payment to the City. This Chapter shall be implemented by way of a resolution adopted by the City Council.

B. Subsection 17.28.050(B) “Clean-up” Edits

Edits within subsection 17.28.050(B) to insert the term “fee” a total of five times between the phrase “in-lieu payment” to read “in-lieu fee payment” in order to read in its entirety as follows:

B. **Fractional Units.** In the event the calculation for the number of inclusionary units in any income category results in a fraction, the developer must account for inclusionary units as follows:

1. For projects of two to four units, the developer must make an in-lieu fee payment in an amount equal to the percentage represented by the fractional unit (out to two decimal places) for each income category multiplied by the applicable in-lieu fee payment amount for a full unit at that income level.
2. For projects of five or more units, in the event the calculation for the number of inclusionary units in any income category results in a fraction of an inclusionary unit, the developer has the option of either: (1) providing a full inclusionary unit within the residential development at the specific income level; or (2) combining fractional units at various income levels to sum a whole unit or units and build that unit or units at the low-income level. Any remaining fraction must be accounted for through an in-lieu fee payment in an amount equal to the percentage represented by the fractional unit multiplied by the applicable in-lieu fee payment amount. The amount of the in-lieu fee payment will be in direct proportion to the fractional unit out to two decimal places.

C. Subsection 17.28.050(D)(3) “Clean-up” Edits

Edits within subsection 17.28.050(D)(3) to insert the term “fee” a total of eight times between the phrase “in-lieu payment” to read “in-lieu fee payment” in order to read in its entirety as follows:

3. **Other Alternatives.** If unable to provide the required affordable housing pursuant to this Chapter on-site, off-site, or through a land dedication, the developer may propose meeting this Section’s affordable housing obligations by paying an inclusionary housing in-lieu fee payment, acquisition or rehabilitation of existing units, or other alternatives of equal value to the development of affordable units on site.
 - a. *In-Lieu Fee Payment.* If providing an in-lieu fee payment, the developer must pay the amount in accordance with the following requirements:
 - i. Amount. The amount of the in-lieu fee payment must of equal value to the provision of the affordable units on site.
 - ii. Payment Due Before Occupancy Permit. The inclusionary housing in-lieu fee payment must be paid in full to the City prior to the City granting any approval for occupancy of the project, but no earlier than the issuance of the building permit.
 - iii. Density Bonus Eligibility. The payment of an inclusionary housing in-lieu fee payment pursuant to this Chapter is not considered a provision of an affordable housing unit for purposes of determining eligibility for a density bonus pursuant to Chapter 17.27, Density Bonuses and Other Incentives, or California Government Code, Section 65915 et seq.
 - b. *Acquisition and Rehabilitation.* If acquiring and rehabilitating existing units, the following requirements must be met:
 - i. The value of the rehabilitation work is 25 percent or more than the value of the dwelling unit prior to rehabilitation, inclusive of land value.

- ii. The site is zoned for residential units at a density to accommodate the number of rehabilitated units.
 - iii. The rehabilitated dwelling units must comply with all applicable building codes.
 - iv. The acquisition and rehabilitation are included in the project description for the market-rate unit project and is included in environmental review.
 - v. The rehabilitation of dwelling units must be completed prior to or concurrently with the market-rate units.
 - vi. The developer of the market-rate units must provide all costs of notice and relocation of existing residence in the residential units to be rehabilitated.
 - vii. Except as otherwise provided in this Chapter or specified in an inclusionary housing agreement, inclusionary units must contain, on average, the same number of bedrooms, bathrooms, and square footage as the non-inclusionary units proposed. The units must be compatible with the market-rate units proposed with regard to appearance, materials, and exterior design.
- c. *Required Findings.* If proposing an inclusionary housing in-lieu fee payment, acquisition or rehabilitation of existing units, or other alternatives of equal value to the development of affordable units on site dedication to meet the requirements of this Chapter, each of the following findings must be made by the City Council:
- i. The development of on-site affordable units is infeasible.
 - ii. The developer demonstrates that the in-lieu fee payment, acquisition and rehabilitation of existing units, or other alternative is of equal value to the provision of the affordable units on site.

D. Subsection 17.28.060(A) “Clean-up” Edits

Edits in subsection 17.28.060(A) to insert the term “fee” a total of two times between the phrase “in-lieu payment” to read “in-lieu fee payment” in order to read in its entirety as follows:

- A. **Inclusionary Housing Plan.** No development application will be deemed complete until an Inclusionary Housing Plan containing all of the following elements has been submitted in a form meeting the approval of the Director:
1. For each construction phase, the Affordable Housing Plan must specify, at the same level of detail as the application for the residential development: the inclusionary housing option selected; the number, unit type, tenure, number of bedrooms and baths, approximate location, size, and design; construction and completion schedule of all inclusionary units; phasing of inclusionary units in relation to market-rate units, and general outline of the marketing plan.
 2. Identification of the affordable income level for the proposed inclusionary units.
 3. Calculation of the proposed number of inclusionary units consistent with this Chapter.
 4. A written explanation of the method for restricting the units for the required term at the affordable income levels.

5. If on-site development of affordable units is not proposed, supporting evidence demonstrating on-site development is infeasible.
6. If the developer proposes meeting this Section's affordable housing obligations by paying an inclusionary housing in-lieu fee payment, acquisition or rehabilitation of existing units, or other alternatives of equal value to the development of affordable units on-site pursuant to Section 17.28.050, Inclusionary Housing Requirements, supporting evidence demonstrating that the in-lieu fee payment, acquisition and rehabilitation of existing units, or other alternative is of equal value to the provision of the affordable units on site.
7. If the developer proposed tradeoffs of extremely low- and very low-income units for low- or moderate-income units, supporting evidence demonstrating that the development of on-site extremely low- and very low- income units is infeasible and that the City's housing goals can be more effectively achieved through the proposed tradeoffs.
8. Description of the methods to be used to verify tenant incomes and to maintain the affordability of the inclusionary units and must specify a financing mechanism for the ongoing administration and monitoring of the inclusionary units.
9. Any other information that may be requested by the Director to aid in the evaluation of the sufficiency of the plan under the requirements of this Chapter.

E. Section 17.70.040 List of Types of Development Impact Fees

Edits to Section 17.70.040 to include Affordable Housing Facilities to the listing of types of impact fees. The revised Section will read in its entirety as follows:

17.70.040 List of Types of Development Impact Fees

Public Facility Fees. Unless otherwise indicated, the following types of DIFs shall be imposed at the time of approval for Development within the City to finance the cost of the related Public Facilities:

- A. Bicycle and Pedestrian Facilities.
- B. Fire Facilities.
- C. Library Facilities.
- D. Parks and Recreation Facilities (not applicable to residential subdivisions for which Quimby Fees are imposed).
- E. Public Administration Facilities.
- F. Storm Drain Facilities.
- G. Transportation Facilities.
- H. Affordable Housing Facilities (applicable only to non-residential projects and components of mix-used projects not subject to Chapter 17.28).

F. Chapter 17.70 Development Impact Fees

Edit to Chapter 17.70 to revise subsection 17.70.090(A) to restructure and add a new clause to ensure payment of all required DIFs occurs prior to any issuance of a certificate of occupancy, including "temporary occupancy." The revised subsection will read as follows:

A. The DIFs established pursuant to this Chapter shall be paid by the developer for the property on which a Development Project is proposed at the time of final inspection or the date on which the certificate of occupancy is issued, whichever occurs first, except as otherwise provided below.

- i. DIFs imposed on residential Development, shall be collected in accordance with the provisions of Government Code, Section 66007.
- ii. Where a Development Project does not require a building permit, DIFs will be collected at permit issuance.
- iii. In no instance may a certificate of occupancy, including a “temporary” certificate of occupancy, be issued for a project prior to the full payment of all required DIFs.

G. Section 17.73.010 “Clean-up” Edit

Edits within Section 17.73.010 (List of Terms) to edit the phrase “Fee / Payment Terms” to remove “/ Payment” and to read as “Fee Terms.”

H. Section 17.73.010 “Clean-up” Edit

Edits within Section 17.73.010 (List of Terms) to edit the phrase “Inclusionary Housing In-Lieu Payment” to replace the term “Payment” with “Fee” in order to read as “Inclusionary Housing In-Lieu Fee.”

I. Section 17.73.020 “Clean-up” Edits

Edits within Section 17.73.020 (Definitions) to edit the phrase “Fee / Payment Terms” to remove “/ Payment” and to read as “Fee Terms.”

J. Section 17.73.020 “Clean-up” Edit

Edits within Section 17.73.020 (Definitions) to edit the phrase “Inclusionary Housing In-Lieu Payment” to replace the term “Payment” with “Fee” in order to read as “Inclusionary Housing In-Lieu Fee.”

SECTION 5. Effect of Amendments

To the extent any provision of this Ordinance repeals, amends, or supersedes any previous approvals, such repeal or replacement will not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Ordinance’s effective date. Any such repealed or superseded part of previous approvals will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 6. Severability

If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of

the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 7. Codification

The City Clerk shall cause these amendments to be appropriately renumbered and codified in Title 17 of the Goleta Municipal Code on the effective date of this Ordinance.

SECTION 8. Compliance with Notice and Public Hearing Requirements

This Ordinance was reviewed at a noticed public hearing, for which the Ordinance and the associated Staff Report were available to the general public for a period of not less than fourteen (14) days prior to the public hearing.

SECTION 9. Effective Date

In accordance with California Government Code section 66017(a), this Ordinance shall be in full force and effect sixty (60) days after its adoption.

SECTION 10. Certification

The City Clerk shall certify to the adoption of this Ordinance and, within 15 days after its adoption, shall cause it to be published in accord with California Law.

INTRODUCED ON the ____ day of _____, 2021.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2021.

PAULA PEROTTE
MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

MICHAEL JENKINS
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 Ordinance No. 21-__ was introduced on _____, and adopted at a regular meeting of the City Council of the City of Goleta, California, held on the _____, by the following roll-call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

ATTACHMENT 2

CEQA Document: Notice of Exemption

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NOTICE OF EXEMPTION (NOE)

To: ☐ Office of Planning and Research
P.O. Box 3044, 1400 Tenth St. Rm. 212
Sacramento, CA 95812-3044

From: City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

☒ Clerk of the Board of Supervisors
County of Santa Barbara
105 E. Anapamu Street, Room 407
Santa Barbara, CA 93101



Subject: Filing of Notice of Exemption

Project Title: Case No. 21-0004-ORD: Affordable Housing Fees and Associated Goleta Municipal Code Title 17 (Zoning) Ordinance Amendments

Project Applicant: City of Goleta

Project Location (Address and APN): Citywide

Description of Nature, Purpose and Beneficiaries of Project:

On March 3, 2020, City Council adopted Title 17 (Zoning) of the Goleta Municipal Code. The proposed amendments the recently adopted Title 17 are intended to address General Plan Housing Element policy HE 2.2, Linkage of Housing and Jobs, which relates, in part, to the funding of affordable housing by non-residential development, and policy HE 2.5, Inclusionary Housing, which relates to residential development providing affordable housing.

Name of Public Agency Approving the Project: City of Goleta

Name of Person or Agency Carrying Out the Project: City of Goleta

Exempt Status:

- ☐ Ministerial
- ☐ Declared Emergency
- ☐ Emergency Project
- ☐ Categorical Exemption
- ☒ Statutory Exemption: Public Resources Code §21083.3; CEQA Guidelines, §15183 and §15267
- ☒ Other: CEQA Guidelines, §15060(c)(3); §15378(b)(5); and §15061(b)(3)

Reason(s) why the project is exempt:

For adoption of the Housing Fees, CEQA Guidelines Section 15267 (Title 14, Chapter 3 of the California Code of Regulations) 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,

NOTICE OF EXEMPTION (NOE)

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.

Adoption of the Title 17 Ordinance Amendment is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(3) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity is not a project as defined in Section 15378(b)(5) as an organizational or administrative activity by government that will not result in direct or indirect physical changes in the environment. The Ordinance Amendment is also exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines because the activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

In addition, Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning) exempt from further environmental review certain qualifying projects that are consistent with a community plan or zoning. Under this statutory exemption, projects that are consistent with the development density of existing zoning, community plan or General Plan policies for which an Environmental Impact Report (EIR) was certified shall not require additional CEQA review except as may be necessary to determine whether there are project-specific significant effects that are peculiar to the project or site that would otherwise require additional CEQA review. Specifically, where a prior EIR relied upon by the lead agency was prepared for a General Plan meeting the requirements of State CEQA Guidelines Section 15183, any rezoning action consistent with the General Plan shall be treated as an exempt project pursuant to Section 15183 of the CEQA Guidelines.

Here, the City of Goleta has an existing, adopted General Plan for which an EIR was certified. The Title 17 Ordinance Amendment is consistent with the existing, adopted General Plan and its development densities. No project-specific significant effects would occur that are particular to the adoption of the Title 17 Ordinance Amendment. Therefore, no additional CEQA review is required.

City of Goleta Contact Person:

Peter Imhof

Director, Planning & Environmental Review

Date

ATTACHMENT 3

Staff Presentation

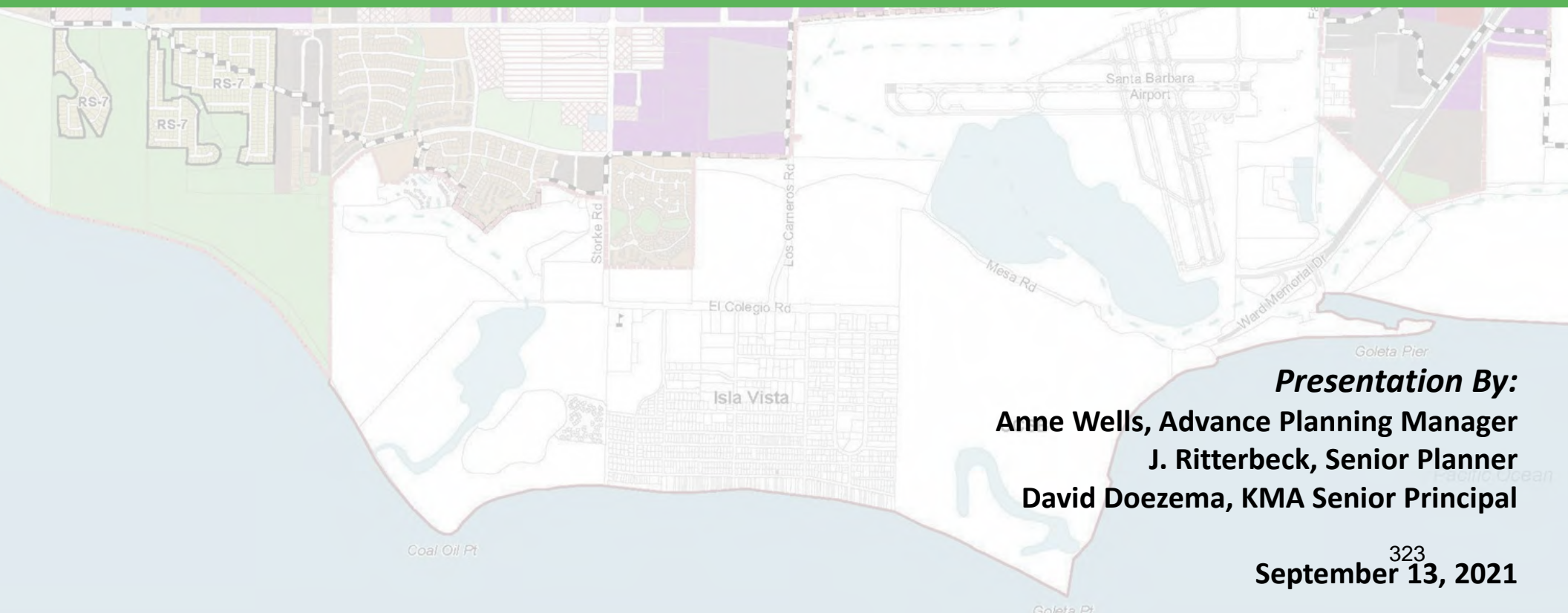
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City of Goleta

Public Hearing: Housing Fees and Title 17 Ordinance Amendments

Planning Commission Recommendation Hearing



Presentation By:
Anne Wells, Advance Planning Manager
J. Ritterbeck, Senior Planner
David Doezeema, KMA Senior Principal

323
September 13, 2021

Public Hearing Agenda

❖ Suggested Format

By Topic Area

- Staff Presentation
- Commissioner Questions
- Public Comment

- Commission Deliberation
- Action on Recommendation

Background

Background

- **CA Housing Crisis**
- **State Law**
- **Goleta General Plan Housing Element**
 - HE 2.2(b) – Commercial / Housing Impacts
 - HE 2.5 – Inclusionary Housing
 - HE 2.8 – Funding for Affordable Housing
- **State SB 2 Grant**
- **Public Outreach**

Residential: In-Lieu Fees

Residential In-Lieu Fees

- **Inclusionary Housing Program**
 - HE 2.5
 - Title 17, Chapter 17.28
- **Residential In-Lieu Fee Report**
 - Methodology
 - Prototypes & Benchmarks
 - Comparable Cities
 - Past City Projects
 - Analysis
 - Results

Goleta's Inclusionary Requirement

- Applies to residential projects with 2+ units
- 20% affordable units (15% with other benefits)
- On-site affordable units preferred
- In-Lieu payment is an alternative to providing units on-site allowed for:
 - Two to four-unit projects
 - Larger projects, with a finding that on-site units are infeasible and In-lieu payment provides equal value

Requirement by Income Category

Extremely Low (up to 30% AMI)	2.5%
Very Low (up to 50% AMI)	2.5%
Low (up to 80% AMI)	5%
Moderate (up to 120% AMI)	5%
Above Moderate (up to 200% AMI)	<u>5%</u>
Total	20%

AMI = Area Median Income

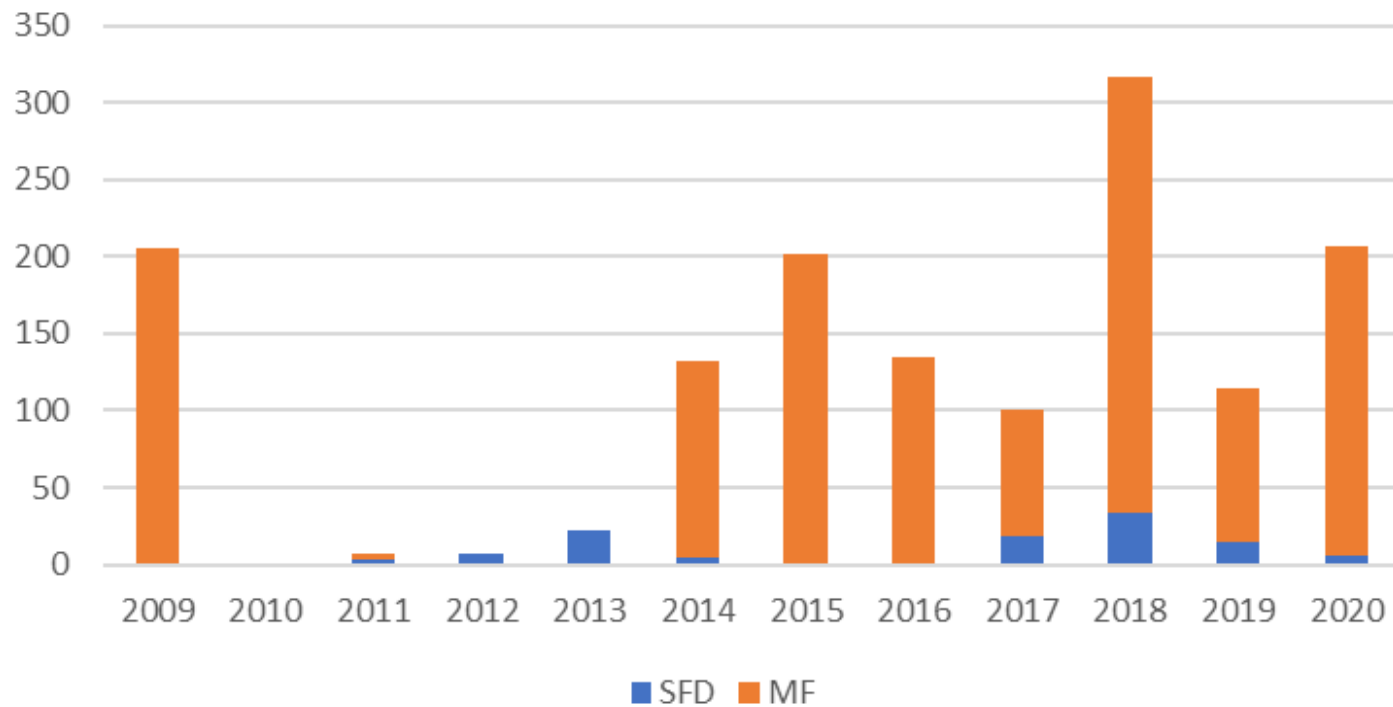
Household Income Categories

Maximum Household Income to Qualify in Category (four-person household)	
Extremely Low (Under 30% AMI)	\$37,450
Very Low (30%-50% AMI)	\$62,450
Low (50%-80% AMI)	\$100,050
Moderate (80%-120% AMI)	\$108,100
Above Moderate (120%-200% AMI)	\$180,200
Median (100% of AMI)	\$90,100

AMI = Area Median Income

Source: California Department of Housing and Community Development, 2021 Income limits for Santa Barbara County

Residential Development in Goleta



170 units / year
2014 - 2020

- ~90% attached and multi-family
- ~10% single-family detached

Water district moratorium likely to limit additional development near-term

Source: City of Goleta General Plan Annual Reports

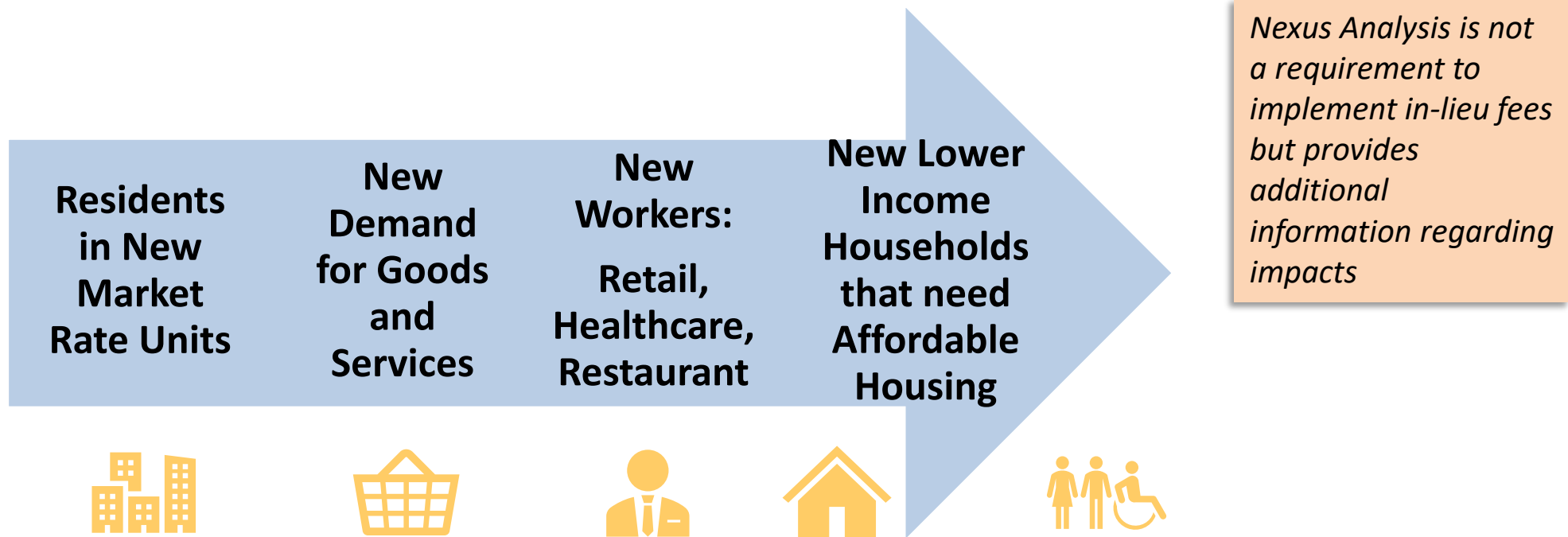
Income to Afford Market Rate Housing

For-Sale Units	
Existing	~38% of existing units affordable at Above Moderate (120% - 200% AMI) ~62% of existing units priced above 200% of AMI (\$180,000 for family of 4)
Newly Built	With 20% down: attached unit affordable for ~150% AMI (\$135,000 for family of 4) With 5% down: income of ~200% AMI or more needed (\$180,000 for family of 4)
Rental Units	
Existing Rentals	Need Income around ~130% AMI (\$117,000 for family of 4)
Newly Built Rentals	Need Income around ~174% AMI (\$153,000 for family of 4)

Residential Prototypes for Analysis

Prototype	Average Unit Size	Representative Density	Average Price/Rent
Single Family, Larger Lot	3,300 sf	2 du/acre	\$2,000,000
Single Family	2,200 sf	8 du/acre	\$1,100,000
Townhomes	1,600 sf	15 du/acre	\$800,000
Stacked Flat Condos	1,200 sf	20 du/acre	\$690,000
Apartments	960 sf	22 du/acre	\$3,264/mo.

Residential Nexus Analysis: Concept



Nexus Analysis Maximum Fees (\$/Sf)

Maximum fees represent the cost to mitigate affordable housing impacts of new development

Single Family, Large Lot	Single Family	Townhomes	Condos	Apartments
\$16.80	\$16.40	\$17.70	\$21.50	\$27.20

Per square foot findings reflect net rentable or net sellable square feet excluding parking areas, external corridors and other common areas

In-Lieu Fee Analysis

Identifies fees equivalent to the cost of providing required affordable units under inclusionary ordinance

Four approaches are shown



On-Site affordable units



Affordable units as stand-alone rental financed with tax credits



In-Lieu fee paid by past projects



Gap between market and affordable prices for existing homes

In-Lieu Fee Analysis Findings (\$/SF in project)

In-Lieu Fee Basis	Single Family	Townhomes	Apartments
On-site affordable unit costs	\$71	\$62	\$69
Stand-alone affordable rental with tax credits	\$12	\$16	\$27
In-Lieu Fee Used for Prior Projects	\$7	\$10	\$17
In-Lieu Fee based on gap between market and affordable prices for existing homes	\$29	\$40	\$67

Per square foot findings reflect net rentable or net sellable square feet excluding parking areas, external corridors and other common areas

In-Lieu Fees in Other Jurisdictions

(Converted to \$/SF in project for comparison)

Jurisdiction	Single Family	Townhomes	Apartments
City of Santa Barbara	\$30	\$35	\$25
County of Santa Barbara	\$34	\$47	exempt
Carpinteria	\$19	\$26	exempt
City of San Luis Obispo	\$7	\$8	\$12
Oxnard	\$16	\$22	\$29
Arroyo Grande	\$7	\$8	\$12
Pismo Beach	\$7	\$8	\$12

How Past Goleta Projects Complied

Project	Inclusionary Compliance	Estimated Cost (\$/SF)
Village at Los Carneros (465 units)	70 on-site affordable units (Very Low and Low). developed by non-profit with tax credit financing	\$1/SF
Old Town Village / Winslowe (175 units)	14 on-site affordable units for Above Mod and Moderate + in-lieu payment for Extremely Low, Very Low, Low	\$12/SF
Citrus Village Townhomes (10 units)	In-Lieu payment	\$11/SF
Hideaway/Haskell's Landing (101 units)	10 on-site affordable for Above Moderate and Moderate + in-lieu payment for Extremely Low, Very Low, Low	\$6/SF
Cortona (176 units) Hollister Village (266 units)	No requirement. Approved before AB 1505 allowed rental inclusionary	N/A

In-Lieu Fee Recommendations

Based upon all considerations, the report recommended impact fees are as follows:

\$28.10/sq.ft. for For-Sale projects,
\$27.40/sq.ft. for Rental projects, and
\$16.00/sq.ft. for 2 - 4 unit projects

Potential Consideration:

Keep Mod. & Above Mod. units subject to In-Lieu fees

Non-Residential: Impact Fees

Non-Residential: Impact Fees

- **Commercial / Housing Linkage**
 - HE 2.2(b)
 - Nexus Study
 - Methodology
 - Analysis
 - Results
 - Maximum fee levels
- **Non-Residential Impact Fee Report**
 - Summary of Nexus Study
 - Analysis

Non-Residential Affordable Housing Impact Fees

- Fee to mitigate impact of non-residential development on the need for affordable housing
- First programs adopted in the 1980s
- Now around 50 programs in California
- Goleta's HE Policy 2.2B only comparable program in County

Goleta's Housing Element Policy 2.2B

HE Policy 2.2B: The City will require new non-residential development and proposed expansion or intensification of existing non-residential development to contribute to providing affordable employee housing

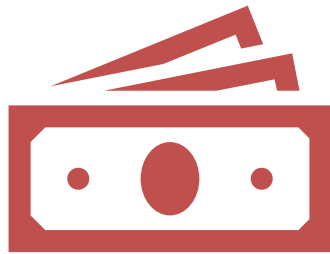
- Policy dates to first housing element in 2006 and has been implemented for over a decade
- Fees determined on case-by-case basis have averaged approximately \$6 per square foot
- Calls for a development impact fee study

Non-Residential Development in Goleta

- Approximately 1 million square feet of non-residential over last decade.
- Office and hotel have been the largest categories
- Temporary moratorium on new water service will likely limit development in near-term



Nexus Study Purpose



Establishes Maximum Fee Levels



**Addresses Legal Requirement to
Implement an Impact Fee**

Nexus Concept

New Workplace Buildings Mean:

- New jobs, a share of which are lower paying
- New lower income households
- New demand for affordable housing

25

Nexus study result: maximum fee levels based on cost to provide needed affordable units to workers

Nexus Study Maximum Fee Findings (\$/SF)

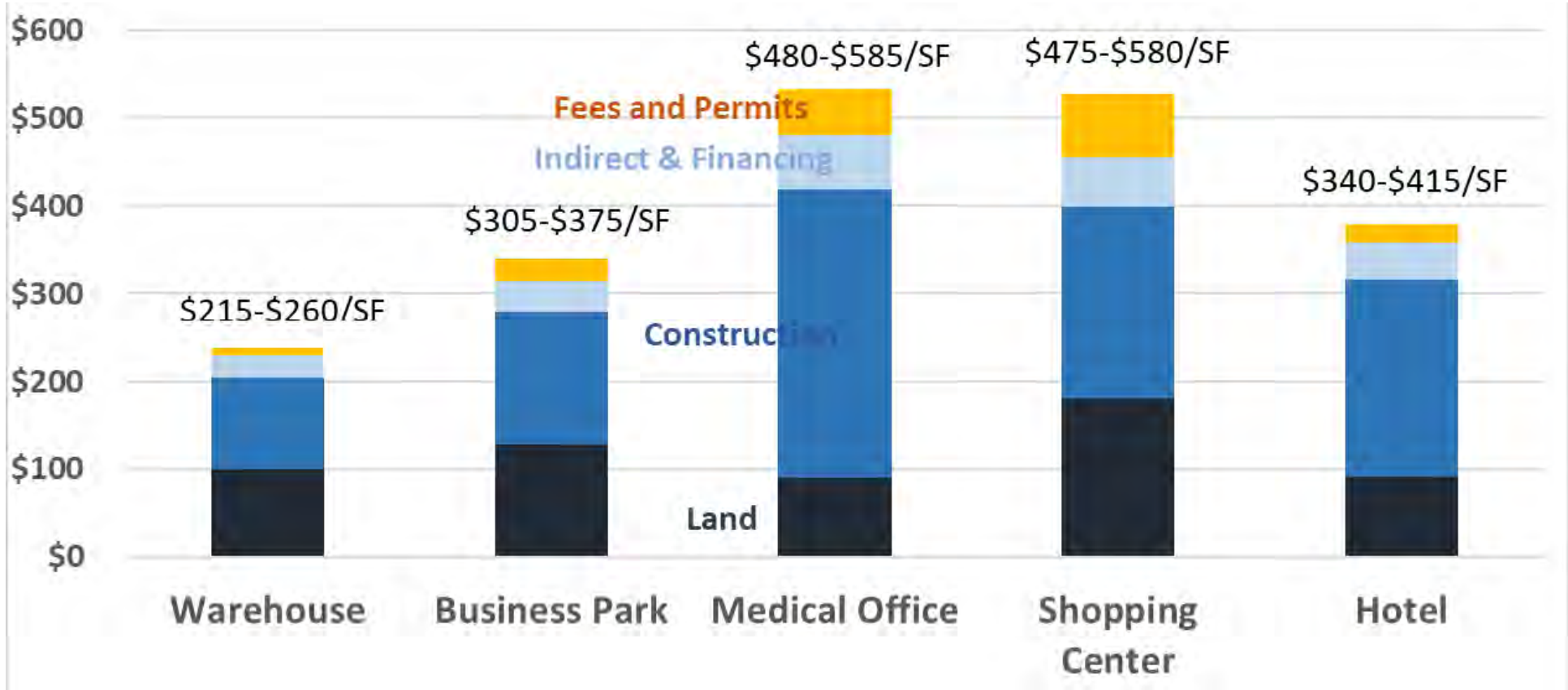
Office	\$97.80
Medical	\$85.20
Retail / Commercial	\$112.90
Hotel	\$45.40
Industrial	\$80.10
Research and Development	\$45.00
Warehouse	\$25.90
Residential Care	\$25.70

Nexus findings are a ceiling on potential fees

Fees are typically set well below nexus maximums based on other considerations

Illustrative Total Development Cost Estimates

Prototype Non-Residential Projects (\$ / square foot gross building area)



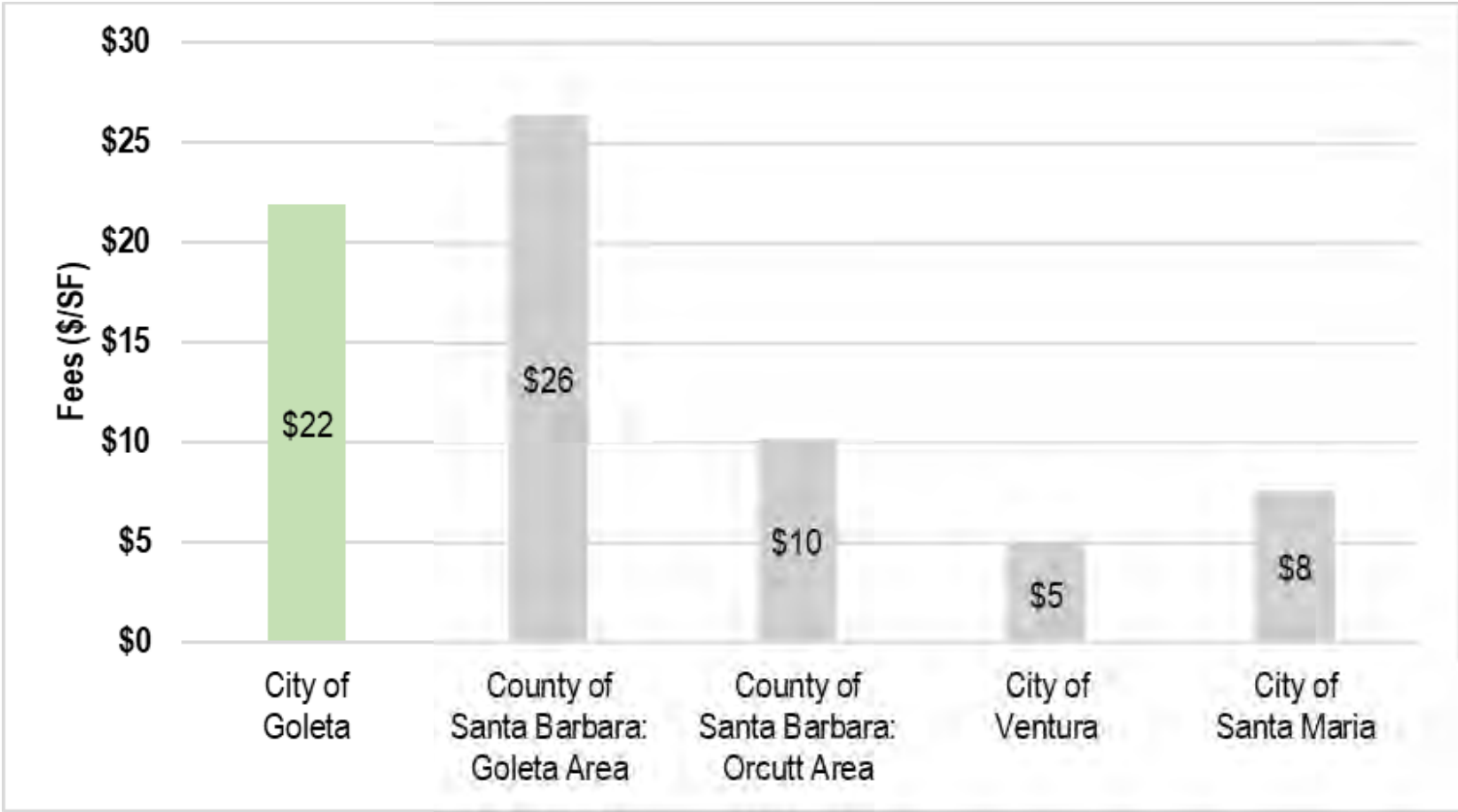
Fee Levels as Percent of Total Development Costs

Illustrative Housing Fee Levels

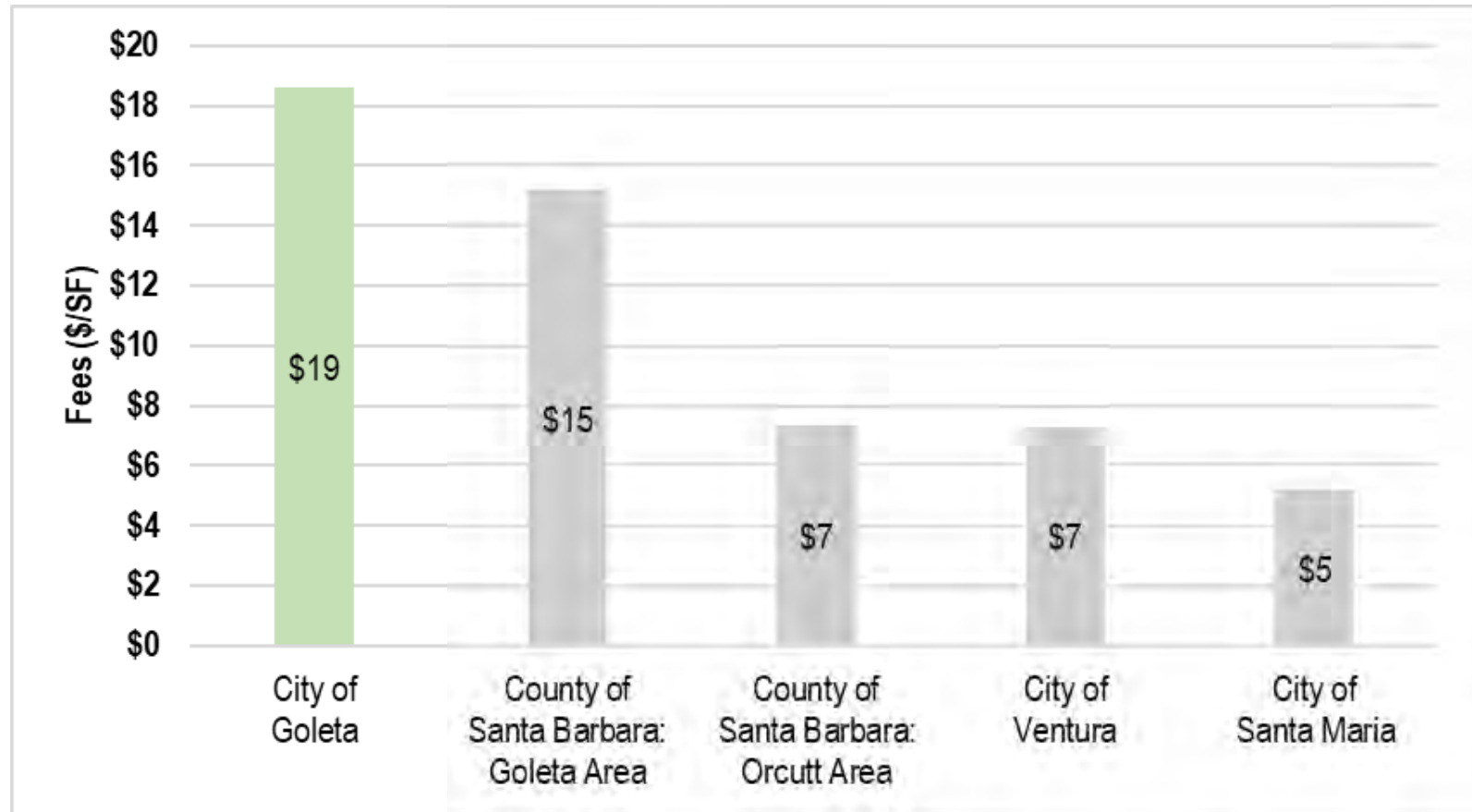
	<i>Development Cost Range (\$/GSF)</i>	\$2	\$4	\$6	\$8	\$10	\$12	\$15
Warehouse/ Distribution	\$215 - \$260	0.8%	1.7%	2.5%	3.4%	4.2%	5.1%	6.3%
Business Park	\$305 - \$375	0.6%	1.2%	1.8%	2.4%	3.0%	3.5%	4.4%
Medical Office	\$480 - \$585	0.4%	0.8%	1.1%	1.5%	1.9%	2.3%	2.8%
Shopping Center	\$475 - \$580	0.4%	0.8%	1.1%	1.5%	1.9%	2.3%	2.8%
Hotel	\$340 - \$415	0.5%	1.1%	1.6%	2.1%	2.6%	3.2%	4.0%

Legend: up to 1% 1-2% 2-3% over 3%

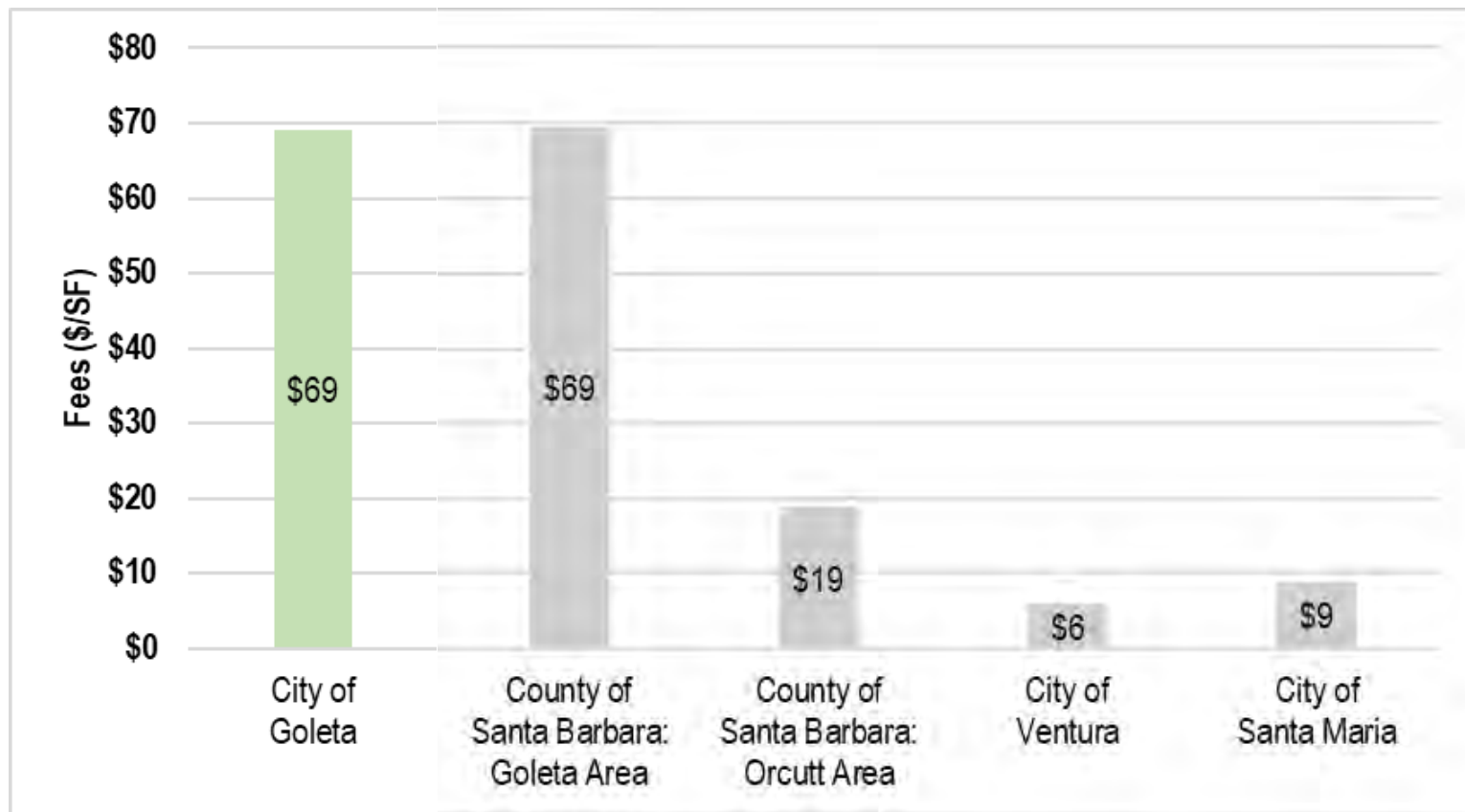
Total Development Fee Comparison: Business Park



Total Development Fee Comparison: Hotel



Total Development Fee Comparison: Retail



Affordable Housing Fees for Non-Residential

Southern California and Central Coast Examples *Dollars per square foot*

	Office	Retail	Hotel	Industrial
Los Angeles (varies by zone)	\$3.11 - \$5.19	\$3.11 - \$5.19	\$3.11 - \$5.19	\$3.11 - \$5.19
Santa Monica	\$12.81	\$11.14	\$3.51	\$8.61
West Hollywood	\$8.92	\$8.92	\$8.92	\$8.92
Culver City	\$5.00	\$5.00	\$5.00	\$5.00
Glendale	\$4.00	\$4.00	\$0.00	\$4.00
San Diego	\$2.12	\$1.28	\$1.28	\$0.00
County of San Luis Obispo	\$0.96	\$1.36	\$1.44	\$0.58
City of San Luis Obispo ⁽¹⁾	\$6.25	\$5.50	\$7.25	\$5.25

⁽¹⁾ Fee is 5% of building permit value. Per square foot figures are estimated.

Impact Fee Recommendations

Based upon all considerations, the report recommended impact fees are as follows:

\$8.00 per square foot for Office / Medical,
\$5.00 per square foot for Warehouse / Industrial,
\$2.00 per square foot for Retail / Commercial, and
\$4,800.00 per room for Hotel

Potential Consideration:

Public feedback for a higher fee for Retail/Commercial

Title 17 Amendments

Title 17 Amendments

Chapter 17.28 Inclusionary Housing

§17.28.010, Purpose and Intent

- Replace the word “may” with “shall”

Chapter 17.70 Development Impact Fees

§17.70.040 – Add “Affordable Housing Facilities” to list

§17.70.090(A) – Edit to clarify timing of fee payment

Other “Clean-up” Edits

Other edits to insert the term “fee” between the phrase “in-lieu payment”

§17.28.010, §17.28.050, §17.28.060, §17.73.010, & §17.73.020

California Environmental Quality Act (CEQA)

CEQA

Adoption of housing fees and Title 17 ordinance amendment are exempt from environmental review, pursuant to CEQA Guidelines:

- Housing Fees
 - §15267 - Financial assistance for low or moderate housing
 - §15060(c)(3) & §15378(b)(5) - Not a “project”
- Title 17 Amendments
 - §15061(b)(3) - General rule
 - §15183 [and PRC §21083.3] - Consistent with GP EIR

Commission Deliberation and Action

Discussion

- Does the Planning Commission agree with recommended “In-Lieu” fees?
 - Are there any revisions needed?
- Does the Planning Commission agree with recommended “Impact” fees?
 - Are there any revisions needed?
- Does the Planning Commission agree with recommended Title 17 edits?

Recommendation

Adopt Planning Commission Resolution No. 21-___, entitled “A Resolution of the Planning Commission of the City of Goleta, California, Recommending the City Council Adopt a Development Impact Fee Nexus Study and Non-Residential Affordable Housing Impact Fees, Adopt a Residential Affordable Housing In-Lieu Fee, and Adopt an Ordinance Amendment for Various Sections of Goleta Municipal Code Title 17 for Affordable Housing Fees; Case No. 21-0004-ORD”