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DRAFT

SUMMARY, CONTEXT MATERIALS AND RECOMMENDATIONS AFFORDABLE HOUSING NEXUS STUDIES

Prepared for:
San Luis Obispo County

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ATTACHMENT A – RESIDENTIAL NEXUS ANALYSIS REPORT

ATTACHMENT B – NON-RESIDENTIAL NEXUS ANALYSIS REPORT

I. INTRODUCTION

This Summary, Context Materials, and Recommendations report (“Summary Report”) provides a concise version of the affordable housing nexus studies prepared by Keyser Marston Associates, Inc. (KMA) and presents analyses designed to provide context for policy decisions regarding potential updates to affordable housing fees for residential and non-residential development in San Luis Obispo County. Section 29.04.040 of the San Luis Obispo County Code requires fees to be updated every five years. This report summarizes the nexus analysis and supporting materials prepared in compliance with this requirement and includes recommendations regarding updates to the County’s affordable housing fee schedule.

Two separate nexus technical reports are attached to this Summary Report, Attachment A: Residential Nexus Analysis and Attachment B: Non-Residential Nexus Analysis. The two nexus reports provide the technical analyses and documentation to support existing and potential updated affordable housing fees in San Luis Obispo County.

A. Existing San Luis Obispo County Program Requirements

The County of San Luis Obispo adopted its Inclusionary Housing Ordinance (IHO) in 2008 requiring new residential development projects within the unincorporated area to include affordable units within the project or pay an in-lieu fee instead. Non-residential projects are required to pay a housing impact fee and also have an option to provide units onsite. Requirements were originally scheduled to be phased in over a five-year period following adoption; however, in consideration of the economic downturn following adoption of the ordinance in 2008, the County remained at the initial “Year One” level until 2017-18 when the County moved to the “Year Two” phase-in level.

The “Year 2” requirement for residential projects is to set aside 6%¹ of units as affordable or pay an in-lieu fee that equates to \$1.50 per square foot. This represents 40% of the fully phased in requirement level of setting aside 15%² of units as affordable or payment of an in-lieu fee of \$3.75 per square foot. Nearly all projects have elected to pay the in-lieu fee rather than construct units onsite. Rental housing and for-sale units under 900 square feet are exempt.

In the Coastal Zone, projects that have 11 or more units must include 15% of units as affordable. The 15% requirement is fully applicable today and there is no fee option.

In 2016, the County adopted a new incentive program designed to encourage market rate projects that serve households qualifying in the Workforce income category, defined as up to 160% of Area Median Income (AMI). For qualifying projects, requirements under the IHO are reduced by 50%.

¹ This is the effective onsite percentage requirement after consideration of the 25% reduction per County Code Section 22.12.080, G. for on-site construction of affordable units.

² Ibid.

Table 1 provides an overview of the requirements of the program.

Table 1 – Existing San Luis Obispo County Affordable Housing Requirements		
	Current Requirement (FY 17-18, “Year 2”)	Full Phase-In of Existing Ordinance (“Year 5”)
Residential Requirements	6% affordable* OR	15% affordable* OR
Fee Option	\$1.50 / SF fee	\$3.75 / SF fee
Reduced Fees Under Workforce Incentive Program	\$0.75 / SF fee	\$1.88 / SF fee
Coastal Zone projects with 11+ units	15% affordable No fee option	15% affordable No fee option
Non-Residential Fees (\$/Sq.Ft.)		
Retail	\$1.36	\$3.42
Office	\$.96	\$2.38
Hotel / Motel	\$1.44	\$3.59
Industrial / Warehouse	\$0.58	\$1.43
Commercial Greenhouses	\$0.03	\$0.08
Other Non-Residential	\$1.26	\$3.14

*This is the effective onsite percentage requirement after consideration of the 25% reduction per County Code Section 22.12.080, G. for on-site construction of affordable units.

B. Affordable Unit Construction Supported by the Program

The Inclusionary Housing Ordinance and Housing Impact Fee have supported creation of a total of 350 affordable units and are estimated to support creation of an additional 260 affordable units with Affordable Housing Fund collections in 2017 and estimated collections for 2018, for a total of 610 new affordable units supported since inception of the program in 2009.

The program provides a key source of local gap financing which is then leveraged with non-local funding through the Federal and State government such as Low Income Housing Tax Credits to support construction of affordable housing. Section IV.B. provides information about the specific affordable projects that have been completed with support from the Program.

Table 2 – Affordable Housing Production Supported

	<i>Affordable Units Supported</i>
Affordable Units Produced with Affordable Housing Fund Support	345 Units
Affordable Units Provided On-Site	<u>5</u> <u>Units</u>
Affordable Units Produced	350 Units
Potential Affordable Units Supported: 2017 and 2018 Funds ⁽¹⁾	260 Units
Estimate of Total Affordable Unit Production Supported, 2009 - 2018	610 Units

(1) The County anticipates Affordable Housing Fund collections of \$873,000 in 2017 and 2018. Based upon the average of \$3,300 per unit Affordable Housing Fund support, this funding is estimated to support creation of up to 260 affordable units.

C. Legal Context for Inclusionary Programs

The ability of California jurisdictions to implement inclusionary programs is fully supported by existing law as affirmed in a 2015 decision of the California Supreme Court in *C.B.I.A.* (California Building Industry Association v. City of San Jose, California Supreme Court Case No. S212072, June 15, 2015, also referred to as the San Jose Case). The Court found San Jose's inclusionary program to be a legitimate exercise of local jurisdictions' power to regulate land use. Following the decision in the San Jose Case, the legal environment for inclusionary programs is now far clearer than at the time of the prior 2012 update of the County's fee schedule.

For rental developments, California jurisdictions are precluded from requiring on-site inclusionary units based on a 2009 decision in the *Palmer* case (*Palmer/Sixth Street Properties L.P. v. City of Los Angeles* [2009] 175 Cal. App. 4th 1396). Affordable housing impact fees applicable to rental development remain permissible; however, the County exempts rental projects from its affordable housing fees.

This section is intended as general background only; nothing in this report should be interpreted as providing specific legal guidance, which KMA is not qualified to provide. See also the additional discussion provided in Attachment A.

D. Organization of this Report

This report is organized into the following sections:

- Section I provides an introduction;
- Section II presents a summary of KMA's findings and recommendations;
- Section III summarizes the nexus analyses;
- Section IV presents analyses and materials prepared to provide context for policy decisions, including:

- A. Financial Analysis of On-Site Compliance Costs – Section A. analyzes the cost to a market rate residential project of complying with the County’s inclusionary requirements through provision of affordable units onsite;
 - B. Affordable Unit Production Supported – Section B. provides a summary of the affordable unit production that has been supported by the program.
 - C. Projected Housing Needs in San Luis Obispo County – Section C. provides a long-term estimate of housing needs by affordability level.
 - D. Jobs Housing Linkage Fee Programs in Other Jurisdictions – Section D. provides information regarding linkage fee programs in 40 jurisdictions throughout California.
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- Attachment A is the full Residential Nexus Analysis report.
 - Attachment B is the full Non-Residential Nexus Analysis report.

II. SUMMARY OF FINDINGS AND RECOMMENDATIONS

In this section, KMA provides a summary of the analysis findings and provides recommendations for updates to the County's residential and non-residential affordable housing requirements. Recommendations reflect consideration of the following factors:

1. The findings of the nexus analysis;
2. Requirements in neighboring counties;
3. A financial analysis of developer compliance costs under the program;
4. Setting a fee high enough to support a meaningful contribution to affordable housing in San Luis Obispo County;
5. Setting a fee low enough to not discourage development; and
6. Promoting market rate housing construction at levels affordable to households in the Workforce income category.

A. Residential Findings and Recommendations

KMA's findings and recommendations for updates to the County's residential requirements are presented in this section, along with a summary of the factors considered by KMA.

1. *Nexus Analysis Findings*

The findings of the residential nexus analysis are summarized below. The findings per square foot refer to net residential area (exclusive of parking, corridors and other common areas).

	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
Per Market Rate Unit	\$16,400	\$14,100	\$11,200	\$13,600	\$26,500	\$24,700
Per Square Foot	\$7.50	\$7.80	\$7.10	\$9.40	\$13.30	\$25.30

Source: Attachment A, Residential Nexus Analysis.

Six for-sale residential development types were analyzed to capture the broad range of for-sale units being developed from the coastal to inland areas of the unincorporated County. The above findings represent the maximum fee levels that are supported by the nexus analysis and are not recommended fee levels.

2. *Affordable Housing Requirements in Other Jurisdictions*

KMA assembled information on affordable housing requirements applicable to residential development in three nearby coastal counties as summarized in Table 4. Santa Barbara and

Santa Cruz each have 15% inclusionary requirements while Monterey County has a 20% requirement, all fully effective today.

Monterey County allows fee payment only for three and four-unit projects and exempts one and two unit projects. Santa Barbara and Santa Cruz counties allow fee payment for all project sizes. Fees for both Monterey and Santa Barbara counties vary widely by location as a reflection of the varying gap between affordable and market home prices across the diverse range of market conditions in each county. Santa Cruz County has a fee of \$15 per square foot for projects of 5 or more units and a fee that varies from \$2 up to \$15 per square foot for projects of between 1 and 4 units, depending on unit size.

Table 4 – Affordable Housing Requirements in Other Counties - Ownership Units				
<i>County</i>	<i>Percent</i>	<i>Affordability Level</i>	<i>Fee Option</i>	<i>Fee Option Available?</i>
San Luis Obispo County	6% Year 2 15% w/ full phase-in	Very Low to Workforce	\$1.50 Year 2 \$3.75 Full Phase-In	Inland: Yes Coastal: No except for 2 – 10 unit projects
Monterey County	20%	Very Low to Moderate	Available for 3 - 4 unit projects only. Varies by location from low of \$2.30 / SF (South County) to high of \$73/SF (Big Sur Coast)*	No except for 3 – 4 unit projects
Santa Barbara County	15% (moderate and workforce represent 10% of the 15% and are subject to annual review / waiver for areas where market prices are affordable to these income groups)	Very Low to Workforce	Varies by area, ranging from low of \$1.75 / SF in Lompoc up to \$28 / SF for the South Coast*	Inland: Yes Coastal: No with limited exceptions
Santa Cruz County	15%	Moderate	Projects of 5+ units: \$15 psf Projects of 1-4 units: sliding scale from \$2 - \$15/SF based on unit size.	Yes

*Fees per affordable unit based on most current data available on jurisdiction website converted to equivalent per square foot fee by KMA assuming 2,000 square foot unit size.

Cities within the County that have inclusionary housing programs include Arroyo Grande, Atascadero, Morro Bay, Pismo Beach, and San Luis Obispo.

3. Planning, Building and Impact Fees

A comparison of total Planning, Building and Impact Fees is presented in Table 5. The survey was conducted by County staff and incorporated into the report in summary format. Figures do not include the cost of water and wastewater connection charges which vary widely based on the district providing utility services, school district fees, road fees which vary by location in the County, or the cost of complying with inclusionary program requirements. The fees summarized in Table 5 show the County to be in line with Santa Barbara and Monterey Counties and at the low end of the range relative to the cities. In addition to the fees summarized in the chart, the County has road fees which range from the low hundreds per unit along the North Coast up to \$14,000 per unit in some areas within Templeton. The County’s total fees would be comparatively higher than other counties and some cities for County communities that have road fees at the upper end of the range.

Table 5 – Comparison of Planning, Building and Impact Fees*				
	Per Unit		Per Square Foot	
	<u>Single Family</u>	<u>Multifamily</u>	<u>Single Family</u>	<u>Multifamily</u>
<u>Counties</u>				
San Luis Obispo	\$11,482	\$10,612	\$5.74	\$7.07
Santa Barbara	\$8,424	\$9,968	\$4.21	\$6.65
Monterey	\$11,616	\$9,831	\$5.81	\$6.55
<u>Cities</u>				
San Luis Obispo	\$10,562	\$11,116	\$5.28	\$7.41
Morro Bay	\$17,829	\$21,327	\$8.91	\$14.22
Atascadero	\$22,430	\$13,288	\$11.22	\$8.86
El Paso de los Robles	\$27,120	\$10,636	\$13.56	\$7.09

Source: Fee survey prepared by San Luis Obispo County staff.

*Note: does not include water or wastewater connection charges given these charges vary by CSD within the counties as well as amongst the incorporated cities, school district fees, or County road fees which vary widely by location. Single Family units assumed to be 2,000 square feet. Multifamily units assumed to be 1,500 square feet.

4. Residential Market Context

The unincorporated areas of San Luis Obispo County where future residential development is expected are primarily within inland areas of the County along the US 101 corridor. This includes the communities of Nipomo, Templeton, San Miguel, and others. The County also continues to experience limited residential development within the unincorporated communities along the coast. The housing market is producing homes at a wide range of pricing from \$300,000 in San Miguel to \$600,000+ in Nipomo, to \$1,000,000 or more in coastal communities such as Avila Beach and Cayucos. Larger lot estate homes built in the inland areas of the County also commonly achieve sales prices over \$1,000,000.

While less common in the unincorporated County, there is also development of attached townhome units. Prices for townhomes in inland areas of the County are estimated at \$375,000 for a 1,450 square foot unit while, on the coast, a smaller attached unit of 975 square feet is estimated to command a price of \$875,000.

See Appendix A: Residential Market Survey, appended to the Residential Nexus Analysis, for more detail and supporting data.

5. Financial Analysis of On-Site Compliance Costs

The financial analysis of the cost to developers of providing on-site units under the program compared with the in-lieu fee option found that:

- Projects are strongly incentivized to pay the in-lieu fee rather than provide units on-site;
- Coastal zone requirements incentivize projects to remain under 11 units to avoid the much stronger mandatory onsite affordability requirement; and
- Within inland areas of the County, the market is producing units which serve the Workforce Income category, and in the lowest cost locations within the County, the Moderate-Income category.

6. Residential Fee Recommendations

Following are KMA's recommendations for updating the affordable housing fees in the unincorporated areas of San Luis Obispo County. These recommendations are based on the County's residential market, the nexus analysis results, the financial analysis of compliance options, discussions with County staff, and review of programs in nearby counties. A key focus is on encouraging market rate housing construction that serves homebuyers at the Workforce income level while supporting the continued success of the program by maintaining or increasing fees for larger homes and coastal development which command higher prices and are generally less sensitive to fees.

- 1. Eliminate Fee for Modest-Sized Units** – The housing market in the County is producing modestly-sized units affordable to homebuyers with incomes at the Workforce level (160% AMI), in some locations. KMA recommends eliminating fees for modest-sized units to incentivize construction of units that serve this segment of the market, which address one of the core objectives of the Inclusionary Housing Ordinance.
- 2. Implement Tiered Rate Structure** – KMA recommends implementation of a tiered rate structure to better tailor the program to the diverse housing market within the unincorporated County. A tiered rate structure will allow smaller moderately-priced units that are more sensitive to costs to be charged either no fee or a lower fee while

larger units that serve a higher income / luxury market, and are more readily able to absorb the cost of a fee, are charged more. A tiered structure also helps to incentivize moderately sized units that are inherently more affordable.

- 3. Coastal Zone Rate** – Consider implementation of a separate rate applicable to projects of 2 to 10 units in size within the Coastal Zone. Newly built units within the Coastal Zone command sales prices well above those in inland areas especially on a per square foot basis. The greater market strength and higher pricing in the Coastal Zone means these projects can sustain a higher requirement. Increasing fees for Coastal Zone projects of 2 to 10 units in size will also reduce the incentive to remain just below the 11-unit threshold to avoid the requirement to provide onsite affordable units. Finally, the nexus analysis shows support for higher fees in the Coastal Zone based on the greater demand for services that purchasers of these higher priced coastal units create. Even with the higher recommended fee levels identified below, fees will remain significantly below the cost to the developer of providing units onsite.

- 4. Forgo Annual Phase-In** – Establish a fee schedule that will govern until the next five-year update, with automatic indexing, avoiding the need to reconsider a possible phase-in every year. This suggestion is in recognition of the fact that, in practice, the phase-in schedule is not being implemented as originally contemplated.

Table 6 on the following page presents a KMA recommended fee schedule implementing the four recommendations described above. Table 7 illustrates how this rate structure would affect units of various size. In summary, the fee schedule would:

- Eliminate fees for units of 1,600 square feet and below;
- Significantly reduce fees for units 1,600 to 2,200 square feet in size;
- Keep fees close to the same for units 2,250 square feet in size; and
- Increase fees for units above 2,250 square feet and in the Coastal Zone.

While we believe these recommended fee levels and unit size thresholds to be reasonable, there is obviously potential for refinement based on the policy objectives of the County. With implementation of these recommendations, requirement levels will remain below those in the neighboring counties surveyed.

Table 6 – Recommended In-Lieu Fee Schedule	
Inland (\$/Sq.Ft.)	
First 1,600 Square Feet per Unit	<i>Exempt</i>
Square footage from 1,600 to 2,000 SF	\$4
Square footage from 2,000 to 2,500 SF	\$8
Square footage from 2,500 to 3,500 SF	\$12
Square footage above 3,500 SF	\$16
Maximum Rate (considering total square feet of unit)	\$7
Coastal Zone (\$/Sq.Ft.)	
Detached Units	\$12
Attached Units	\$24

As an example, a 2,100 square foot home would owe the following:

First 1,600 square feet of unit	1,600 SF X \$0 / SF =	\$0
Next 400 square feet (from 1,600 to 2,000 SF)	400 SF X \$4 / SF =	\$1,600
Next 100 square feet (from 2,000 to 2,100 SF)	100 SF X \$8 / SF =	\$800
Total Fee (sum of the above)		= \$2,400 (\$1.14 / SF)

Calculated fee levels for a range of unit sizes are shown below.

	Proposed Inland Fees		Net Change vs. Existing \$1.50/SF Year 2 Rate
	Per Home	Overall Rate Per Square Foot	
900 square foot home	\$0	\$0.00	\$0.00
1,000 square foot home	\$0	\$0.00	(\$1.50)
1,400 square foot home	\$0	\$0.00	(\$1.50)
1,600 square foot home	\$0	\$0.00	(\$1.50)
1,800 square foot home	\$800	\$0.44	(\$1.06)
2,000 square foot home	\$1,600	\$0.80	(\$0.70)
2,250 square foot home	\$3,600	\$1.60	\$0.10
2,500 square foot home	\$5,600	\$2.24	\$0.74
3,000 square foot home	\$11,600	\$3.87	\$2.37
3,500 square foot home	\$17,600	\$5.03	\$3.53
4,000 square foot home	\$25,600	\$6.40	\$4.90

The above recommendations reflect our understanding that the County would like to consider a broader range of factors than simply a narrow update based on an updated technical analysis, which would have produced roughly a doubling of the existing rate.³

B. Non-Residential Findings and Recommendations

The analysis prepared by KMA will enable the County to consider an update to fees applicable to non-residential development in the County. The following section provides KMA’s recommendations regarding an updated fee range, along with a summary of the factors considered by KMA.

1. Nexus Analysis Findings

The KMA non-residential nexus analysis found high supportable fee levels. The high fee levels supported are not unusual and reflect the high cost of housing in San Luis Obispo County. The nexus analysis establishes only the maximums for impact fees and will bear little relationship to updated fee levels the County may ultimately select. The table below indicates the nexus analysis results.

Table 8 – Maximum Supported Non-Residential Fees	
<i>Building Type</i>	<i>Maximum Supported Fee per Square Foot</i>
Office	\$48.20
Retail	\$95.30
Hotel	\$31.60
Industrial	\$24.30
Warehouse	\$15.30
Greenhouse	\$2.55
Other Non-Residential	\$23.80

Note: Nexus findings are not recommended fee levels.
See Non-Residential Nexus Analysis for detail.

In our opinion, fee levels should be selected based on a combination of the strength of the local real estate for the building types that will pay the fee, and local policy objectives. We also believe it is appropriate to consider fee levels in neighboring jurisdictions and jurisdictions that are comparable in real estate demand.

³ The existing in-lieu fee schedule is based upon the maximum supported by a 2012 residential nexus analysis of \$3.55 per square foot, as indexed to \$3.75 for subsequent construction cost increases. The updated nexus analysis identifies maximum fees of \$7.10 or more depending on the unit type, approximately double the amount supported by the prior study.

2. Fees in Other Jurisdictions

At least 40 jurisdictions in California have commercial linkage fee programs; this includes six county programs. The chart below summarizes fee levels for the county programs as well as the City of San Luis Obispo. See Section IV at the end of this report for additional details as well as information about numerous other linkage fee programs throughout California.

Office fees for the county programs range from just under \$1 per square foot in Sacramento County to \$7 per square foot in Marin County. For Retail, the counties range from \$0.77 psf (Sacramento County) to \$7.50 (Napa County) and with hotel, the range is \$0.92 psf (Sacramento County) to \$9.00 psf (Napa County). In Santa Cruz County, the fee is \$2 for all types of non-residential development. Fees in the City of San Luis Obispo are based on 5% percent of building permit value. County Year 2 fees are below the other county programs, except Sacramento. County Year 5 fees are toward the middle of the range for the county programs.

Non-Residential Fees	Office \$/SF	Retail \$/SF	Hotel \$/SF	Industrial \$/SF
San Luis Obispo Co. - Year 2	\$0.96	\$1.36	\$1.44	\$0.58
San Luis Obispo Co. - Year 5	\$2.38	\$3.42	\$3.59	\$1.43
City of San Luis Obispo	5% of building permit valuation			
Santa Cruz County	\$2.00	\$2.00	\$2.00	\$2.00
Sonoma County	\$2.64	\$4.56	\$2.64	\$2.72
Napa County	\$5.25	\$7.50	\$9.00	\$4.50
Marin County	\$7.19	\$5.40	\$3.00	\$3.74
Sacramento County	\$0.97	\$0.77	\$0.92	\$0.61

3. Market Context

The unincorporated County experiences a range of non-residential development activity including office, retail, and industrial uses. Retail uses serve the local population in unincorporated communities as well as the visitor population along the coast and other visitor destinations. Office and industrial uses in the unincorporated County are clustered in the Airport and in Templeton. The viticulture industry drives development of both retail wine tasting structures as well as winemaking and storage-type uses. The nursery industry has a significant presence with over 10 million square feet of greenhouse space. There is a base of hotels serving the visitor industry.

At the current time, non-residential real estate in the County has been exhibiting signs of strength. According to a 2016 report by the brokerage firm Stafford McCarty Real Estate,

vacancy rates are low for all types of non-residential space including office, retail and industrial sectors, especially in and around the City of San Luis Obispo. Recent new construction has occurred within the San Luis Obispo Airport Business Park and more is in the pipeline. The Templeton area has also seen recent construction of industrial space. The expanding visitor base has helped create demand for new hotel uses. Land values for office and industrial in the airport vicinity for unfinished parcels that are not yet served by infrastructure are in the \$7 per square foot range. Unfinished industrial land in the North County typically sells for under \$2 per square foot.

4. Recommended Adjustments to the County’s Non-Residential Fees

Given the maximums established by the nexus analysis, the strength of the County’s office, retail, hotel and industrial markets, and review of fee programs in other counties, KMA recommends the following adjustments to the County’s non-residential fee structure:

- Simplify to three fee categories: commercial, industrial, and greenhouses.
- Establish a fee schedule that will govern until the next five-year update, with automatic indexing, avoiding a requirement to re-evaluate a possible phase-in each year.
- Maintain commercial fees within a modest range of \$2 to \$3 per square foot. The \$2 lower end of the range is similar to adopted levels for Year 3. The \$3 upper end of the range is somewhat lower than the adopted Year 5 full phase-in level for most of the commercial categories.
- Set industrial and warehouse fees in a more modest \$0.60 to \$1 per square foot range. The lower fee range recommendation for industrial and warehouse is a reflection of the lower rent / lower cost nature of industrial buildings which make them more sensitive to costs. The \$0.60 lower end of the range is near the current level. The \$1 upper end of the recommended range is somewhat less than the adopted \$1.43 full phase-in level.
- Hold fees for commercial greenhouses to very modest levels in the range of \$0.05 to \$0.10 per square foot, with a possible exception for cannabis cultivation where a higher rate could potentially be considered.

The following table presents KMA’s fee range recommendations for each use.

Table 10 – KMA Recommended Fee Range, Non-Residential, County of San Luis Obispo	
<i>Land Use</i>	<i>Recommended Fee</i>
Commercial / Retail / Office / Hotel / Other	\$2 to \$3 psf
Industrial / Warehouse	\$0.60 to \$1 psf
Commercial Greenhouses	\$0.05 to \$0.10 psf

III. SUMMARY OF NEXUS ANALYSES

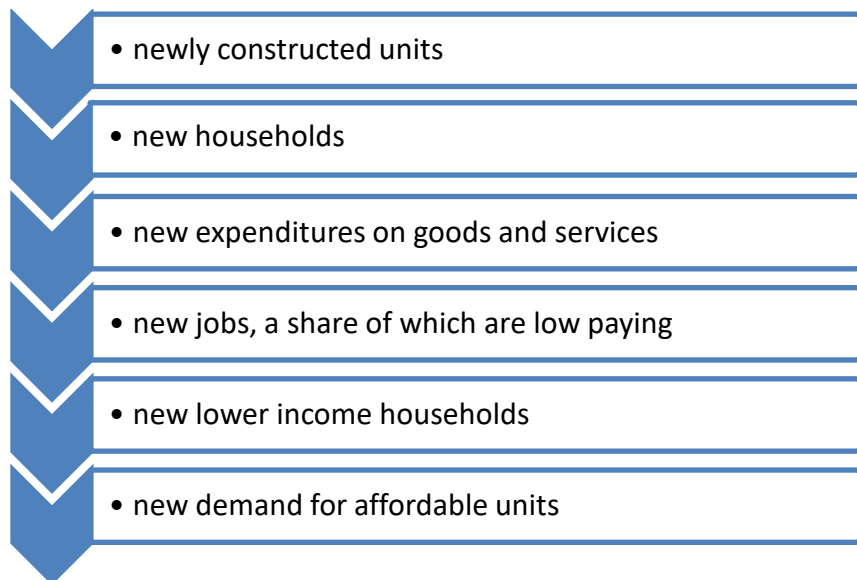
This section provides a concise summary of the residential and non-residential nexus analyses prepared for San Luis Obispo County. The analyses support existing and potential updated affordable housing impact fees applicable to residential and non-residential development. The analyses establish maximum supportable impact fee levels based on the impact new residential and non-residential development has on the need for affordable housing. Findings represent the results of an impact analysis only and are not recommended fee levels.

Full documentation of the analyses can be found in the reports titled Residential Nexus Analysis and Non-Residential Nexus Analysis included as Attachment A and B.

A. Residential Nexus Analysis Summary

The residential nexus analysis establishes maximum supportable impact fee levels applicable to residential development. The underlying concept of the residential nexus analysis is that the newly constructed units represent net new households in San Luis Obispo County. These households represent new income in the County that will consume goods and services, either through purchases of goods and services or “consumption” of governmental services. New consumption generates new local jobs; a portion of the new jobs are at lower compensation levels; low compensation jobs relate to lower income households that cannot afford market rate units in San Luis Obispo County and therefore need affordable housing.

Nexus Analysis Concept



1. Market Rate Residential Prototypes

In collaboration with County staff, six market rate residential prototypes were selected. The selected prototypes were identified to represent the range of new residential units likely to be built in the unincorporated area in the immediate to mid-term future.

A summary of the six residential prototypes is presented below. Market survey and data from staff reports describing recent projects were used to develop the information. Market sales prices were estimated based on KMA's market research.

Table 11 – Prototypical Residential Units for San Luis Obispo County						
	Inland				Coastal Zone	
	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Single Family</i>	<i>Attached Townhomes</i>
Avg. Unit Size	2,200 SF	1,800 SF	1,600 SF	1,450 SF	2,000 SF	975 SF
Avg. No. of Bedrooms	3.00	3.00	3.00	2.50	3.00	1.75
Avg. Sales Price	\$620,000	\$450,000	\$310,000	\$375,000	\$1,000,000	\$875,000
Per Square Foot	\$282 /SF	\$250 /SF	\$194 /SF	\$259 /SF	\$500 /SF	\$897 /SF

2. Household Expenditures and Job Generation

Using the sales price applicable to each of the six market rate residential prototypes, KMA estimates the household income of the purchasing household. Household income is then translated to income available for expenditures after deducting taxes, savings and household debt, which becomes the input to the IMPLAN model. The IMPLAN model is used to estimate the employment generated by the new household spending. The IMPLAN model is an economic model widely used for the past 35 years to quantify the impacts of changes in a local economy. For ease of presentation the analysis is conducted based on an assumed project size of 100 market rate units.

A 10% downward adjustment is made to the IMPLAN employment estimates based on the expectation that a portion of jobs may be filled by existing workers who already have housing locally. The 10% adjustment is based upon job losses in declining sectors of the local economy over a historic period. Workers from declining sectors are assumed to fill a portion of the new jobs in sectors that serve residents.

The translation from market rate sales prices for the prototypical units to the estimated number of jobs in sectors such as retail, restaurants, health care and others providing goods and services to new residents is summarized in the table below.

Table 12 – Household Income, Expenditures, Job Generation, and Net New Worker Households

	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
Avg. Sales Price / Rent	\$620,000	\$450,000	\$310,000	\$375,000	\$1,000,000	\$875,000
Gross Household Income	\$116,000	\$100,000	\$73,000	\$91,000	\$193,000	\$177,000
Net Annual Income	\$80,000	\$69,000	\$54,800	\$66,400	\$129,300	\$120,400
Total Jobs Generated [from IMPLAN] (100 Units)	59.1	51.1	40.6	49.2	95.2	88.7
Net New Jobs after 10% reduction for declining industries (100 units)	53.2	46.0	36.5	44.3	85.7	79.8

See Attachment A: Residential Nexus Analysis report for full documentation.

3. Compensation Levels of Jobs and Household Income

The output of the IMPLAN model – the numbers of jobs by industry – is then entered into the Keyser Marston Associates jobs housing nexus analysis model to quantify the compensation levels of new jobs and the income of the new worker households. The KMA analysis sorts the jobs by industry into jobs by occupation, based on national data, and then attaches local wage distribution data to the occupations, using recent San Luis Obispo County data from the California Employment Development Department (EDD). The KMA analysis also 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. For purposes of the adjustment from jobs to housing units, the average of 1.7 workers per working household in San Luis Obispo County is used.

Table 13 – Adjustment from No. of Workers to No. of Households

	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
Net New Jobs (100 Units)	53.2	46.0	36.5	44.3	85.7	79.8
Divide by No. of Workers per Worker Household	1.70	1.70	1.70	1.70	1.70	1.70
Net new worker households (100 Units)	31.2	27.0	21.5	26.0	50.3	46.9

The output of the model is the number of new worker households by income level (expressed in relation to the Area Median Income, or AMI) attributable to the new residential units and new households in San Luis Obispo County. Three categories are addressed for purposes of the nexus analysis: Extremely Low (under 30% of AMI), Very Low (30% to 50% of AMI), and Low (50% to 80% of AMI). While households at the Moderate and Workforce income levels also face affordable housing challenges in the County, given the market is producing units affordable to these households in some locations in the County, these income tiers were not included to provide a conservative analysis.

Following are the numbers of worker households by income level associated with the San Luis Obispo County prototype units.

Table 14 – New Worker Households per 100 Market Rate Units						
	<i>Inland</i>				<i>Coastal Zone</i>	
	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
Extremely Low (0%-30% AMI)	1.8	1.6	1.3	1.5	3.0	2.8
Very Low (30%-50% AMI)	7.6	6.5	5.2	6.3	12.3	11.5
Low (50%-80% AMI)	9.4	8.1	6.4	7.8	15.1	14.1
Total, Less than 80% AMI	18.8	16.2	12.9	15.6	30.4	28.3
Greater than 80% AMI	12.4	10.8	8.6	10.4	19.9	18.5
Total, New Households	31.2	27.0	21.5	26.0	50.3	46.9

See Attachment A: Residential Nexus Analysis report for full documentation.

Housing demand is distributed across the lower income tiers. The finding that a large share of households are within the Very Low and Low income tiers is driven by the fact that the jobs most directly associated with consumer spending tend to be low-paying, such as food preparation, administrative, and retail sales occupations.

4. Nexus Supported Maximum Fee Levels

The next step in the nexus analysis takes the number of households in the lower income categories associated with the market rate units and identifies the total subsidy required to make housing affordable. This is done for each of the prototype units to establish the ‘total nexus cost,’ which is the Maximum Supported Impact Fee conclusion of the analysis. For the purposes of the analysis, KMA assumes that affordable housing fee revenues will be used to subsidize affordable rental units.

Affordability gaps, or the needed subsidy amounts, are calculated for each of the income tiers. Then the affordability gaps (which is the difference between total development cost and unit value based on the affordable rent or sales price) are multiplied by the number of households in each income tier to produce the total nexus cost (i.e. mitigation cost.).

The Maximum Supported Impact Fees are calculated at the per-unit level and the per-square-foot level and are shown in the table below.

Table 15 – Maximum Supported Residential Impact Fees, San Luis Obispo County						
	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
Per Market Rate Unit	\$16,400	\$14,100	\$11,200	\$13,600	\$26,500	\$24,700
Per Square Foot*	\$7.50	\$7.80	\$7.10	\$9.40	\$13.30	\$25.30

* Applies to net sellable area exclusive of garage space, external corridors and other common areas.

These costs express the maximum supported impact fees for the six residential prototype developments in San Luis Obispo County. These findings are **not** recommended fee levels.

B. Non-Residential Nexus Analysis Summary

The non-residential nexus analysis quantifies and documents the impact of the construction of new workplace buildings (office, retail, hotels, etc.) on the demand for affordable housing. It is conducted to provide nexus support for existing and potential updated affordable housing impact fees applicable to non-residential development in San Luis Obispo County.

Full documentation of the nexus analysis is contained in the report entitled Non-Residential Nexus Analysis.

The workplace buildings that are the subject of this analysis represent a cross section of typical commercial buildings developed in San Luis Obispo County in recent years and expected to be built in the future. For purposes of the analysis, the following seven building types were identified:

- Office
- Retail
- Hotel
- Light Industrial
- Warehouse
- Greenhouse
- Other Non-Residential

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 income households. The analysis begins by assuming a 100,000 square foot building for each of the seven building types and then makes the following calculations:

- The total number of employees working in the building is estimated based on average employment density data.

- Occupation and income information for typical job types in the building are used to calculate how many of those jobs pay compensation at the levels addressed in the analysis. Compensation data is from California EDD and is specific to San Luis Obispo County. Worker occupations by building type are derived from the 2016 Occupational Employment Survey by the U.S. Bureau of Labor Statistics.
- New jobs are adjusted to new households, using San Luis Obispo County demographics on the number of workers per household. We know from the Census that many workers are members of households where more than one person is employed and there is also a range of household sizes; we use factors derived from the Census to translate the number of workers into households of various size. Household income is calculated depending on the number of workers per household.
- The number of Extremely Low-, Very Low-, Low-Income households generated by the new development is calculated and divided by the 100,000 square foot building size to arrive at coefficients of housing units per square foot of building area. The household income categories addressed in the analysis are the same as those in the Residential Nexus Analysis.
- The number of lower income households per square foot is multiplied by the affordability gap, or the cost of delivering housing units affordable to these income groups. This is the Maximum Supported Impact Fee for the non-residential land uses.

The Maximum Supported Impact Fees for the seven building types are as follows:

Table 16 – Maximum Supported Non-Residential Fees	
<i>Building Type</i>	<i>Maximum Supported Fee per Square Foot</i>
Office	\$48.20
Retail	\$95.30
Hotel	\$31.60
Industrial	\$24.30
Warehouse	\$15.30
Greenhouse	\$2.55
Other Non-Residential	\$23.80

Note: Nexus findings are not recommended fee levels.
See Attachment B: Non-Residential Nexus Analysis for detail.

The results of the analysis are heavily driven by the density of employees within buildings in combination with the occupational make-up of the workers in the buildings. Retail has both high employment density and a high proportion of low paying jobs.

These figures express the maximum supported impact fee per square foot for the seven building types. They are not recommended levels for fees; they represent only the maximums established by this analysis, below which impact fees may be set.

Overlap Analysis

There is a potential for some degree of overlap between jobs counted in the Non-Residential Nexus Analysis and jobs counted in the Residential Nexus Analysis. The potential for overlap exists in jobs generated by the expenditures of County residents, such as expenditures for food, personal services, restaurant meals and entertainment. Retail is the building type that has the greatest potential for overlap to occur because it is often oriented to serving local residents. On the other hand, the potential for overlap is far less with office, industrial, warehouse and hotel buildings that often house businesses that serve a much broader, sometimes national or international, market and that are not focused on services to local residents. Appendix C to the Non-Residential Nexus Analysis provides additional discussion and an analysis demonstrating that, even in the improbable and theoretical case of complete overlap between jobs counted in the two nexus analyses, impact fees at the recommended levels would remain below the maximums supported by the nexus.

IV. CONTEXT MATERIALS

The purpose of this section is to provide information that may be useful to policy makers in considering potential updates to the County's affordable housing fees applicable to residential development and non-residential development. The following analyses and summary materials are included:

- **Financial Analysis of On-Site Compliance Costs** – Section A. analyzes the cost to a market rate residential project of complying with the County's inclusionary requirements through provision of affordable units onsite;
- **Affordable Unit Production Supported** – Section B. provides a summary of the affordable unit production that has been supported by the program.
- **Projected Housing Needs in San Luis Obispo County** – Section C. provides a long-term estimate of housing needs by affordability level.
- **Jobs Housing Linkage Fee Programs in Other Jurisdictions** – Section D. provides information regarding linkage fee programs in 40 jurisdictions throughout California.

A. On-Site Compliance Cost Financial Analysis

The inclusionary program in San Luis Obispo requires developers of new for-sale projects to set aside 15% of units for households with Very Low, Low, Moderate, and Workforce Incomes. KMA estimated the foregone revenue to the developer when units are sold at prices affordable to households with Very Low up through Workforce incomes; this is referred to as the 'onsite compliance costs.' KMA notes that the 'cost' is compared to the hypothetical condition of no requirement. A primary purpose of the onsite compliance analysis is to enable an understanding of the cost associated with complying with the County's existing inclusionary requirements, which is often useful as context for consideration of potential fee obligations. Note that the analysis does not take into account the impact of a density bonus, which we understand is rarely used in the unincorporated County.

Key findings are:

- Projects are strongly incentivized to use the in-lieu fee option under the IHO. This is because it represents a lower cost to the developer than providing affordable units on-site. This is consistent with the County's experience with the program in which all but one project has used the fee option. As an example, with single family units it is estimated that the cost of including affordable units onsite with current Year 2 requirements is \$8.18 per square foot versus a fee option of \$1.50 per square foot.

- Requirements in the Coastal Zone strongly incentivize projects to remain under 11-units to avoid the 15% onsite affordability requirement. The cost of including units onsite is estimated at \$53 per square foot for single family and \$95 per square foot for attached units, compared with fees for projects two to ten units in size of \$1.50 per square foot.
- Within inland areas of the County, the market is producing units that serve the Workforce Income category. In San Miguel, one of the lowest cost locations in the County, the market is producing units within the Moderate price range.

**TABLE 17
COST OF ONSITE COMPLIANCE AND EQUIVALENT IN-LIEU FEES
INCLUSIONARY PROGRAM FINANCIAL ANALYSIS
COUNTY OF SAN LUIS OBISPO, CA**

DRAFT

	INLAND						COASTAL ZONE					
	Single Family Detached		Small Lot Single Family Detached		San Miguel Single Family Detached		Attached Townhomes / Condominiums		Small Lot Single Family Detached		Attached Townhomes / Condominiums	
Unit Size ¹	2,200 sq ft		1,800 sq ft		1,600 sq ft		1,450 sq ft		2,000 sq ft		975 sq ft	
Number of Bedrooms ¹	3		3		3		2.5		3		1.75	
Market Rate	<i>Per SF</i>	<i>Per Unit</i>	<i>Per SF</i>	<i>Per Unit</i>	<i>Per SF</i>	<i>Per Unit</i>	<i>Per SF</i>	<i>Per Unit</i>	<i>Per SF</i>	<i>Per Unit</i>	<i>Per SF</i>	<i>Per Unit</i>
Sales Prices ¹	\$282	\$620,000	\$250	\$450,000	\$194	\$310,000	\$259	\$375,000	\$500	\$1,000,000	\$897	\$875,000
Affordable Prices²	<i>Per Unit</i>		<i>Per Unit</i>		<i>Per Unit</i>		<i>Per Unit</i>		<i>Per Unit</i>		<i>Per Unit</i>	
Workforce	\$546,000		\$546,000		\$546,000		\$517,500		\$546,000		\$474,750	
Moderate	\$394,000		\$394,000		\$394,000		\$373,000		\$394,000		\$341,500	
Low	\$204,000		\$204,000		\$204,000		\$192,500		\$204,000		\$175,500	
Very Low	\$139,000		\$139,000		\$139,000		\$131,000		\$139,000		\$119,750	
Affordability Gap³	<i>Per Unit</i>		<i>Per Unit</i>		<i>Per Unit</i>		<i>Per Unit</i>		<i>Per Unit</i>		<i>Per Unit</i>	
Workforce	\$74,000		no gap		no gap		no gap		\$454,000		\$400,250	
Moderate	\$226,000		\$56,000		no gap		within 10% of mkt		\$606,000		\$533,500	
Low	\$416,000		\$246,000		\$106,000		\$182,500		\$796,000		\$699,500	
Very Low	\$481,000		\$311,000		\$171,000		\$244,000		\$861,000		\$755,250	
Cost of Onsite Compliance	<i>Per SF</i>	<i>Per Unit</i>	<i>Per SF</i>	<i>Per Unit</i>	<i>Per SF</i>	<i>Per Unit</i>	<i>Per SF</i>	<i>Per Unit</i>	<i>Per SF</i>	<i>Per Unit</i>	<i>Per SF</i>	<i>Per Unit</i>
For each 1% of Units at:												
Workforce	\$0.34	\$740	\$0	\$0	\$0	\$0	\$0	\$0	\$2.27	\$4,540	\$4.11	\$4,003
Moderate	\$1.03	\$2,260	\$0.31	\$560	\$0	\$0	\$0	\$0	\$3.03	\$6,060	\$5.47	\$5,335
Low	\$1.89	\$4,160	\$1.37	\$2,460	\$0.66	\$1,060	\$1.26	\$1,825	\$3.98	\$7,960	\$7.17	\$6,995
Very Low	\$2.19	\$4,810	\$1.73	\$3,110	\$1.07	\$1,710	\$1.68	\$2,440	\$4.31	\$8,610	\$7.75	\$7,553
Year 2: on-site rqrmt cost ⁴	\$8.18	\$18,000	\$5.11	\$9,200	\$2.63	\$4,200	\$4.41	\$6,400	\$20.40	\$40,800	\$36.72	\$35,800
Year 2 In-Lieu Fee	\$1.50	\$3,300	\$1.50	\$2,700	\$1.50	\$2,400	\$1.50	\$2,175	\$1.50	\$3,000	\$1.50	\$1,463
Year 5: on-site rqrmt cost ⁵	\$20.41	\$44,900	\$12.78	\$23,000	\$6.50	\$10,400	\$11.03	\$16,000	\$50.95	\$101,900	\$91.90	\$89,600
Year 5 In-Lieu Fee	\$3.75	\$8,250	\$3.75	\$6,750	\$3.75	\$6,000	\$3.75	\$5,438	\$3.75	\$7,500	\$3.75	\$3,656
									Projects with 11 or more units onsite rqrmt cost:			
									\$52.60	\$105,200	\$94.87	\$92,500
Workforce Housing Incentive⁶	not eligible		may be eligible for 50% reduction in requirements		may be eligible for 50% reduction in requirements		not eligible (attached units)		not eligible		not eligible	

1. See Residential Nexus Analysis Table A-1.

2. County of San Luis Obispo sample affordable prices (7/5/2017).

3. The difference between the market rate sales prices and the restricted affordable price.

4. Inclusionary requirement in Year 2 is 8% of units, with a 25% reduction if units are provided onsite (6% net obligation). Units are an even mix of workforce, moderate, low and very low income units. For projects of 11 or more units in the Coastal Zone, the requirement is 15% at Moderate and Low (KMA assumes an even mix) with no in-lieu fee option.

5. Inclusionary requirement in Year 5 is 20% of units, with a 25% reduction if units are provided onsite (15% net obligation). Units are an even mix of workforce, moderate, low and very low income units.

6. The Workforce Housing Subdivision incentive allows for a 50% reduction in the Inclusionary Housing obligation for projects where the market rate sales price is less than the Affordable Sales Price for Workforce Income. In San Miguel, the market prices must be less than 71% of the Workforce maximum and in Oceano, 75% of the maximum. Projects with common walls or foundations are not eligible.

B. Affordable Unit Production Supported by the Program

The County's Inclusionary Housing Program went into effect in January 2009. Since then, one project has provided inclusionary housing units onsite and all other projects have chosen to pay housing in-lieu fees. A second project, which has been approved but not built, plans to include affordable units onsite as well. Templeton Ranch, a housing development with 107 units, provided five on-site inclusionary housing units, including two workforce units, one moderate income unit, one lower income unit and one very low income unit. The approved project is a self-storage facility that will have seven caretaker units in addition to the storage buildings.

Since the start of the Inclusionary Program, the County has allocated \$1,128,926 in housing in-lieu and housing impact fees to 16 different projects. In addition, the County received \$667,752 in fees in 2017 and expects an additional \$204,844 to be available in 2018. The funds are allocated to affordable housing projects through an annual Action Plan prepared by Planning Department staff and submitted to the Board of Supervisors for approval. So far, the County has assisted 345 units with the proceeds of the Inclusionary Housing Program. For most projects, the County provides a small amount of gap funding; the average amount of County assistance is \$3,272 per unit.

The following table presents a list of the projects assisted by funds from the Inclusionary Housing Program.

Table 18 – Affordable Projects Supported with Fees		
Project	Location	Number of Units
1 Tract 1747 / Oak Leaf	Nipomo	11
2 Tract 2975	Oceano	6
3 Tract 2458	Templeton	29
4 Moylan Terrace	San Luis Obispo	80
5 Rockview Place	San Luis Obispo	3
6 Oak Park (Phase 1)	Paso Robles	80
7 Moylan Terrace (Phase 2)	San Luis Obispo	7
8 Atascadero Triangle	Atascadero	11
9 El Camino Oak	Atascadero	6
10 South Street Family Apts	San Luis Obispo	42
11 Morro Del Mar Senior Apts	Morro Bay	20
12 Rolling Hills 2	Templeton	30
13 Humbert Avenue Apts	San Luis Obispo	20
14 Olmeda Ave Apts	Atascadero	4
15 Brisco Road Townhomes	Arroyo Grande	8
16 South Halcyon Road Apts	Arroyo Grande	20
Total Affordable Units Assisted		345

Source: San Luis Obispo County, Department of Planning and Building

C. Projected Housing Needs in San Luis Obispo County

The following section provides an estimate of the County's affordable housing needs going forward based on an update of the methodology employed in the County's prior nexus study, conducted in 2012. The methodology applies housing affordability levels, as estimated through the Regional Housing Need Allocation (RHNA) process, to a housing growth forecast for the County.

RHNA is a state-mandated process that identifies the total number of housing units by affordability level that each jurisdiction must accommodate in its land use planning. The State of California requires each local jurisdiction to adopt a Housing Element as part of its General Plan. The Housing Element must show how the jurisdiction plans to meet the existing and projected housing needs of people at all income levels, as estimated through the RHNA process. KMA used the County's RHNA figures to calculate the need for housing by affordability level. To estimate the need for Workforce Income housing (up to 160% of Area Median Income), KMA used U.S. Census data on the distribution of household incomes in the County to estimate the percent of San Luis Obispo County households that fall within in the Workforce Income range.

The table below presents an estimate of projected housing needs in the unincorporated County through 2045. The figures are calculated by multiplying the percent of households in each income category (from the RHNA data) times the projected growth in housing in the unincorporated County. The growth projections were obtained from the 2050 Regional Growth Forecast for San Luis Obispo County, published by the San Luis Obispo Council of Governments (SLOCOG).

Table 19 – Projected Housing Need by Income Level									
		2015	2020	2025	2030	2035	2040	2045	Growth 2015-45
Projected Total Units¹		40,722	42,563	44,419	45,955	47,150	47,724	48,067	7,345
Projection by Income Level									
Very Low	24.9%	10,158	10,617	11,080	11,463	11,761	11,904	11,990	1,832
Low	15.7%	6,379	6,667	6,958	7,199	7,386	7,476	7,529	1,151
Moderate	17.6%	7,165	7,489	7,815	8,086	8,296	8,397	8,457	1,292
Workforce ²	12.4%	5,033	5,261	5,490	5,680	5,828	5,899	5,941	908
Above Moderate	29.4%	11,987	12,529	13,075	13,528	13,879	14,048	14,149	2,162

1. Medium Growth scenario; Figure 120 of the 2050 Regional Growth Forecast, SLOCOG, June 2017.

2. Estimated based on household income distribution data published by the U.S. Census Bureau data for San Luis Obispo County.

Sources: Table 3.1, San Luis Obispo County Housing Element 2014-2019; Figure 120, 2050 Regional Growth Forecast for San Luis Obispo County, SLOCOG, June 2017; U.S. Census Bureau American Community Survey.

The projection indicates that over the 30-year period from 2015 to 2045, the County would need to produce a total of 4,275 units from Very Low through the Moderate income to meet existing and future RHNA targets and an additional 908 units at the Workforce Income level.

D. Jobs Housing Linkage Fees in Other Jurisdictions

Information on jobs housing linkage fee programs in other jurisdictions is often helpful context in considering new or updated fees. The following section provides information assembled regarding other programs in California including information on customized features such as size thresholds, exemptions, and build options.

There are at least six counties and 34 cities in California with commercial linkage fees. Outside California, there are several communities in Massachusetts with linkage fees including Boston and Cambridge. Seattle recently expanded its linkage fee program city-wide. In Colorado, both Boulder and Denver have programs. Programs exist in the Washington D.C. area as well.

The table on the following page provides an overview of fee levels for the county programs and the City of San Luis Obispo. A more complete overview of these programs, and many others, is presented in Table 21.

Table 20 - Overview of Non-Residential Fees in Selected Jurisdictions				
Non-Residential Fees	Office \$/SF	Retail \$/SF	Hotel \$/SF	Industrial \$/SF
San Luis Obispo Co. - Year 2	\$0.96	\$1.36	\$1.44	\$0.58
San Luis Obispo Co. - Year 5	\$2.38	\$3.42	\$3.59	\$1.43
City of San Luis Obispo	5% of building permit valuation			
Santa Cruz County	\$2.00	\$2.00	\$2.00	\$2.00
Sonoma County	\$2.64	\$4.56	\$2.64	\$2.72
Napa County	\$5.25	\$7.50	\$9.00	\$4.50
Marin County	\$7.19	\$5.40	\$3.00	\$3.74
Sacramento County	\$0.97	\$0.77	\$0.92	\$0.61

TABLE 21
SUMMARY OF JOBS HOUSING LINKAGE FEE PROGRAMS, CALIFORNIA

Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Market Strength	Comments
CENTRAL COAST						
County of San Luis Obispo Population: 277,000	2009	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	Moderate	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: 46,000	2007	5% of building permit valuation	2,500 gsf threshold	Yes. 2 aff. units per acre.	Moderate	
SAN FRANCISCO, PENINSULA, SANTA CLARA COUNTY						
San Francisco Population: 829,000	1981 Updated 2002, 2007	Retail / Entertainment \$22.96 Hotel \$18.42 Integrated Production /Dist/Repair \$19.34 Office \$24.61 Research and Development \$16.39 Small Enterprise Workspace \$19.34	25,000 gsf threshold Exempt: freestanding pharmacy < 50,000 SF; grocery < 75,000	Yes, may contribute land for housing.	Very Substantial	Fee is adjusted annually based on the construction cost increases.
City of Palo Alto Population: 66,000	1984 Updated 2002	Office & R&D \$35.00 Other Commercial \$20.37	Churches; universities; recreation; hospitals, private educational facilities, day care and nursery school, public facilities are exempt	Yes	Very Substantial	Fee is adjusted annually based on CPI.
City of Menlo Park Population: 33,000	1998	Office & R&D \$15.57 Other com./industrial \$8.45	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.	Very Substantial	Fee is adjusted annually based on CPI.
City of Sunnyvale Population: 146,000	1984 Updated 2003 and 2015.	Industrial, Office, R&D: \$15.00 Retail, Hotel \$7.50	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	Very Substantial	Fee is adjusted annually based on CPI.
San Mateo Population: 101,000	2016	Office \$25.00 Hotel \$10.00 Retail \$5.00	5,000 SF threshold 25% fee reduction for projections paying prevailing wage. Schools, religious, child care centers, public and non-profit uses exempt.		Very Substantial	
San Bruno Population: 43,000	2015	Office and R&D \$12.50 Hotel \$12.50 Retail, Restaurant, Services \$6.25	No minimum threshold	Yes. Program specifies number of units per	Very Substantial	Fee is adjusted annually based on ENR.
Redwood City Population: 80,000	2015	Office \$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	Very Substantial	Fee is adjusted annually based on ENR.
City of Mountain View Population: 77,000	Updated 2002 / 2012 /2014	Office/High Tech/Indust. \$25.00 Hotel/Retail/Entertainment. \$2.68	Fee is 50% on building area under thresholds: Office <10,000 SF Hotel <25,000 SF Retail <25,000 SF	Yes	Very Substantial	Fee is adjusted annually based on CPI.
City of Cupertino Population: 60,000	1993, 2015	Office/Industrial/R&D \$20.00 Hotel/Commercial/Retail \$10.00	No minimum threshold.	N/A	Very Substantial	Fee is adjusted annually based on CPI.

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TABLE 21
SUMMARY OF JOBS HOUSING LINKAGE FEE PROGRAMS, CALIFORNIA

Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Market Strength	Comments
EAST BAY						
City of Walnut Creek Population: 66,000	2005	Office, retail, hotel and medical \$5.00	First 1,000 SF no fee applied.	Yes	Very Substantial	Reviewed every five years.
City of Oakland Population: 402,000	2002	Office/ Warehouse \$5.24	25,000 SF exemption	Yes - Can build units equal to total eligible SF times .00004	Substantial	Fee due in 3 installments. Fee adjusted with an annual escalator tied to residential construction cost increases.
City of Berkeley Population: 116,000	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	Substantial	Annual CPI increase. May negotiate fee downward based on hardship or reduced impact.
City of Fremont Population: 225,000	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. Additional exceptions in initial 2 years.	Yes by formula	Substantial	Fees are as of 2020 full phase in.
City of Emeryville	2014	All Commercial \$4.10	Schools, daycare centers.	Yes	Substantial	Fee adjusted annually.
City of Alameda Population: 76,000	1989	Retail \$2.30 Office \$4.52 Warehouse \$0.78 Manufacturing \$0.78 Hotel/Motel \$1,108	No minimum threshold	Yes. Program specifies # of units per 100,000 SF	Moderate	Fee may be adjusted by CPI.
City of Pleasanton Population: 73,000	1990	Commercial, Office & Industrial \$3.04	No minimum threshold	Yes	Moderate	Fee adjusted annually.
City of Dublin Population: 50,000	2005	Industrial \$0.49 Office \$1.27 R&D \$0.83 Retail \$1.02 Services & Accommodation \$0.43	20,000 SF threshold	N/A	Moderate	
City of Newark Population: 44,000		Commercial \$3.59 Industrial \$0.69	No min threshold Schools, recreational facilities, religious institutions exempt.	Yes	Moderate	Revised annually
City of Livermore Population: 84,000	1999	Retail \$1.19 Service Retail \$0.90 Office \$0.76 Hotel \$583/ rm Manufacturing \$0.37 Warehouse \$0.11 Business Park \$0.76 Heavy Industrial \$0.38 Light Industrial \$0.24	No minimum threshold Church, private or public schools exempt.	Yes; negotiated on a case-by-case basis.	Moderate	

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Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Market Strength	Comments
MARIN, NAPA, SONOMA, SANTA CRUZ						
County of Santa Cruz Population: 267,000	2015	All Non-Residential \$2.00	No minimum threshold	N/A	Substantial	
County of Marin Population: 257,000	2003	Office/R&D \$7.19 Retail/Rest. \$5.40 Warehouse \$1.94 Hotel/Motel \$1,745/rm Manufacturing \$3.74	No minimum threshold	Yes, preferred.	Substantial	
San Rafael Population: 59,000	2005	Office/R&D \$7.64 Retail/Rest./Pers. Services \$5.73 Manufacturing/LI \$4.14 Warehouse \$2.23 Hotel/Motel \$1.91	5,000 SF threshold. Mixed use projects that provide affordable housing are exempt.	Yes. Program specifies number of units per 1,000 SF.	Substantial	
Town of Corte Madera Population: 9,000	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	Substantial	
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.	Substantial	
City of Petaluma Population: 59,000	2003	Commercial \$2.19 Industrial \$2.26 Retail \$3.78	N/A	Yes, subject to City Council approval.	Moderate/ Substantial	Fee adjusted annually by ENR construction cost index.
County of Sonoma Population: 492,000	2005	Office \$2.64 Hotel \$2.64 Retail \$4.56 Industrial \$2.72 R&D Ag Processing \$2.72	First 2,000 SF exempt Non-profits, redevelopment areas exempt	Yes. Program specifies number of units per 1,000 SF.	Moderate	Fee adjusted annually by ENR construction cost index.
City of Cotati Population: 7,000	2006	Commercial \$2.08 Industrial \$2.15 Retail \$3.59	First 2,000 SF exempt Non-profits exempt.	Yes. Specifies No. of units per 1,000 SF	Moderate	Fee adjusted annually by ENR construction cost index.
County of Napa Population: 139,000	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.	Moderate / Substantial	
City of Napa Population: 79,000	1999	Office \$1.00 Hotel \$1.40 Retail \$0.80 Industrial, Wine Pdn \$0.50 Warehouse (30-100K) \$0.30 Warehouse (100K+) \$0.20	No minimum threshold Non-profits are exempt	Units or land dedication; on a case by case basis.	Moderate/ Substantial	Fee has not changed since 1999. Increases under consideration.

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SUMMARY OF JOBS HOUSING LINKAGE FEE PROGRAMS, CALIFORNIA

Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Market Strength	Comments
SACRAMENTO AREA						
City of Sacramento Population: 476,000	1989 Most recent update, 2005	Office \$2.25 Hotel \$2.14 R&D \$1.91 Commercial \$1.80 Manufacturing \$1.41 Warehouse/Office \$0.82	No minimum threshold Mortuary, parking lots, garages, RC storage, Christmas tree lots, B&Bs, mini-storage, alcoholic beverage sales, reverse vending machines, mobile recycling, and small recyclable collection facilities	Pay 20% fee plus build at reduced nexus (not meaningful given amount of fee)	Moderate	North Natomas area has separate fee structure
City of Folsom Population: 73,000	2002	Office, Retail, Lt Industrial, and Manufacturing \$1.54 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.	Moderate/ Substantial	Fee is adjusted annually based on construction cost index
County of Sacramento Population: 1,450,000	1989	Office \$0.97 Hotel \$0.92 R&D \$0.82 Commercial \$0.77 Manufacturing \$0.61 Indoor Recreational Centers \$0.50 Warehouse \$0.26	No minimum threshold Service uses operated by non-profits are exempt	N/A	Moderate	
City of Elk Grove Population: 158,000	1989 (inherited from County when incorporated)	Office none Hotel \$1.87 Commercial \$0.64 Manufacturing \$0.72 Warehouse \$0.77	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	Moderate	Office fee currently waived due to market conditions.
Citrus Heights Population: 85,000	1989 (inherited from County when incorporated)	Office \$0.97 Hotel \$0.92 R&D \$0.82 Commercial \$0.77 Manufacturing \$0.61 Indoor Recreational Centers \$0.50 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	Moderate	
Rancho Cordova Population: 67,000	1989 (inherited from County when incorporated)	Office \$0.97 Hotel \$0.92 R&D \$0.82 Commercial \$0.77 Manufacturing \$0.61 Indoor Recreational Centers \$0.50 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	Moderate	
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.						

TABLE 21
SUMMARY OF JOBS HOUSING LINKAGE FEE PROGRAMS, CALIFORNIA

Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq.Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Market Strength	Comments
SOUTHERN CALIFORNIA						
City of Santa Monica Population: 92,000	1984 Updated 2002, 2015	Retail \$9.75 Office \$11.21 Hotel/Lodging \$3.07 Hospital \$6.15 Industrial \$7.53 Institutional \$10.23 Creative Office \$9.59 Medical Office \$6.89	1,000 SF threshold Private schools, city projects, places of worship, commercial components of affordable housing developments exempt.	N/A	Very Substantial	Fees adjusted annually based on construction cost index.
City of West Hollywood Population: 35,000	1986	Non-Residential \$8.00 (per staff increase from \$4 to \$8 anticipated for FY16-17)	N/A	N/A	Substantial	Fees adjusted by CPI annually
City of San Diego Population: 1,342,000	1990 Updated 2014	Office \$1.76 Hotel \$1.06 R&D \$0.80 Retail \$1.06	No minimum threshold Industrial/ warehouse, non-profit hospitals exempt.	Can dedicate land or air rights in lieu of fee	Substantial	
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KEYSER MARSTON ASSOCIATES

DRAFT

ATTACHMENT A

RESIDENTIAL NEXUS ANALYSIS

Prepared for:
County of San Luis Obispo

Prepared by:
Keyser Marston Associates, Inc.

September 2017

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I. INTRODUCTION

The following report is a Residential Nexus Analysis, an analysis of the linkages between the development of new residential units and the need for additional affordable housing in the unincorporated areas of San Luis Obispo County. The report has been prepared by Keyser Marston Associates, Inc. (KMA) pursuant to a contract with San Luis Obispo County. An analysis in support of affordable housing impact fees on non-residential development was also prepared as part of this work program.

Background, Context and Use of the Analysis

The analysis addresses market rate residential projects in the unincorporated areas of San Luis Obispo County. The nexus analysis quantifies the linkages between new market rate ownership units and the demand for affordable housing in the County.

The County of San Luis Obispo adopted its Inclusionary Housing Ordinance (IHO) in 2008 requiring new residential development projects within the unincorporated area to include affordable units within the project or pay an in-lieu fee instead. Requirements were scheduled to be phased in over a five-year period following adoption; however, in consideration of the economic downturn following adoption of the ordinance in 2008, the County remained at the initial “Year One” level until 2017-18 when the County moved to the “Year Two” level.

The “Year 2” requirement for residential projects is to set aside 6%¹ of units as affordable or pay an in-lieu fee that equates to \$1.50 per square foot. This represents 40% of the fully phased in requirement level of setting aside 15%² of units as affordable or payment of an in-lieu fee of \$3.75 per square foot. Nearly all projects have elected to pay the in-lieu fee rather than construct units onsite. Rental housing and for-sale units under 900 square feet are exempt.

In the Coastal Zone, projects that have 11 or more units must include 15% of units as affordable. The 15% requirement is fully applicable today and there is no fee option.

In 2016, the County adopted a new incentive program designed to encourage market rate projects that serve households qualifying in the Workforce income category, defined as up to 160% of Area Median Income (AMI). For qualifying projects, requirements under the IHO are reduced by 50%.

The nexus analysis provided herein enables the County to consider updates to the housing in-lieu fees applicable to residential ownership development in the unincorporated areas of San Luis Obispo County. The conclusions of the analysis represent maximum supportable or legally

¹ This is the effective onsite percentage requirement after consideration of the 25% reduction per County Code Section 22.12.080, G. for on-site construction of affordable units.

² Ibid.

defensible impact fee levels based on the impact of new residential development on the need for affordable housing. Findings are not recommended fee levels.

Inclusionary requirements need not be bound by the findings of this nexus analysis in accordance with the ruling in *C.B.I.A.*, discussed below. However, for inclusionary requirements applicable to small projects, it is generally recommended that in-lieu fees be kept within the nexus maximums where on-site compliance with inclusionary requirements is not practical and the fee becomes the primary compliance option available.

Background on Key Legal Cases

The following provides background regarding two key legal cases pertaining to inclusionary programs. This section is intended as general background only; nothing in this report should be interpreted as providing specific legal guidance, which KMA is not qualified to provide.

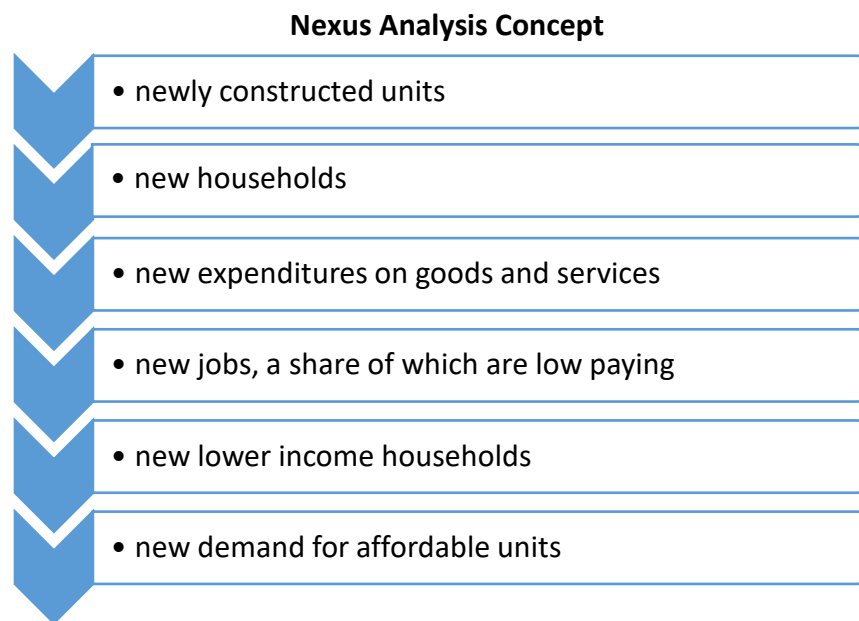
In *C.B.I.A.*, (*California Building Industry Association v. City of San Jose*, California Supreme Court Case No. S212072, June 15, 2015), also referred to as the San Jose Case, the California Building Industry Association challenged the City of San Jose's newly adopted inclusionary program. A core contention of C.B.I.A. was that the City's inclusionary program constituted an exaction that required a nexus study to support it. The case was pending in the courts from 2010 through February 2016. Ultimately, the case was decided by the California Supreme Court in favor of the City of San Jose, finding San Jose's inclusionary program to be a valid exercise of the City's power to regulate land use and not an exaction. The U.S. Supreme Court denied C.B.I.A.'s petition to review the case. While the case was pending, there was speculation that the courts would rule in favor of C.B.I.A. and this possibility was one of the motivations for jurisdictions to prepare residential nexus studies as an additional "backup" support measure for inclusionary programs.

The *Palmer* case (*Palmer/Sixth Street Properties L.P. v. City of Los Angeles* [2009] 175 Cal. App. 4th 1396) was decided in 2009 and precluded California jurisdictions from requiring long term rent restrictions or inclusionary requirements on rental units. Since the *Palmer* ruling, many California jurisdictions have adopted affordable housing impact fees on rental projects supported by residential nexus studies similar to this one. In the case of San Luis Obispo County, rental developments are exempted from affordable housing requirements.

The Nexus Concept

A residential nexus analysis demonstrates and quantifies the impact of new market rate housing development on the demand for affordable housing. The underlying nexus concept is that the newly constructed market rate units represent net new households in San Luis Obispo County. These households represent new income in the County that 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 income households that cannot afford market rate units in the unincorporated areas of San Luis Obispo County and therefore need affordable housing.



Methodology and Models Used

The nexus analysis methodology starts with the sales price of a new market rate residential unit, and moves through a series of linkages to the gross income of the household that purchased the unit, the income available for expenditures on goods and services, the jobs associated with the purchases and delivery of those services, the income of the workers doing those jobs, the household income of the workers and, ultimately, the affordability level of the housing needed by the worker households. The steps of the analysis from household income available for expenditures to jobs generated were performed using the IMPLAN model, a model widely used for the past 35 years to quantify the impacts of changes in a local economy, including employment impacts from changes in personal income. From job generation by industry, KMA used its own jobs housing nexus model to quantify the income of worker households by affordability level.

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-income households who cannot afford market rate housing in the unincorporated areas of San Luis Obispo County.

The IMPLAN model quantifies jobs generated at establishments that serve new residents directly (e.g., supermarkets, banks or schools), 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. The IMPLAN model estimates the total impact combined.

Net New Underlying Assumption

An underlying assumption of the analysis is that households that purchase new units represent net new households in San Luis Obispo County. If purchasers have relocated from elsewhere in the county, vacancies have been created that will be filled. An adjustment to new construction of units would be warranted if San Luis Obispo County were experiencing demolitions or loss of existing housing inventory. However, the rate of housing unit removal is so low as to not warrant an adjustment or offset.

On an individual project basis, 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 the unincorporated areas of San Luis Obispo County 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 San Luis Obispo County. While much of the impact will occur within the County, some impacts will be experienced beyond the County boundaries. The IMPLAN model computes the jobs generated within the County and sorts out those that occur beyond the County boundaries. The KMA Jobs Housing Nexus Model analyzes the income structure of jobs and their worker households, without assumptions as to where the worker households live. In summary, the KMA nexus analysis quantifies all the job impacts occurring within San Luis Obispo County and related worker households. See the Addendum: Additional Background and Notes on Specific Assumptions at the end of this report for further discussion.

Market Rate Residential Project Types

Six prototypical residential project types were selected by the County and KMA for analysis in this nexus study. The prototypes were intended to represent the range of ownership product types currently being built in the unincorporated areas of San Luis Obispo County or which are expected in the future including:

- Single Family Detached with an inland location;
- Small Lot Single Family Detached with an inland location;
- Single Family Detached located in San Miguel;
- Attached Townhome / Condominium with an inland location;
- Small Lot Single Family Detached located in the Coastal Zone; and
- Attached Townhome / Condominium located in the Coastal Zone.

A complete description of the prototypes can be found in Appendix A.

Affordability Tiers

The nexus analysis addresses the following three income or affordability tiers:

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

Report Organization

The report is organized into the following sections:

- Section A presents information regarding the prototypical new market rate residential units and the estimated household income of purchasers of those units.
- Section B describes the IMPLAN model, which is used in the nexus analysis to translate household income into the estimated number of jobs in retail, restaurants, healthcare, and other sectors serving new residents.
- Section C presents the linkage between employment growth associated with residential development and the need for new lower income housing units required in each of the three income categories.
- Section D quantifies the nexus or mitigation cost based on the cost of delivering affordable units to new worker households in each of the three income categories.
- An Addendum section provides a supplemental discussion of specific factors in relation to the nexus concept.
- Appendix A contains the market survey.
- Appendix B includes detailed tables on worker occupations and compensation levels that are a key input into the analysis.

Disclaimers

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's American Community Survey, California Employment Development Department (EDD) and the IMPLAN model. While we believe all sources utilized 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.

II. RESIDENTIAL NEXUS ANALYSIS

A. Market Rate Units and Household Income

This section describes the prototypical market rate residential units and the income of the purchaser households. Market rate prototypes are representative of new residential units currently being built in the unincorporated areas of San Luis Obispo County or that are likely to be built in San Luis Obispo County over the next five to ten years. Household income is estimated based on the amount necessary for the mortgage 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.

This section presents a summary of the market rate prototypes and the estimated household income of purchasers of the market rate units.

Recent Housing Market Activity and Prototypical Units

KMA worked with County staff to select six representative development prototypes envisioned to be developed in the unincorporated areas in the future. They are based on projects recently built or in the development pipeline. KMA then undertook a market survey of residential projects to estimate pricing levels. More details on the market survey can be found in Appendix A.

At the time of the market survey in the spring of 2017, there were many residential projects either recently built or in the development process in San Luis Obispo County. To develop an understanding of the types of units being built, KMA gathered development program and pricing information (when available) for these recent or current projects in San Luis Obispo County. To estimate sales prices, KMA gathered asking prices for new units being marketed and new/resale prices for units built since 2005 and sold since January 2014.

To address the range of sales values throughout the County, KMA developed prototypes based on location, with a set of inland prototypes and a set of coastal prototypes. Within the inland prototypes, KMA estimated a San Miguel prototype to represent the low end of the price range in the County, as well as several higher value units to represent locations such as Templeton and Nipomo. Together, the prototypes represent the range of sales prices in the unincorporated areas of the County.

The six residential prototypes are summarized in the table below. More detail can be found on Table A-1 at the end of this section. The main objective of the survey was to review current market sales prices, per unit and per square foot, for the various residential project types in San Luis Obispo County. The results of the market survey are included in Appendix A.

In summary, the residential prototypes analyzed in the nexus analysis are as follows:

Prototypical Residential Units for San Luis Obispo County						
	Inland				Coastal Zone	
	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Single Family</i>	<i>Attached Townhomes</i>
Avg. Unit Size	2,200 SF	1,800 SF	1,600 SF	1,450 SF	2,000 SF	975 SF
Avg. No. of Bedrooms	3.00	3.00	3.00	2.50	3.00	1.75
Avg. Sales Price	\$620,000	\$450,000	\$310,000	\$375,000	\$1,000,000	\$875,000
Per Square Foot	\$282 /SF	\$250 /SF	\$194 /SF	\$259 /SF	\$500 /SF	\$897 /SF

Source: KMA market study; see Appendix A.

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

Income of Housing Unit Purchaser

After the prototypes are established, the next step in the analysis is to determine the income of the purchasing households in the prototypical units. Terms for the purchase of residential units used in the analysis are slightly less favorable than what can be achieved at the current time since current terms are not likely to endure. The down-payment assumption ranges from 5% to 20%, depending on the location and purchase price of the home and based on local data for recent home sales. A 30-year fixed rate loan with 5% interest is assumed. An interest rate premium of 0.25% is added to non-conforming loans over \$586,500 (jumbo loans). The interest rate of 5% reflects a longer term average rate based on data for the last fifteen years from 2002 to 2017.³ Tables A-2 to A-7 at the end of this section provide the details.

All product types include an estimate of homeowners' insurance, homeowner association dues, and property taxes. In addition, when a 5% or 10% down payment is assumed, mortgage insurance is also assumed. These expenses are included along with the mortgage payment as part of housing expenses for purposes of determining mortgage eligibility.⁴ The analysis estimates gross household income based on the assumption that these housing costs represent, on average, approximately 35% of gross income. The assumption that housing expenses represent

³ Based on Freddie Mac Primary Mortgage Market Survey. Reflects weekly average rates for 30 year fixed rate mortgages during the period from 6/2002 through 6/2017 applicable to the West Region and rounded to the nearest whole percentage.

⁴ 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.

35% of gross income is reflective of the local average for new purchase loans⁵ and is consistent with criteria used by lenders to determine mortgage eligibility.⁶

Gross Household Income						
	<i>Inland</i>				<i>Coastal Zone</i>	
	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
Gross Household Income	\$116,000	\$100,000	\$73,000	\$91,000	\$193,000	\$177,000

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 A-8 at the end of this section shows the calculation of income available for expenditures.

Income available for expenditures is estimated at approximately 67% to 75% of gross income, depending on the market rate prototype. The estimates are based on a review of data from the Internal Revenue Service and California Franchise Tax Board tax tables. Per the Internal Revenue Service, households earning between \$100,000 and \$200,000 per year who itemize deductions on their tax returns will pay an average of 12.2% of gross income for federal taxes. Households in the San Miguel single family units are estimated to pay 7.7% of gross income for federal taxes, the average for households in the \$50,000 - \$75,000 range who itemize their deductions, while households in the inland attached townhomes are estimated to pay 9.0% of gross income for federal taxes, the average for households in the \$75,000 - \$100,000 range who itemize their deductions. State taxes are estimated to average 1.7% to 4.7% of gross income based on tax rates per the California Franchise Tax Board. The employee share of FICA

⁵ Freddie Mac data on new purchase loans originated in zip codes corresponding to San Luis Obispo County for the 1st Quarter of 2016 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.

⁶ 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.

payroll taxes for Social Security and Medicare is 7.65% of gross income. A ceiling of \$127,200 per employee applies to the 6.2% Social Security portion of this tax rate.

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. Savings and repayment of debt are estimated to represent a combined 8% of gross income based on the 20-year average derived from United States Bureau of Economic Analysis data.

The percent 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, the estimated income available for expenditures is 67% - 75%. 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.

Estimates of household income available for expenditures are presented below:

Income Available for Expenditures						
	<i>Inland</i>				<i>Coastal Zone</i>	
	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
Gross Household Income	\$116,000	\$100,000	\$73,000	\$91,000	\$193,000	\$177,000
Percent Income available for Expenditures	69%	69%	75%	73%	67%	68%
Spending Adjustment / Rental Vacancy	N/A	N/A	N/A	N/A	N/A	N/A
Household Income Available for Expenditure ⁽¹⁾						
One Unit	\$80,000	\$69,000	\$54,800	\$66,400	\$129,300	\$120,400
100 Units [input to IMPLAN]	\$8,000,000	\$6,900,000	\$5,480,000	\$6,640,000	\$12,930,000	\$12,040,000

(1) Calculated as gross household income X percent available for expenditures. Result includes the share of income spent on housing as the required input to the IMPLAN model is income after taxes but before deduction of housing costs as described above.

The nexus analysis is conducted on 100-unit building 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. Tables A-9 summarizes the conclusions of this section and calculates the household income for the 100-unit building modules.

**TABLE 1
MARKET RATE RESIDENTIAL PROTOTYPES
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA**

Working Draft

	INLAND			COASTAL		
	<u>Single Family Detached</u>	<u>Small Lot Single Family Detached</u>	<u>San Miguel Single Family Detached</u>	<u>Attached Townhomes / Condominiums</u>	<u>Small Lot Single Family Detached</u>	<u>Attached Townhomes / Condominiums</u>
Example Projects	The Enclave, Nipomo Woodlands Trilogy, Nipomo	Templeton Ranch, Templeton Oak Knoll Creek, Templeton Trilogy, Monach Dunes Creekside Ranch, Templeton	Second, Press & Sullivan Midland Pacific Homes Jazzy Town Creekside Homes	James Way, Templeton Monach Ridge THs, Nipomo Grande Nipomo, Nipomo Coker Ellsworth, SL Bay Inland Nipomo Center, Nipomo	Campbell-Sheppa, Cayucos San Luis Bay Estates, Avila Beach Colony at Avila Beach	First & San Antonia, HDFT Investments, Avila Beach 235 Miguel, Avila Beach
Density / Lot Size	6,000 - 22,000 sf lots	3,000 - 6,000 sf lots	3,500 - 6,000 sf lots	1,500 - 2,000 sf lots	2,500 - 6,000 sf lots	20 - 30 dua
Building Type	Two-story detached	Two-story detached	Two-story detached	Two-story attached	Two-story detached	Two-story attached
Unit Mix	2, 3, and 4 BR	3 BR units	3 BR units	2 and 3 BR units	3 BR units	1 and 2 BR units
Average Unit Size	2,200 sf	1,800 sf	1,600 sf	1,450 sf	2,000 sf	975 sf
Average No. of Bedrooms	3.0 BR	3.0 BR	3.0 BR	2.50 BR	3.0 BR	1.75 BR
Parking Type	Attached garage.	Attached garage.	Attached garage.	Attached garage.	Attached garage.	Attached garage.
Sales Price/Rent per square foot	\$620,000 \$282	\$450,000 \$250	\$310,000 \$194	\$375,000 \$259	\$1,000,000 \$500	\$875,000 \$897

TABLE A-2
PROTOTYPE 1: SINGLE FAMILY DETACHED
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA

Working Draft

		Prototype 1	
		<u>Single Family Detached</u>	
Sales Price	\$282 /SF	2,200 SF ¹	\$620,000 ¹
Mortgage Payment			
Downpayment @ 20%		20% ²	\$124,000
Loan Amount			\$496,000
Interest Rate			5.00% ³
Term of Mortgage			30 years
Annual Mortgage Payment	\$2,700 /month		\$32,000
Other Costs			
Property Taxes	1.06% of sales price ⁴		\$6,572
HOA Dues	\$100 per month ¹		\$1,200
Homeowner Insurance	0.15% of sales price ⁵		\$900
Total Annual Housing Cost	\$3,400 /month		\$40,672
% of Income Spent on Hsg			35% ⁶
Annual Household Income Required			\$116,000
Sales Price to Income Ratio			5.3

Notes

(1) Based on KMA Market Survey.

(2) Estimated based upon review of ListSource data on down payments for purchase of newer units priced in the \$500,000 to \$650,000 range in unincorporated San Luis Obispo County.

(3) Average interest rate for prior 15 years derived from Freddie Mac Primary Mortgage Market Survey, West Region (rounded to nearest whole percentage). Based on weekly average rates for 30 year fixed rate mortgages during the period from 6/2002 through 6/2017.

(4) Property tax rate is inclusive of ad valorem taxes and applicable voter approved rates, fixed charges and assessments. Source: ListSource.

(5) Estimated from quote obtained from Progressive Insurance.

(6) Ratio is consistent with Fannie Mae mortgage underwriting eligibility criteria which 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. Ratio is also consistent with the California Health and Safety Code standard for relating income to housing costs for ownership units. Freddie Mac data on new purchase loans originated in zip codes corresponding to San Luis Obispo County for the 1st Quarter of 2016 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.

TABLE A-3
PROTOTYPE 2: SMALL LOT SINGLE FAMILY
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA

Working Draft

			<u>Prototype 2</u> <u>Small Lot Single Family</u>
Sales Price	\$250 /SF	1,800 SF ¹	\$450,000 ¹
Mortgage Payment			
Downpayment @ 10%		10% ²	\$45,000
Loan Amount			\$405,000
Interest Rate			5.00% ³
Term of Mortgage			30 years
Annual Mortgage Payment	\$2,200 /month		\$26,100
Other Costs			
Property Taxes	1.06% of sales price ⁴		\$4,770
HOA Dues	\$100 per month ¹		\$1,200
Homeowner Insurance	0.15% of sales price ⁵		\$700
Mortgage Insurance	0.54% of loan amount ⁶		\$2,190
Total Annual Housing Cost	\$2,900 /month		\$34,960
% of Income Spent on Hsg			35% ⁷
Annual Household Income Required			\$100,000
Sales Price to Income Ratio			4.5

Notes

(1) Based on KMA Market Survey.

(2) Estimated based upon review of ListSource data on down payments for purchase of newer units priced in the \$400,000 to \$500,000 range in unincorporated San Luis Obispo County.

(3) Average interest rate for prior 15 years derived from Freddie Mac Primary Mortgage Market Survey, West Region (rounded to nearest whole percentage). Based on weekly average rates for 30 year fixed rate mortgages during the period from 6/2002

(4) Property tax rate is inclusive of ad valorem taxes and applicable voter approved rates, fixed charges and assessments. Source: ListSource.

(5) Estimated from quote obtained from Progressive Insurance.

(6) Estimated using PMI calculator provided by First Guarantee Mortgage Corporation.

(7) Ratio is consistent with Fannie Mae mortgage underwriting eligibility criteria which 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. Ratio is also consistent with the California Health and Safety Code standard for relating income to housing costs for ownership units. Freddie Mac data on new purchase loans originated in zip codes corresponding to San Luis Obispo County for the 1st Quarter of 2016 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.

TABLE A-4
PROTOTYPE 3: SAN MIGUEL SINGLE FAMILY
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA

Working Draft

Prototype 3
San Miguel Single Family

Sales Price	\$194 /SF	1,600 SF ¹	\$310,000 ¹
Mortgage Payment			
Downpayment @ 5%		5% ²	\$15,500
Loan Amount			\$294,500
Interest Rate			5.00% ³
Term of Mortgage			30 years
Annual Mortgage Payment	\$1,600 /month		\$19,000
Other Costs			
Property Taxes	1.06% of sales price ⁴		\$3,286
HOA Dues	\$50 per month ¹		\$600
Homeowner Insurance	0.15% sale price ⁵		\$500
Mortgage Insurance	0.72% of loan amount ⁶		\$2,120
Total Annual Housing Cost	\$2,100 /month		\$25,506
% of Income Spent on Hsg			35% ⁷
Annual Household Income Required			\$73,000
Sales Price to Income Ratio			4.2

Notes

(1) Based on KMA Market Survey.

(2) Estimated based upon review of ListSource data on down payments for purchase of newer units priced in the \$300,000 to \$400,000 range in unincorporated San Luis Obispo County.

(3) Average interest rate for prior 15 years derived from Freddie Mac Primary Mortgage Market Survey, West Region (rounded to nearest whole percentage). Based on weekly average rates for 30 year fixed rate mortgages during the period from 6/2002

(4) Property tax rate is inclusive of ad valorem taxes and applicable voter approved rates, fixed charges and assessments. Source: ListSource.

(5) Estimated from quote obtained from Progressive Insurance.

(6) Estimated using PMI calculator provided by First Guarantee Mortgage Corporation.

(7) Ratio is consistent with Fannie Mae mortgage underwriting eligibility criteria which 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. Ratio is also consistent with the California Health and Safety Code standard for relating income to housing costs for ownership units. Freddie Mac data on new purchase loans originated in zip codes corresponding to San Luis Obispo County for the 1st Quarter of 2016 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.

**TABLE A-5
 PROTOTYPE 4: ATTACHED TOWNHOMES
 SALES PRICE TO INCOME RATIO
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA**

Working Draft

		Prototype 4 Attached Townhomes	
Sales Price	\$259 /SF	1,450 SF ¹	\$375,000 ¹
Mortgage Payment			
Downpayment @ 5%		5% ²	\$18,750
Loan Amount			\$356,250
Interest Rate			5.00% ³
Term of Mortgage			30 years
Annual Mortgage Payment	\$1,900 /month		\$22,900
Other Costs			
Property Taxes	1.06% of sales price ⁴		\$3,975
HOA Dues	\$150 per month ¹		\$1,800
Homeowner Insurance	0.15% sale price ⁵		\$600
Mortgage Insurance	0.72% of loan amount ⁶		\$2,570
Total Annual Housing Cost	\$2,700 /month		\$31,845
% of Income Spent on Hsg			35% ⁷
Annual Household Income Required			\$91,000
Sales Price to Income Ratio			4.1

Notes

(1) Based on KMA Market Survey.

(2) Estimated based upon review of ListSource data on down payments for purchase of newer units priced in the \$300,000 to \$400,000 range in unincorporated San Luis Obispo County.

(3) Average interest rate for prior 15 years derived from Freddie Mac Primary Mortgage Market Survey, West Region (rounded to nearest whole percentage). Based on weekly average rates for 30 year fixed rate mortgages during the period from 6/2002

(4) Property tax rate is inclusive of ad valorem taxes and applicable voter approved rates, fixed charges and assessments. Source: ListSource.

(5) Estimated from quote obtained from Progressive Insurance.

(6) Estimated using PMI calculator provided by First Guarantee Mortgage Corporation.

(7) Ratio is consistent with Fannie Mae mortgage underwriting eligibility criteria which 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. Ratio is also consistent with the California Health and Safety Code standard for relating income to housing costs for ownership units. Freddie Mac data on new purchase loans originated in zip codes corresponding to San Luis Obispo County for the 1st Quarter of 2016 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.

TABLE A-6
PROTOTYPE 5: COASTAL SINGLE FAMILY
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA

Working Draft

			<u>Prototype 5</u> <u>Coastal Single Family</u>
Sales Price	\$500 /SF	2,000 SF ¹	\$1,000,000 ¹
Mortgage Payment			
Downpayment @ 20%		20% ²	\$200,000
Loan Amount			\$800,000
Interest Rate			5.25% ³
Term of Mortgage			30 years
Annual Mortgage Payment	\$4,400 /month		\$53,000
Other Costs			
Property Taxes	1.06% of sales price ⁴		\$10,600
HOA Dues	\$200 per month ¹		\$2,400
Homeowner Insurance	0.15% sale price ⁵		\$1,500
Total Annual Housing Cost	\$5,600 /month		<hr/> \$67,500
% of Income Spent on Hsg			35% ⁶
Annual Household Income Required			\$193,000
Sales Price to Income Ratio			5.2

Notes

(1) Based on KMA Market Survey.

(2) Reflects the median down payment for new purchase loans originated in zip codes corresponding to San Luis Obispo County derived from Freddie Mac data for loans issued in the 1st Quarter of 2016. Although a share of upper income buyers pay all cash or put more than 20% down, a 20% down payment is used to estimate the average income and spending power of households purchasing units in the Coastal Zone.

(3) Average mortgage interest rate for prior 15 years derived from Freddie Mac Primary Mortgage Market Survey, West Region (rounded to nearest whole percentage). Based on weekly average rates for 30 year fixed rate mortgages during the period from 6/2002 through 6/2017. Includes a 0.25% premium to reflect the non-conforming nature of the loan (jumbo loan).

(4) Property tax rate is inclusive of ad valorem taxes and applicable voter approved rates, fixed charges and assessments. Source: ListSource.

(5) Estimated from quote obtained from Progressive Insurance.

(6) Ratio is consistent with Fannie Mae mortgage underwriting eligibility criteria which 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. Ratio is also consistent with the California Health and Safety Code standard for relating income to housing costs for ownership units. Freddie Mac data on new purchase loans originated in zip codes corresponding to San Luis Obispo County for the 1st Quarter of 2016 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.

TABLE A-7
PROTOTYPE 6: COASTAL ATTACHED TOWNHOMES
SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA

Working Draft

Prototype 6
Coastal Attached Townhomes

Sales Price	\$897 /SF	975 SF ¹	\$875,000 ¹
Mortgage Payment			
Downpayment @ 20%		20% ²	\$175,000
Loan Amount			\$700,000
Interest Rate			5.25% ³
Term of Mortgage			30 years
Annual Mortgage Payment	\$3,900 /month		\$46,400
Other Costs			
Property Taxes	1.06% of sales price ⁴		\$9,275
HOA Dues	\$400 per month ¹		\$4,800
Homeowner Insurance	0.15% sale price ⁵		\$1,300
Total Annual Housing Cost	\$5,100 /month		\$61,775
% of Income Spent on Hsg			35% ⁶
Annual Household Income Required			\$177,000
Sales Price to Income Ratio			4.9

Notes

(1) Based on KMA Market Survey.

(2) Reflects the median down payment for new purchase loans originated in zip codes corresponding to San Luis Obispo County derived from Freddie Mac data for loans issued in the 1st Quarter of 2016. Although a share of upper income buyers pay all cash or put more than 20% down, a 20% down payment is used to estimate the average income and spending power of households purchasing units in the Coastal Zone.

(3) Average mortgage interest rate for prior 15 years derived from Freddie Mac Primary Mortgage Market Survey, West Region (rounded to nearest whole percentage). Based on weekly average rates for 30 year fixed rate mortgages during the period from 6/2002 through 6/2017. Includes a 0.25% premium to reflect the non-conforming nature of the loan (jumbo loan).

(4) Property tax rate is inclusive of ad valorem taxes and applicable voter approved rates, fixed charges and assessments. Source: ListSource.

(5) Estimated from quote obtained from Progressive Insurance.

(6) Ratio is consistent with Fannie Mae mortgage underwriting eligibility criteria which 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. Ratio is also consistent with the California Health and Safety Code standard for relating income to housing costs for ownership units. Freddie Mac data on new purchase loans originated in zip codes corresponding to San Luis Obispo County for the 1st Quarter of 2016 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.

TABLE A-8
INCOME AVAILABLE FOR EXPENDITURES¹
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA

Working Draft

	<i>Prototype 1</i>	<i>Prototype 2</i>	<i>Prototype 3</i>	<i>Prototype 4</i>	<i>Prototype 5</i>	<i>Prototype 6</i>
	Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes
Gross Income	100%	100%	100%	100%	100%	100%
<u>Less:</u>						
Federal Income Taxes ²	12.2%	12.2%	7.7%	9.0%	12.2%	12.2%
State Income Taxes ³	3.5%	3.2%	1.7%	2.5%	4.7%	4.6%
FICA Tax Rate ⁴	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
Savings & other deductions ⁵	8%	8%	8%	8%	8%	8%
Percent of Income Available for Expenditures ⁶ [Input to IMPLAN model]	69%	69%	75%	73%	67%	68%

Notes:

- ¹ Gross income after deduction of taxes and savings. Income available for expenditures is the input to the IMPLAN model which is used to estimate the resulting employment impacts. Housing costs are not deducted as part of this adjustment step because they are addressed separately as expenditures within the IMPLAN model.
- ² Reflects average tax rates (as opposed to marginal) based on U.S. Internal Revenue Services, Tax Statistics, Tables 1.1 and 2.1 for 2014. Homeowners are assumed to itemize deductions. Tax rates reflect averages for applicable income range.
- ³ Average tax rate estimated by KMA based on marginal rates per the California Franchise Tax Board and ratios of taxable income to gross income estimated based on U.S. Internal Revenue Service data.
- ⁴ For Social Security and Medicare. Social Security taxes estimated based upon the current ceiling on applicability of Social Security taxes of \$127,200 (ceiling applies per earner not per household) and the average number of earners per household.
- ⁵ Household savings including retirement accounts like 401k / IRA and other deductions such as interest costs on credit cards, auto loans, etc, necessary to determine the amount of income available for expenditures. The 8% rate used in the analysis for households earning less than \$225,000 is based on the average over the past 20 years computed from U.S. Bureau of Economic Analysis data, specifically the National Income and Product Accounts, Table 2.1 "Personal Income and Its Disposition."
- ⁶ Deductions from gross income to arrive at the income available for expenditures are consistent with the way the IMPLAN model and National Income and Product Accounts (NIPA) defines income available for personal consumption expenditures. Income taxes, contributions to Social Security and Medicare, and savings are deducted; however, property taxes and sales taxes are not. Housing costs are not deducted as part of the adjustment because they are addressed separately as expenditures within the IMPLAN model.

**TABLE A-9
FOR SALE PROTOTYPES: SALES PRICE TO INCOME SUMMARY
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA**

Working Draft

	<u>Per Unit</u>	<u>Per Sq.Ft.</u>	<u>100 Unit Building Module</u>
<i>Page 1 of 2</i>			
			<i>(Per 100 Units)</i>
PROTOTYPE 1 : SINGLE FAMILY DETACHED			
Building Sq.Ft. (excludes garage)	2,200		220,000
Sales Price	\$620,000	\$282	\$62,000,000
Sales Price to Income Ratio	5.3		5.3
Gross Household Income	\$116,000		\$11,600,000
Income Available for Expenditur 69% of gross	\$80,000		\$8,000,000
PROTOTYPE 2: SMALL LOT SINGLE FAMILY			
Building Sq.Ft. (excludes garage)	1,800		180,000
Sales Price	\$450,000	\$250	\$45,000,000
Sales Price to Income Ratio	4.5		4.5
Gross Household Income	\$100,000		\$10,000,000
Income Available for Expenditur 69% of gross	\$69,000		\$6,900,000
PROTOTYPE 3: SAN MIGUEL SINGLE FAMILY			
Building Sq.Ft. (excludes garage)	1,600		160,000
Sales Price	\$310,000	\$194	\$31,000,000
Sales Price to Income Ratio	4.2		4.2
Gross Household Income	\$73,000		\$7,300,000
Income Available for Expenditur 75% of gross	\$54,800		\$5,480,000

**TABLE A-9
FOR SALE PROTOTYPES: SALES PRICE TO INCOME SUMMARY
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA**

Working Draft

	<u>Per Unit</u>	<u>Per Sq.Ft.</u>	<u>100 Unit Building Module</u>
Page 2 of 2			
PROTOTYPE 4: ATTACHED TOWNHOMES			
Building Sq.Ft. (excludes garage)	1,450		145,000
Sales Price	\$375,000	\$259	\$37,500,000
Sales Price to Income Ratio	4.1		4.1
Gross Household Income	\$91,000		\$9,100,000
Income Available for Expenditur 73% of gross	\$66,400		\$6,640,000
PROTOTYPE 5: COASTAL SINGLE FAMILY			
Building Sq.Ft. (excludes garage)	2,000		200,000
Sales Price	\$1,000,000	\$500	\$100,000,000
Sales Price to Income Ratio	5.2		5.2
Gross Household Income	\$193,000		\$19,300,000
Income Available for Expenditur 67% of gross	\$129,300		\$12,930,000
PROTOTYPE 6: COASTAL ATTACHED TOWNHOMES			
Building Sq.Ft. (excludes garage)	975		97,500
Sales Price	\$875,000	\$897	\$87,500,000
Sales Price to Income Ratio	4.9		4.9
Gross Household Income	\$177,000		\$17,700,000
Income Available for Expenditur 68% of gross	\$120,400		\$12,040,000

Notes:

(1) Represents net income available for expenditures after income tax, payroll taxes, and savings. See Table A-8 for derivation.

Source: See Table A-2 through A-7.

B. The IMPLAN Model

Consumer spending by residents of new housing units will create jobs, particularly in sectors such as restaurants, health care, and retail, which are closely connected to the expenditures of residents. The widely used economic analysis tool, IMPLAN (IMPact Analysis for PLANning), 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.

Data sets 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 utilizes the data set for San Luis Obispo 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. The employment impacts will extend throughout the County and beyond based on where jobs are located that serve residents of the unincorporated areas of San Luis Obispo County. However, consistent with the conservative approach taken in the nexus analysis, only the impacts that occur within San Luis Obispo 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 Consumer Expenditure Survey and the Bureau of Economic Analysis Benchmark input-output study, 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 below.

Jobs Generated Per 100 Units						
	<i>Inland</i>				<i>Coastal Zone</i>	
	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
Annual Household Expenditures (100 Units)	\$8,000,000	\$6,900,000	\$5,480,000	\$6,640,000	\$12,930,000	\$12,040,000
Total Jobs Generated (100 Units)	59.1	51.1	40.6	49.2	95.2	88.7

Table B-1 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 utilizes this 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 B-1
IMPLAN MODEL OUTPUT
EMPLOYMENT GENERATED
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA**

Working Draft

<i>Per 100 Market Rate Units</i>	<i>Prototype 1</i>	<i>Prototype 2</i>	<i>Prototype 3</i>	<i>Prototype 4</i>	<i>Prototype 5</i>	<i>Prototype 6</i>	<i>% of Jobs</i>
	Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes	
Household Expenditures <i>(100 Market Rate Units)</i>	\$8,000,000	\$6,900,000	\$5,480,000	\$6,640,000	\$12,930,000	\$12,040,000	
Jobs Generated by Industry ¹							
Full-service restaurants	3.7	3.2	2.6	3.1	6.2	5.7	6%
Limited-service restaurants	3.1	2.8	2.2	2.7	5.3	4.9	5%
All other food and drinking places	<u>1.8</u>	<u>1.6</u>	<u>1.2</u>	<u>1.5</u>	<u>3.0</u>	<u>2.8</u>	<u>3%</u>
Subtotal Restaurant	8.6	7.5	6.0	7.3	14.4	13.4	15%
Retail - Food and beverage stores	1.9	1.6	1.3	1.6	3.1	2.9	3%
Retail - General merchandise stores	1.4	1.3	1.0	1.2	2.4	2.2	2%
Personal care services	1.0	0.9	0.7	0.8	1.7	1.5	2%
Retail - Health and personal care stores	0.6	0.6	0.4	0.5	1.0	1.0	1%
Retail - Miscellaneous store retailers	1.0	0.9	0.7	0.8	1.6	1.5	2%
Retail - Building material and garden	0.8	0.7	0.5	0.7	1.3	1.2	1%
Other personal services	0.7	0.6	0.5	0.6	1.2	1.1	1%
Retail - Clothing and accessories	1.1	0.9	0.7	0.9	1.7	1.6	2%
Retail - Motor vehicle and parts dealers	0.8	0.7	0.5	0.6	1.2	1.1	1%
Retail - Nonstore retailers	<u>1.1</u>	<u>1.0</u>	<u>0.8</u>	<u>0.9</u>	<u>1.8</u>	<u>1.7</u>	<u>2%</u>
Subtotal Retail and Service	10.4	9.1	7.2	8.7	17.0	15.9	18%
Hospitals	1.6	1.6	1.3	1.5	3.0	2.8	3%
Nursing and community care facilities	1.0	0.9	0.7	0.9	1.3	1.2	2%
Home health care services	1.2	0.5	0.4	0.5	1.8	1.6	2%
Offices of physicians	1.9	1.7	1.4	1.7	3.0	2.8	3%
Offices of dentists	0.8	0.7	0.6	0.7	1.3	1.2	1%
Offices of other health practitioners	<u>1.0</u>	<u>0.8</u>	<u>0.7</u>	<u>0.8</u>	<u>1.8</u>	<u>1.7</u>	<u>2%</u>
Subtotal Healthcare	7.5	6.2	4.9	6.0	12.1	11.3	13%
Other educational services	0.6	0.5	0.4	0.5	1.1	1.1	1%
Elementary and secondary schools	<u>0.4</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.7</u>	<u>0.7</u>	<u>1%</u>
Subtotal Education	1.0	0.7	0.6	0.7	1.9	1.7	2%
Real estate	4.0	4.1	3.2	3.9	6.2	5.8	7%
Individual and family services	2.1	1.8	1.4	1.7	3.4	3.2	4%
Religious organizations	1.4	1.2	1.0	1.2	2.1	2.0	2%
Employment services	1.2	1.1	0.9	1.1	2.0	1.8	2%
Wholesale trade	1.2	1.1	0.8	1.0	2.0	1.8	2%
Other financial investment activities	1.3	1.2	1.0	1.2	1.5	1.4	2%
Services to buildings	1.0	0.9	0.7	0.8	1.6	1.5	2%
Services to private households	0.9	0.8	0.6	0.7	1.7	1.6	2%
Automotive repair and maintenance	1.0	0.8	0.7	0.8	1.5	1.4	2%
Labor and civic organizations	0.7	0.5	0.4	0.5	1.1	1.0	1%
Depository credit (banking)	0.7	0.7	0.5	0.6	0.9	0.8	1%
Legal services	0.5	0.4	0.3	0.4	1.2	1.1	1%
Child day care services	0.6	0.5	0.4	0.4	1.0	1.0	1%
Landscape and horticultural services	0.6	0.5	0.4	0.5	0.9	0.8	1%
Funds, trusts, and other financial vehicles	0.6	0.6	0.4	0.5	0.6	0.6	1%
Fitness and recreational sports centers	0.5	0.4	0.3	0.3	0.9	0.8	1%
Accounting, tax preparation, bookkeeping	0.5	0.4	0.3	0.4	0.8	0.7	1%
Independent artists, writers, and performers	0.5	0.4	0.3	0.4	0.8	0.7	1%
Other amusement and recreation industries	0.5	0.3	0.3	0.3	0.8	0.8	1%
All Other	12.0	10.1	8.0	9.7	18.6	17.4	20%
Total Number of Jobs Generated	59.1	51.1	40.6	49.2	95.2	88.7	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 San Luis Obispo County (uses 2015 IMPLAN data set, the most recent available as of June 2017). Includes both full- and part-time jobs.

C. The KMA Jobs Housing Nexus Model

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 B), to the estimated number of lower income housing units required in each of three income categories, for each of the six 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 the 100-unit modules. Then, through a series of linkage steps, the number of employees is converted to households and housing units by affordability level. The findings are expressed in terms of numbers of affordable units per 100 market rate units. The analysis addresses the affordable unit demand associated with each of the six prototypes.

The analysis estimates demand for affordable housing in three household income categories: Extremely Low, Very Low, and Low Income. Household incomes for these affordability categories are published by the California Department of Housing and Community Development (HCD). The income limits are shown below, along with the income limits for Moderate and Median income households for informational purposes.

2017 Income Limits for San Luis Obispo County						
	Household Size (Persons)					
	1	2	3	4	5	6 +
Extr. Low (Under 30% AMI)	\$17,150	\$19,600	\$22,050	\$24,600	\$28,780	\$32,960
Very Low (30%-50% AMI)	\$28,600	\$32,700	\$36,800	\$40,850	\$44,150	\$47,400
Low (50%-80% AMI)	\$45,750	\$52,300	\$58,850	\$65,350	\$70,600	\$75,850
Moderate (80%-120% AMI)	\$69,900	\$79,900	\$89,850	\$99,850	\$107,850	\$115,850
Median (100% of Median)	\$58,250	\$66,550	\$74,900	\$83,200	\$89,850	\$96,500

Source: California Department of Housing and Community Development.

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

Analysis Steps

The tables at the end of this section present a summary of the nexus analysis steps for the prototype units. Following is a description of each step of the analysis.

Step 1 – Estimate of Total New Employees

Table C-1 commences with the total number of employees associated with the new market rate units. The employees were estimated based on household expenditures of new residents using the IMPLAN model (see Section B).

Step 2 – Changing Industries Adjustment and Net New Jobs

The local economy, like that of the U.S. as a whole, is constantly evolving, with job losses in some sectors and job growth in others. Over the past decade, employment in durable goods manufacturing, transportation, information and financial activities employment has declined in the local economy. Jobs lost over the last decade 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 10% adjustment is utilized 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. Existing workers downsized from declining industries are assumed to be available to fill a portion of the new retail, restaurant, health care, and other jobs associated with services to residents.

The 10% downward adjustment used for purposes of the analysis was derived from California Employment Development Department data on employment by industry in the county. Over the ten-year period from 2007 to 2017, approximately 1,300 jobs were lost in declining industry sectors. Over the same period, growing and stable industries added a total of 14,600 jobs. The figures are used to establish a ratio between jobs lost in declining industries to jobs gained in growing and stable industries at 10%.⁷ The 10% factor is applied as an adjustment in the analysis, effectively assuming one in every ten new jobs is filled by a worker down-sized from a declining industry and who already lives locally.

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 documented in a residential nexus analysis. 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 be competitive for and seek employment in one of the other growing sectors of the local economy that is not oriented towards services to local residents.

⁷ The 20% ratio is calculated as 1,300 jobs lost in declining sectors divided by 14,600 jobs gained in growing and stable sectors = 8.9% (rounded to 10%).

Step 3 – Adjustment from Employees to Employee Households

This step (Table C-1) 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, students, and those on public assistance. The County average of 1.70 workers per worker household (from the U. S. Census Bureau 2011-2015 American Community Survey) is used for this step in the analysis. The number of jobs is divided by 1.70 to determine the number of worker households. This ratio is distinguished from the overall number of workers per household in that the denominator includes only households with at least one worker. If the average number of workers in all households were used, it would have produced a greater demand for housing units. The 1.70 ratio covers all workers, full and part time.

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 B-1. The IMPLAN output is paired with data from the Department of Labor, Bureau of Labor Statistics May 2016 Occupational Employment Survey (OES) to estimate the occupational composition of employees for 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 536 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.

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 is 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 at the national level from the OES.

The table below 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.

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>
1.0	487 - Child day care services	1.0	6244 Child day care services	1.0	100%	6244 Child day care services
3.0	482 - Hospitals	3.0	622 Hospitals	2.8	92%	6221 General Medical and Surgical Hospitals
				0.1	4%	6222 Psychiatric and Substance Abuse Hospitals
				0.1	4%	6223 Specialty (except Psychiatric and Substance Abuse) Hospitals

Source: KMA, Bureau of Labor Statistics May 2016 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. As shown on Table C-1, new jobs will be distributed across a variety of occupational categories. The three largest occupational categories are office and administrative support (16%), food preparation and serving (14% - 15%), and sales and related (14%). Step 4 of Table C-1 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 employee incomes based on recent San Luis Obispo 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 model.

For each occupational category shown in Table C-1, 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 San Luis Obispo County as of 2016.

For each detailed occupational category, the model uses the distribution of wages to calculate the percent of worker households that would fall into each income category. The calculation is performed for each possible combination of household size and number of workers in the household. For households with more than one worker, individual *employee* income data was used to calculate the household income by assuming multiple earner households are, on average, formed of individuals with similar incomes.

At the end of Step 5, the nexus model 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 – Distribution of Household Size and Number of Workers

In this step, we account for the distribution in household sizes and number of workers for San Luis Obispo County households using local data obtained from the U.S. Census. Census data is used to develop a set of percentage factors representing the distribution of household sizes and number of workers within working households. The percentage factors are specific to San Luis Obispo County and are derived from the 2011 – 2015 American Community Survey. 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.

The result of Step 6 is a distribution of San Luis Obispo 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 the matrix of 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 number of households in each affordability tier.

Table C-2A shows the result after completing Steps 5, 6, and 7 for the Extremely Low Income Tier. Tables C-2B and C-2C show results for the Very Low and Low Income tiers.

Summary Findings

Table C-3 indicates the results of the analysis for all of the affordability tiers. The table presents the number of households generated in each affordability category and the total number over 80% of Area Median Income.

The findings in Table C-3 are presented below. The table shows the total demand for affordable housing units associated with 100 market rate units.

New Worker Households per 100 Market Rate Units						
	<i>Inland</i>				<i>Coastal Zone</i>	
	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
Extremely Low (0%-30% AMI)	1.8	1.6	1.3	1.5	3.0	2.8
Very Low (30%-50% AMI)	7.6	6.5	5.2	6.3	12.3	11.5
Low (50%-80% AMI)	9.4	8.1	6.4	7.8	15.1	14.1
Total, Less than 80% AMI	18.8	16.2	12.9	15.6	30.4	28.3
Greater than 80% AMI	12.4	10.8	8.6	10.4	19.9	18.5
Total, New Households	31.2	27.0	21.5	26.0	50.3	46.9

Housing demand for new worker households earning less than 80% of AMI ranges from 12.9 units per 100 market rate units for San Miguel single family detached units to 30.4 per 100 market rate units for Coastal single family units. Housing demand is distributed across the lower income tiers with the greatest numbers of households in the Very Low and Low tiers. The finding that the jobs associated with consumer spending tend to be low-paying jobs where the workers will require housing affordable at the lower income levels is not surprising. As noted above, direct consumer spending results in employment that is concentrated in lower paid occupations including food preparation, administrative, and retail sales.

TABLE C-1
NET NEW HOUSEHOLDS AND OCCUPATION DISTRIBUTION
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA

Working Draft

	Prototype 1	Prototype 2	Prototype 3	Prototype 4	Prototype 5	Prototype 6
	Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes
Step 1 - Employees ¹	59.1	51.1	40.6	49.2	95.2	88.7
Step 2 - Adjustment for Changing Industries (10%) ⁽²⁾	53.2	46.0	36.5	44.3	85.7	79.8
Step 3 - Adjustment for Number of Households (1.7) ⁽³⁾	31.2	27.0	21.5	26.0	50.3	46.9
Step 4 - Occupation Distribution ⁽⁴⁾						
Management Occupations	4.6%	4.8%	4.8%	4.8%	4.5%	4.5%
Business and Financial Operations	4.9%	5.1%	5.1%	5.1%	4.4%	4.4%
Computer and Mathematical	1.4%	1.4%	1.4%	1.4%	1.3%	1.3%
Architecture and Engineering	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Life, Physical, and Social Science	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Community and Social Services	2.1%	2.2%	2.2%	2.2%	2.2%	2.2%
Legal	0.6%	0.6%	0.6%	0.6%	0.9%	0.9%
Education, Training, and Library	2.1%	2.0%	2.0%	2.0%	2.4%	2.4%
Arts, Design, Entertainment, Sports, and Media	2.1%	1.9%	1.9%	1.9%	2.1%	2.1%
Healthcare Practitioners and Technical	6.7%	6.7%	6.7%	6.7%	6.9%	6.9%
Healthcare Support	4.2%	3.9%	3.9%	3.9%	4.2%	4.2%
Protective Service	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Food Preparation and Serving Related	15.2%	15.3%	15.3%	15.3%	15.6%	15.6%
Building and Grounds Cleaning and Maint.	5.6%	5.5%	5.5%	5.5%	5.7%	5.7%
Personal Care and Service	6.7%	6.1%	6.1%	6.1%	6.6%	6.6%
Sales and Related	13.8%	14.0%	14.0%	14.0%	13.7%	13.7%
Office and Administrative Support	16.2%	16.5%	16.5%	16.5%	15.9%	15.9%
Farming, Fishing, and Forestry	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Construction and Extraction	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Installation, Maintenance, and Repair	4.2%	4.4%	4.4%	4.4%	4.1%	4.1%
Production	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Transportation and Material Moving	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>5.1%</u>	<u>5.1%</u>
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Management Occupations	1.4	1.3	1.0	1.2	2.3	2.1
Business and Financial Operations	1.5	1.4	1.1	1.3	2.2	2.0
Computer and Mathematical	0.4	0.4	0.3	0.4	0.7	0.6
Architecture and Engineering	0.1	0.1	0.1	0.1	0.2	0.2
Life, Physical, and Social Science	0.1	0.1	0.1	0.1	0.1	0.1
Community and Social Services	0.7	0.6	0.5	0.6	1.1	1.0
Legal	0.2	0.2	0.1	0.1	0.4	0.4
Education, Training, and Library	0.7	0.5	0.4	0.5	1.2	1.1
Arts, Design, Entertainment, Sports, and Media	0.6	0.5	0.4	0.5	1.1	1.0
Healthcare Practitioners and Technical	2.1	1.8	1.4	1.7	3.5	3.2
Healthcare Support	1.3	1.1	0.8	1.0	2.1	2.0
Protective Service	0.3	0.2	0.2	0.2	0.4	0.4
Food Preparation and Serving Related	4.8	4.1	3.3	4.0	7.9	7.3
Building and Grounds Cleaning and Maint.	1.7	1.5	1.2	1.4	2.9	2.7
Personal Care and Service	2.1	1.7	1.3	1.6	3.3	3.1
Sales and Related	4.3	3.8	3.0	3.7	6.9	6.4
Office and Administrative Support	5.1	4.5	3.5	4.3	8.0	7.5
Farming, Fishing, and Forestry	0.0	0.0	0.0	0.0	0.0	0.0
Construction and Extraction	0.4	0.4	0.3	0.3	0.6	0.6
Installation, Maintenance, and Repair	1.3	1.2	1.0	1.2	2.0	1.9
Production	0.5	0.5	0.4	0.4	0.9	0.8
Transportation and Material Moving	<u>1.6</u>	<u>1.4</u>	<u>1.1</u>	<u>1.3</u>	<u>2.6</u>	<u>2.4</u>
Totals	31.2	27.0	21.5	26.0	50.3	46.9

Notes:

- ¹ Estimated employment generated by expenditures of households within 100 prototypical market rate units from Table B-1.
- ² The 10% adjustment is based upon job losses in declining sectors of the local economy over the past 10 years. "Downsized" workers from declining sectors are assumed to fill a portion of new jobs in sectors serving residents. 10% adjustment calculated as 1,300 jobs lost in declining sectors divided by 14,600 jobs gained in growing and stable sectors = 8.7%, rounded to 10%.
- ³ Adjustment from number of workers to households using county average of 1.7 workers per worker household derived from the U.S. Census American Community Survey 2011 to 2015.
- ⁴ See Appendix B Tables 1 - 8 for additional information on Major Occupation Categories.

**TABLE C-2A
EXTREMELY LOW-INCOME (ELI) EMPLOYEE HOUSEHOLDS¹ GENERATED
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA**

Working Draft

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>	<i>Prototype 6</i>
Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes

Step 5 & 6 - Extremely Low Income Households (under 30% AMI) within Major Occupation Categories ²

Management	0.00	0.00	0.00	0.00	0.00	0.00
Business and Financial Operations	0.00	0.00	0.00	0.00	0.00	0.00
Computer and Mathematical	-	-	-	-	-	-
Architecture and Engineering	-	-	-	-	-	-
Life, Physical and Social Science	-	-	-	-	-	-
Community and Social Services	0.00	0.00	0.00	0.00	0.01	0.01
Legal	-	-	-	-	-	-
Education Training and Library	0.03	-	-	-	0.05	0.05
Arts, Design, Entertainment, Sports, & Media	-	-	-	-	0.01	0.01
Healthcare Practitioners and Technical	0.00	0.00	0.00	0.00	0.00	0.00
Healthcare Support	0.04	0.03	0.02	0.03	0.06	0.06
Protective Service	-	-	-	-	-	-
Food Preparation and Serving Related	0.53	0.48	0.38	0.46	0.91	0.85
Building Grounds and Maintenance	0.15	0.13	0.10	0.12	0.24	0.23
Personal Care and Service	0.17	0.13	0.11	0.13	0.28	0.26
Sales and Related	0.36	0.32	0.25	0.30	0.61	0.57
Office and Admin	0.22	0.19	0.15	0.18	0.35	0.32
Farm, Fishing, and Forestry	-	-	-	-	-	-
Construction and Extraction	-	-	-	-	-	-
Installation Maintenance and Repair Production	0.01	0.01	0.01	0.01	0.02	0.02
Transportation and Material Moving	0.11	0.08	0.07	0.08	0.18	0.16
ELI Households - Major Occupations	1.62	1.38	1.09	1.32	2.72	2.53
ELI Households¹ - all other occupations	0.21	0.21	0.17	0.20	0.28	0.26
Total ELI Households¹	1.83	1.59	1.26	1.53	3.00	2.79

(1) Includes households earning from zero through 30% of San Luis Obispo County Area Median Income.

(2) See Appendix B Tables 1 - 8 for additional information on Major Occupation Categories. Note that the model places individual employees into households. Many households have multiple income sources and therefore household income is higher than the wages shown in Appendix B Table 2. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

TABLE C-2B

**VERY LOW-INCOME EMPLOYEE HOUSEHOLDS¹ GENERATED
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA**

Working Draft

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>	<i>Prototype 6</i>
	Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes

Step 5 & 6 - Very Low Income Households (30%-50% AMI) within Major Occupation Categories²

Management	0.02	0.01	0.01	0.01	0.03	0.02
Business and Financial Operations	0.02	0.02	0.02	0.02	0.03	0.03
Computer and Mathematical	-	-	-	-	-	-
Architecture and Engineering	-	-	-	-	-	-
Life, Physical and Social Science	-	-	-	-	-	-
Community and Social Services	0.07	0.06	0.05	0.06	0.11	0.11
Legal	-	-	-	-	-	-
Education Training and Library	0.14	-	-	-	0.24	0.23
Arts, Design, Entertainment, Sports, & Media	-	-	-	-	0.15	0.14
Healthcare Practitioners and Technical	0.01	0.01	0.01	0.01	0.02	0.02
Healthcare Support	0.35	0.27	0.22	0.26	0.55	0.52
Protective Service	-	-	-	-	-	-
Food Preparation and Serving Related	1.68	1.50	1.19	1.45	2.86	2.66
Building Grounds and Maintenance	0.57	0.49	0.39	0.47	0.94	0.88
Personal Care and Service	0.73	0.57	0.45	0.55	1.14	1.06
Sales and Related	1.29	1.13	0.90	1.09	2.19	2.04
Office and Admin	1.21	1.06	0.84	1.02	1.92	1.79
Farm, Fishing, and Forestry	-	-	-	-	-	-
Construction and Extraction	-	-	-	-	-	-
Installation Maintenance and Repair	0.18	0.17	0.14	0.16	0.29	0.27
Production	-	-	-	-	-	-
Transportation and Material Moving	0.44	0.34	0.27	0.33	0.72	0.67
Very Low Households - Major Occupations	6.73	5.64	4.48	5.43	11.19	10.42
Very Low Households¹ - all other occupations	0.88	0.87	0.69	0.84	1.15	1.07
Total Very Low Inc. Households¹	7.61	6.51	5.17	6.27	12.35	11.50

(1) Includes households earning from 30% through 50% of San Luis Obispo County Area Median Income.

(2) See Appendix B Tables 1 - 8 for additional information on Major Occupation Categories. Note that the model places individual employees into households. Many households have multiple income sources and therefore household income is higher than the wages shown in Appendix B Table 2. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

TABLE C-2C
LOW-INCOME EMPLOYEE HOUSEHOLDS¹ GENERATED
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA

Working Draft

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>	<i>Prototype 6</i>
Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes

Step 5 & 6 - Low Income Households (50%-80% AMI) within Major Occupation Categories²

Management	0.11	0.11	0.09	0.11	0.19	0.18
Business and Financial Operations	0.20	0.18	0.14	0.17	0.29	0.27
Computer and Mathematical	-	-	-	-	-	-
Architecture and Engineering	-	-	-	-	-	-
Life, Physical and Social Science	-	-	-	-	-	-
Community and Social Services	0.18	0.15	0.12	0.15	0.30	0.28
Legal	-	-	-	-	-	-
Education Training and Library	0.20	-	-	-	0.33	0.31
Arts, Design, Entertainment, Sports, & Media	-	-	-	-	0.27	0.26
Healthcare Practitioners and Technical	0.08	0.06	0.05	0.06	0.12	0.11
Healthcare Support	0.44	0.35	0.28	0.34	0.71	0.66
Protective Service	-	-	-	-	-	-
Food Preparation and Serving Related	1.65	1.43	1.13	1.38	2.72	2.53
Building Grounds and Maintenance	0.62	0.53	0.42	0.51	1.02	0.95
Personal Care and Service	0.74	0.59	0.47	0.57	1.19	1.11
Sales and Related	1.37	1.21	0.96	1.16	2.22	2.07
Office and Admin	1.77	1.57	1.25	1.51	2.82	2.63
Farm, Fishing, and Forestry	-	-	-	-	-	-
Construction and Extraction	-	-	-	-	-	-
Installation Maintenance and Repair	0.39	0.35	0.28	0.34	0.60	0.56
Production	-	-	-	-	-	-
Transportation and Material Moving	0.55	0.47	0.37	0.45	0.90	0.84
Low Households - Major Occupations	8.29	7.00	5.56	6.74	13.68	12.74
Low Households¹ - all other occupations	1.09	1.08	0.86	1.04	1.41	1.31
Total Low Inc. Households¹	9.38	8.08	6.42	7.78	15.09	14.05

(1) Includes households earning from 50% through 80% of San Luis Obispo County Area Median Income.

(2) See Appendix B Tables 1 - 8 for additional information on Major Occupation Categories. Note that the model places individual employees into households. Many households have multiple income sources and therefore household income is higher than the wages shown in Appendix B Table 2. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

**TABLE C-3
IMPACT ANALYSIS SUMMARY
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA**

Working Draft

RESIDENTIAL UNIT DEMAND IMPACTS - PER 100 MARKET RATE UNITS

Number of New Households ¹	<i>Prototype 1</i>	<i>Prototype 2</i>	<i>Prototype 3</i>	<i>Prototype 4</i>	<i>Prototype 5</i>	<i>Prototype 6</i>
	Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes
Under 30% AMI	1.8	1.6	1.3	1.5	3.0	2.8
30% to 50% AMI	7.6	6.5	5.2	6.3	12.3	11.5
50% to 80% AMI	9.4	8.1	6.4	7.8	15.1	14.1
Subtotal through 80% AMI	18.8	16.2	12.9	15.6	30.4	28.3
Over 80% AMI	12.4	10.8	8.6	10.4	19.9	18.5
Total Employee Households	31.2	27.0	21.5	26.0	50.3	46.9

RESIDENTIAL UNIT DEMAND IMPACTS - PER EACH (1) MARKET RATE UNIT

Number of New Households ¹	<i>Prototype 1</i>	<i>Prototype 2</i>	<i>Prototype 3</i>	<i>Prototype 4</i>	<i>Prototype 5</i>	<i>Prototype 6</i>
	Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes
Under 30% AMI	0.02	0.02	0.01	0.02	0.03	0.03
30% to 50% AMI	0.08	0.07	0.05	0.06	0.12	0.11
50% to 80% AMI	0.09	0.08	0.06	0.08	0.15	0.14
Subtotal through 80% AMI	0.19	0.16	0.13	0.16	0.30	0.28
Over 80% AMI	0.12	0.11	0.09	0.10	0.20	0.19
Total Employee Households	0.31	0.27	0.21	0.26	0.50	0.47

Notes

¹ Households of retail, education, healthcare and other workers that serve residents of new market rate units.

AMI = Area Median Income

D. 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. This section puts a cost on the units for each income level to produce the “total nexus cost.” This is done for each of the prototype units.

A key component of the analysis is the size of the gap between what households can afford and the cost of producing new housing in San Luis Obispo County; this is known as the ‘affordability gap.’ Affordability gaps are calculated for each of the three categories of Area Median Income: Extremely Low (under 30% of median), Very Low (30% to 50%), and Low (50% to 80%).

KMA also examined affordability of units for the Moderate (80% to 120%) and Workforce (120% to 160%) income tiers. According to San Luis Obispo County estimates, Moderate Income households can afford to purchase a 3-bedroom home for \$391,000 and a Workforce Income household can afford to pay \$542,000 for a 3-bedroom home. The KMA market survey found that market rate housing is available for these households in this price range in certain parts of the County. Because there are areas within the County where market rate homes are affordable to these households, KMA did not calculate an affordability gap for the Moderate and Workforce Income tiers. This is a conservative assumption that lowers the total nexus cost results.

The following summarizes the analysis of mitigation cost for the lower income tiers, which is based on the affordability gap or net cost to deliver units that are affordable to worker households in the lower income tiers.

County 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 County practices and policies. The analysis assumes that the County will assist in the development of multi-family rental units for Extremely Low, Very Low and Low Income units. Based on the average unit size for several recent affordable projects in the County, KMA estimated development costs and unit values for a 2.3 bedroom unit.

Development Costs

KMA prepared an estimate of the total development cost for a new multi-family rental unit (inclusive of land acquisition costs, direct construction costs, indirect costs of development, and financing) based on a review of development cost estimates for recent affordable projects. It is estimated that the new affordable multi-family apartment unit would have a total development cost of approximately \$385,000. Table D-1 provides further details.

The development program and cost estimates were informed by KMA’s review of six local multi-family affordable housing projects. Of these projects, KMA selected the three most recent projects to base our development cost estimates. The list below identifies the multi-family affordable projects that KMA considered in our analysis. The average total development cost for the first three projects on the list was the basis of the estimate for the mitigation cost analysis.

- Iron Works, San Luis Obispo
- Atascadero Family Apartments, Atascadero
- Rolling Hills II, Templeton
- Village at Broad, San Luis Obispo
- Oak Park Apartment II, Paso Robles
- South Street Apartments, San Luis Obispo

Unit Values

Unit values are based upon the funding sources assumed to be available for the project. Based on a review of tax-credit projects in the County, most affordable rental projects in the County received 9% federal low income housing tax credits; only one of the projects that we reviewed received tax-exempt permanent debt financing and 4% federal tax credits. For the purposes of this analysis, KMA used the average value of the tax credits received by five of the recent projects. In addition, KMA estimated the permanent debt supportable by the unit’s net operating income and a small deferred developer fee based on the average from the recent projects. Other affordable housing subsidy sources such as CDBG, HOME, AHP, Section 8, and various Federal and State funding programs are 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.

On this basis, KMA estimated the unit value (total permanent funding sources) of the Extremely Low-Income rental units at \$230,300, the Very Low-Income units at \$289,300, and the Low-income units at \$318,300. Details for these calculations are presented in Table D-1.

Unit Values for Affordable Units

Income Group	Unit Tenure / Type	Number of BRs	Unit Values
Under 30% AMI	Rental	2.3 BR	\$230,300
30% to 50% AMI	Rental	2.3 BR	\$289,300
50% to 80% AMI	Rental	2.3 BR	\$318,300

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 follows:

Affordability Gap Calculation			
	<i>Unit Value / Sales Price</i>	<i>Development Cost</i>	<i>Affordability Gap</i>
Extremely Low (Under 30% AMI)	\$230,300	\$385,000	\$154,700
Very Low (30% to 50% AMI)	\$289,300	\$385,000	\$95,700
Low (50% to 80% AMI)	\$318,300	\$385,000	\$66,700

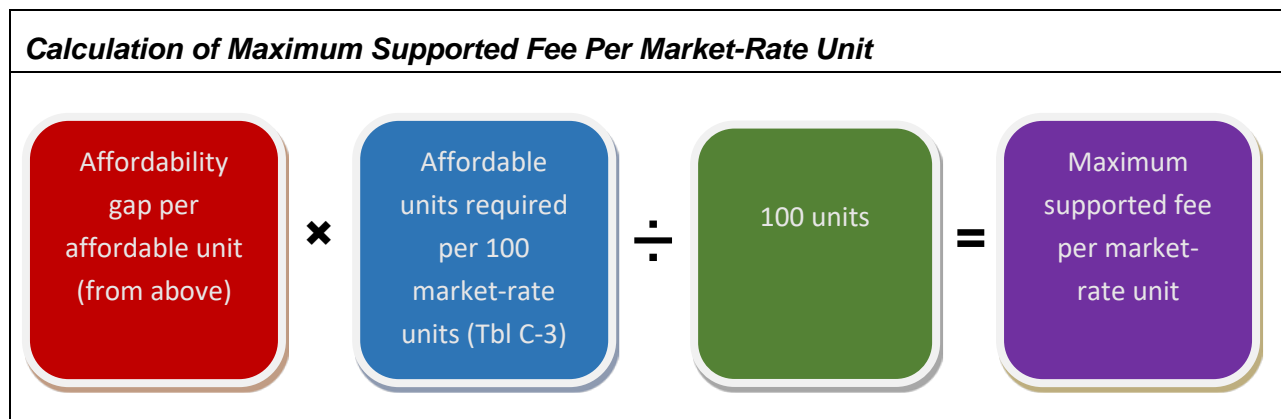
AMI = Area Median Income

Tables D-1 presents the detailed affordability gap calculations. Note that the affordability gaps are the same as those assumed in the non-residential nexus analysis.

Total Nexus Cost / Maximum Fee Levels

The last step in the linkage fee analysis marries the findings on the numbers of households in each of the lower income ranges associated with the six prototypes to the affordability gaps, or the costs of delivering housing to them in San Luis Obispo County.

Table D-2 summarizes the analysis. The Affordability Gaps are drawn from the prior discussion. The “Total Nexus Cost per Market Rate Unit” shows the results of the following calculation:



The total nexus costs or maximum supported fee per market rate unit for each of the prototypes are as follows:

Total Nexus Cost Per Market Rate Unit, San Luis Obispo County						
<i>Income Category</i>	<i>Inland</i>				<i>Coastal Zone</i>	
	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
Extremely Low (0%-30% AMI)	\$2,800	\$2,500	\$2,000	\$2,400	\$4,600	\$4,300
Very Low (30%-50% AMI)	\$7,300	\$6,200	\$4,900	\$6,000	\$11,800	\$11,000
Low (50%-80% AMI)	\$6,300	\$5,400	\$4,300	\$5,200	\$10,100	\$9,400
Total Supported Fee/ Nexus Costs	\$16,400	\$14,100	\$11,200	\$13,600	\$26,500	\$24,700

The Total Nexus Costs, or Mitigation 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 are as follows:

Total Nexus Cost Per Sq. Ft., San Luis Obispo County						
	<i>Inland</i>				<i>Coastal Zone</i>	
	<i>Single Family Detached</i>	<i>Small Lot Single Family</i>	<i>San Miguel Single Family</i>	<i>Attached Townhomes</i>	<i>Coastal Single Family</i>	<i>Coastal Attached Townhomes</i>
<i>Unit Size (Sq Ft)</i>	<i>2,200 SF</i>	<i>1,800 SF</i>	<i>1,600 SF</i>	<i>1,450 SF</i>	<i>2,000 SF</i>	<i>975 SF</i>
Extremely Low (0%-30% AMI)	\$1.30	\$1.40	\$1.30	\$1.70	\$2.30	\$4.40
Very Low (30%-50% AMI)	\$3.30	\$3.40	\$3.10	\$4.10	\$5.90	\$11.30
Low (50%-80% AMI)	\$2.90	\$3.00	\$2.70	\$3.60	\$5.10	\$9.60
Total Nexus Costs	\$7.50	\$7.80	\$7.10	\$9.40	\$13.30	\$25.30

These costs express the total linkage or nexus costs for the six prototype developments in the unincorporated areas of San Luis Obispo County. These total nexus costs represent the ceiling for any requirement placed on market rate development. **The totals are not recommended levels for fees; they represent only the maximums established by the analysis, below which impact fees may be set.**

**TABLE D-1
AFFORDABILITY GAPS FOR EXTREMELY LOW, VERY LOW, AND LOW INCOME
RESIDENTIAL NEXUS ANALYSIS
COUNTY OF SAN LUIS OBISPO, CA**

Working Draft

	Extremely Low	Very Low	Low Income
I. Affordable Prototype			
Tenure	Rental		
Average Number of Bedrooms	2.3 BR		
Density	20 du/a		
II. Development Costs ^[1]			
	Per Unit	Per Unit	Per Unit
Total Development Costs		\$385,000	
III. Supported Financing			
	Per Unit	Per Unit	Per Unit
<u>Affordable Rents</u>			
Average Number of Bedrooms		2.3 BR	
Maximum TCAC Rent ^[2]	\$578	\$963	\$1,155
(Less) Utility Allowance ^[3]	(\$68)	(\$68)	(\$68)
Maximum Monthly Rent	\$509	\$894	\$1,087
<u>Net Operating Income (NOI)</u>			
Gross Potential Income			
Monthly	\$509	\$894	\$1,087
Annual	\$6,109	\$10,730	\$13,042
Other Income	\$125	\$125	\$125
(Less) Vacancy 5.0%	(\$312)	(\$543)	(\$658)
Effective Gross Income (EGI)	\$5,922	\$10,312	\$12,509
(Less) Operating Expenses	(\$5,400)	(\$5,400)	(\$5,400)
(Less) Property Taxes ^[4]	\$0	\$0	\$0
Net Operating Income (NOI)	\$522	\$4,912	\$7,109
<u>Permanent Financing</u>			
Permanent Loan 5.0%	\$7,000	\$66,000	\$95,000
Deferred Developer Fee	\$2,300	\$2,300	\$2,300
Tax Credit Equity ^[5]	\$221,000	\$221,000	\$221,000
Total Sources	\$230,300	\$289,300	\$318,300
IV. Affordability Gap			
	Per Unit	Per Unit	Per Unit
Supported Permanent Financing	\$230,300	\$289,300	\$318,300
(Less) Total Development Costs	(\$385,000)	(\$385,000)	(\$385,000)
Affordability Gap	(\$154,700)	(\$95,700)	(\$66,700)

^[1] Development costs estimated by KMA based on recent affordable projects in San Luis Obispo County.

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

^[3] Utility allowances from Housing Authority San Luis Obispo (February 2017). Represents an average of utility allowances for the North County area and the South County area. Assumes tenant pays for gas heat, gas stove, gas water heating and general electric.

^[4] Assumes tax exemption for non-profit general partner.

^[5] The average tax credit equity received by recent affordable projects in the County, including four 9% tax credit projects and one 4% tax credit project.

**TABLE D-2
SUPPORTED FEE / NEXUS SUMMARY
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA**

Working Draft

TOTAL NEXUS COST PER MARKET RATE UNIT

		Nexus Cost Per Market Rate Unit ²					
		Prototype 1	Prototype 2	Prototype 3	Prototype 4	Prototype 5	Prototype 6
Affordability Gap Per Unit		Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes
Household Income Level							
Under 30% AMI	\$154,700	\$2,800	\$2,500	\$2,000	\$2,400	\$4,600	\$4,300
¹ 30% to 50% AMI	\$95,700	\$7,300	\$6,200	\$4,900	\$6,000	\$11,800	\$11,000
¹ 50% to 80% AMI	\$66,700	\$6,300	\$5,400	\$4,300	\$5,200	\$10,100	\$9,400
Total Supported Fee Per Unit		\$16,400	\$14,100	\$11,200	\$13,600	\$26,500	\$24,700

TOTAL NEXUS COST PER SQUARE FOOT ³

		Nexus Cost Per Square Foot³					
		Prototype 1	Prototype 2	Prototype 3	Prototype 4	Prototype 5	Prototype 6
		Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes
Avg. Unit Size (SF)		2,200 SF	1,800 SF	1,600 SF	1,450 SF	2,000 SF	975 SF
Household Income Level							
Under 30% AMI		\$1.30	\$1.40	\$1.30	\$1.70	\$2.30	\$4.40
¹ 30% to 50% AMI		\$3.30	\$3.40	\$3.10	\$4.10	\$5.90	\$11.30
¹ 50% to 80% AMI		\$2.90	\$3.00	\$2.70	\$3.60	\$5.10	\$9.60
Total Supported Fee Per Sq.Ft.		\$7.50	\$7.80	\$7.10	\$9.40	\$13.30	\$25.30

Notes:

¹ Assumes affordable rental units. Affordability gaps represent the remaining affordability gap after tax credit financing. See affordability gap section for details. The analysis did not find an affordability gap for households at the moderate and workforce income levels.

² Nexus cost per unit calculated by multiplying the affordable unit demand from Table C-3 by the affordability gap.

³ Nexus cost per square foot computed by dividing the nexus cost per unit from above by the average unit size.

III. ADDENDUM: ADDITIONAL BACKGROUND AND NOTES ON SPECIFIC ASSUMPTIONS

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 San Luis Obispo County, conditions are consistent with this underlying assumption. According to the Census (2011 to 2015 ACS), approximately 46% of all households in the County were paying thirty percent or more of their income on housing. In addition, housing vacancy is minimal.

Geographic Area of Impact

The analysis quantifies impacts occurring within San Luis Obispo County (inclusive of incorporated areas). While many of the impacts will occur within the unincorporated areas of San Luis Obispo County, some impacts will be experienced elsewhere in San Luis Obispo County and beyond. The IMPLAN model computes the jobs generated within the County and sorts out those that occur beyond the County boundaries. The KMA Jobs Housing Nexus Model analyzes 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 jobs 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 jurisdictional boundaries are experienced, are relevant, and are important.

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.

Excess Capacity of Labor Force

In the context of economic downturns such as the last recession, the question is sometimes raised as to whether there is excess capacity in the labor force to the extent that consumption impacts generated by new households will be in part, absorbed by existing jobs and workers, thus resulting in fewer net new jobs. In response, an impact analysis of this nature is a one-time impact requirement to address impacts generated over the life of the project. Recessions are temporary conditions; a healthy economy will return and the impacts will be experienced. The economic cycle also self-adjusts. Development of new residential units is likely to be reduced until conditions improve or there is confidence that improved conditions are imminent. When this occurs, the improved economic condition of the households in the local area will absorb the

underutilized capacity of existing workers, employed and unemployed. By the time new units become occupied, economic conditions will have likely improved.

The Burden of Paying for Affordable Housing

The burden of affordable housing is borne by many sectors of the economy and society, including but not limited to new residential construction. A most important source in recent years 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 a number of 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, some voluntarily and others less so with the requirements of the Community Reinvestment Act. 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 unincorporated areas of San Luis Obispo County.

APPENDIX A: RESIDENTIAL MARKET SURVEY

I. INTRODUCTION

One of the underlying components of the Residential Nexus Study is the identification of residential ownership prototypes that are expected to be developed in the unincorporated areas of San Luis Obispo County both today and in the future, and what the market prices for those prototypes will be. These market prices 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. In this Appendix A, KMA describes the residential building prototypes utilized for the analysis, summarizes the residential market data researched, and describes the market price point conclusions drawn therefrom.

II. RESIDENTIAL PROTOTYPES

KMA worked with County staff to select representative ownership development prototypes envisioned to be developed in the unincorporated areas in the future. The prototypes are designed to represent the range within the County in terms of both location and product type. The prototypes are presented on Appendix A Table 1 and summarized below.

San Luis Obispo County Residential Prototypes		
	Lot Size / Density	Average Unit Size
Inland Prototypes		
1) Single Family Detached	6,000 – 22,000 sq. ft.	2,200 sq. ft.
2) Small Lot Single Family Detached	3,000 – 6,000 sq. ft.	1,800 sq. ft.
3) San Miguel Single Family Detached	3,500 – 6,000 sq. ft.	1,600 sq. ft.
4) Attached Townhomes / Condominiums	1,500 – 2,000 sq. ft.	1,450 sq. ft.
Coastal Prototypes		
5) Small Lot Single Family Detached	2,500 – 6,000 sq. ft.	2,000 sq. ft.
6) Attached Townhomes / Condominiums	20 – 30 dua	975 sq. ft.

Source: KMA in collaboration with San Luis Obispo County staff. See Appendix A, Table 1 for more information.

III. MARKET SURVEY & PRICING ESTIMATES

A. Residential Building Activity

At the time of the market survey in the spring of 2017, there were many residential projects either recently built or in the development process in San Luis Obispo County. To develop an understanding of the types of units being built, KMA gathered development program and pricing information (when available) for these recent or current projects in San Luis Obispo County. The list of projects that we reviewed is shown in the table below.

Current & Recent Development Projects		
Project	Location	Unit Type
Santa Margarita Ranch	Santa Margarita	Single Family Detached
Margarita Valley Ranch	Nipomo	Single Family Detached
Santa Ysabel Ranch	Templeton	Single Family Detached
Fallingstar Homes	Shandon	Single Family Detached
Woodlands / Trilogy / Monarch Dunes	Nipomo	Single Family Detached
The Enclave	Nipomo	Single Family Detached
Midland Pacific Homes	San Miguel	Single Family Detached
Templeton Ranch	Templeton	Small Lot SFD / 4-packs
Oak Knoll Creek	Templeton	Small Lot SFD
Second Press & Sullivan	San Miguel	Small Lot SFD
Belridge	Oceano	Small Lot SFD
Campbell – Sheppa	Cayucos	Small Lot SFD
Colony at Avila Beach	Avila Beach	Small Lot SFD
Nipomo Center	Nipomo	Duplex, Triplex, 4-plex Units
Coker Ellsworth	San Luis Bay Inland	Townhomes
James Way	Templeton	Townhomes
Monarch Ridge Trilogy	Nipomo	Townhomes
Grande Nipomo	Nipomo	Townhomes
HDFT Investments	Avila Beach	Townhomes
San Miguel Court	Avila Beach	Condominiums

Overview of For-Sale Market

Home prices in the unincorporated areas of the County vary significantly by location, with higher prices along the coast and lower prices inland, in general. Some inland communities such as Templeton and Nipomo, however, do have fairly strong housing markets. The overall range in median home prices is large; the median home price in San Miguel, for example, was \$341,000 in June 2016, while the median in Cayucos was \$848,500.⁸ Median home prices for many of the smaller unincorporated areas are either not published or based on very few home sales, but available data suggest that in some areas, such as Santa Margarita, prices are even lower than in San Miguel, while in others, such as Avila Beach, prices are higher than in Cayucos. Median homes prices by location are presented in Appendix A Table 2.

B. Recent Home Prices

At the time of the market survey, there were only a few new ownership projects being marketed in the unincorporated County - two in Avila Beach, one in Templeton, and three in Nipomo. Project information and asking prices for these units are shown in Appendix A Table 3.

To supplement the new home sales data, KMA analyzed recent resale prices of homes built since 2005 and sold or resold since January 2014. Appendix A Table 4 presents this sales data

⁸ CoreLogic.

for single family detached units. The data are grouped first by lot size and then by location. Appendix A Table 5 presents the sales data for townhomes and condominium units.

C. Prototype Price Estimates

The asking prices for new units, the resale pricing of newer units, and input from County staff formed the basis for KMA's prototype price estimates. The prototype pricing estimates took into consideration that newly built homes sell for a premium over re-sales, all else being equal.

To address the range of sales values throughout the county, KMA developed prototypes based on location, with a set of inland prototypes and a set of coastal prototypes. Within the inland prototypes, KMA estimated a San Miguel prototype, to represent the low end of the price range in the County, as well as several higher value units to represent locations such as Templeton and Nipomo. Together, they represent the range of sales prices in the unincorporated areas of the County.

The table below summarizes KMA's conclusions regarding current for-sale prototype unit size and pricing.

San Luis Obispo County Prototype Pricing

	<i>Average Unit Size</i>	<i>Sales Price</i>
<i>Inland Prototypes</i>		
1) Single Family Detached	2,200 sq. ft.	\$620,000
2) Small Lot Single Family Detached	1,800 sq. ft.	\$450,000
3) San Miguel Single Family Detached	1,600 sq. ft.	\$310,000
4) Attached Townhomes / Condominiums	1,450 sq. ft.	\$375,000
<i>Coastal Prototypes</i>		
5) Small Lot Single Family Detached	2,000 sq. ft.	\$1,000,000
6) Attached Townhomes / Condominiums	975 sq. ft.	\$875,000

Source: KMA market study in collaboration with San Luis Obispo County staff.

IV. MARKET SURVEY CONCLUSIONS

A full description of the prototypes, including examples of recent developments, average unit sizes, bedroom mix, and lot sizes or densities are shown in Appendix A Table 1. The prototypes are the starting point of the nexus analysis.

**APPENDIX A TABLE 1
MARKET RATE RESIDENTIAL PROTOTYPES
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA**

Working Draft

	INLAND			COASTAL		
	<u>Single Family Detached</u>	<u>Small Lot Single Family Detached</u>	<u>San Miguel Single Family Detached</u>	<u>Attached Townhomes / Condominiums</u>	<u>Small Lot Single Family Detached</u>	<u>Attached Townhomes / Condominiums</u>
Example Projects	The Enclave, Nipomo Woodlands Trilogy, Nipomo	Templeton Ranch, Templeton Oak Knoll Creek, Templeton Trilogy, Monach Dunes Creekside Ranch, Templeton	Second, Press & Sullivan Midland Pacific Homes Jazzy Town Creekside Homes	James Way, Templeton Monach Ridge THs, Nipomo Grande Nipomo, Nipomo Coker Ellsworth, SL Bay Inland Nipomo Center, Nipomo	Campbell-Sheppa, Cayucos San Luis Bay Estates, Avila Beach Colony at Avila Beach	First & San Antonia, HDFT Investments, Avila Beach 235 Miguel, Avila Beach
Density / Lot Size	6,000 - 22,000 sf lots	3,000 - 6,000 sf lots	3,500 - 6,000 sf lots	1,500 - 2,000 sf lots	2,500 - 6,000 sf lots	20 - 30 du/a
Building Type	Two-story detached	Two-story detached	Two-story detached	Two-story attached	Two-story detached	Two-story attached
Unit Mix	2, 3, and 4 BR	3 BR units	3 BR units	2 and 3 BR units	3 BR units	1 and 2 BR units
Average Unit Size	2,200 sf	1,800 sf	1,600 sf	1,450 sf	2,000 sf	975 sf
Average No. of Bedrooms	3.0 BR	3.0 BR	3.0 BR	2.50 BR	3.0 BR	1.75 BR
Parking Type	Attached garage.	Attached garage.	Attached garage.	Attached garage.	Attached garage.	Attached garage.
Sales Price/Rent per square foot	\$620,000 \$282	\$450,000 \$250	\$310,000 \$194	\$375,000 \$259	\$1,000,000 \$500	\$875,000 \$897

**APPENDIX A TABLE 2
 MEDIAN HOME PRICES
 RESIDENTIAL NEXUS ANALYSIS
 COUNTY OF SAN LUIS OBISPO, CA**

Working Draft

Median Home Prices, San Luis Obispo County Jurisdictions

	<u>June 2017</u>	<u>Number of</u> <u>Sales</u>
Arroyo Grande	\$629,500	47
Atascadero	\$414,500	54
Cambria	\$594,000	19
Cayucos	\$848,500	8
Grover Beach	\$525,000	21
Los Osos	\$462,500	14
Morro Bay	\$585,000	19
Nipomo	\$595,500	26
Oceano	\$343,500	6
Paso Robles	\$445,000	95
Pismo Beach	\$890,750	24
San Luis Obispo	\$596,250	61
San Miguel	\$341,000	6
Templeton	\$465,500	25

* Excludes locations with fewer than five home sales in June 2017.

Source: CoreLogic. Includes single family and attached homes; includes new homes and resales.

**APPENDIX A TABLE 3
ASKING PRICES, NEW UNITS
RESIDENTIAL NEXUS ANALYSIS
COUNTY OF SAN LUIS OBISPO, CA**

Working Draft

	# of Units	BR	BA	Size (Sq Ft)	Asking Price Range			
					Per Unit	Price/SF	Per Unit	Price/SF
AVILA BEACH								
San Miguel Court Condominiums								
Under Construction.								
The Avila	2	1	1.5	669 sf	\$729,990	\$1,091		
The Pismo	2	1	1.5	732 sf	\$749,990	\$1,025		
The Los Osos	1	2	2	901 sf	\$869,990	\$966		
The Morro	1	2	2.5	1,149 sf	\$929,990	\$809		
The Arroyo	1	2	2	1,391 sf	\$1,029,990	\$740		
The San Luis	1	2	3	1,426 sf	\$1,049,990	\$736		
Average	8	1.5	1.9375	959 sf	\$854,990	\$892		
Colony at Avila Beach								
For Sale. Two units. 3,000 sf lots.								
Model A	1	3	2.5	1,809 sf	\$1,410,000	\$779		
Model B	1	3	2.75	1,852 sf	\$1,435,000	\$775		
Average		3	2.6	1,831 sf	\$1,422,500	\$777		
TEMPLETON								
Templeton Ranch								
Selling Units. 107 Units Planned. Average lot size 4,800 sf.								
Plan A	3	3	2.5	1,263 sf	\$419,900	\$332	\$422,900	\$335
Plan B	4	3	2.5	1,368 sf	\$424,900	\$311	\$427,900	\$313
Plan C	4	3	2.5	1,543 sf	\$439,900	\$285	\$442,900	\$287
Plan D	4	3	2.5	1,768 sf	\$494,900	\$280	\$497,900	\$282
Plan E	4	3	3	2,169 sf	\$529,900	\$244	\$532,900	\$246
Plan F	3	3	2.5	2,312 sf	\$539,900	\$234	\$542,900	\$235
Average	22	3	2.6	1,733 sf	\$474,445	\$274	\$477,445	\$276
NIPOMO								
Trilogy - Costas-Valles Collection								
Selling units. 495 units planned. Average lot size 8,000 sf.								
Monterey s/o	50	2	2	1,671 sf	\$435,990	\$261		
Monterey II	40	2	2	1,745 sf	\$643,990	\$369	\$653,990	\$375
Cambria s/o	59	2	2	1,824 sf	\$469,990	\$258		
San Simeon s	19	2	2	1,925 sf	\$602,990	\$313		
Nice	37	2	2	1,939 sf	\$663,990	\$342	\$763,990	\$394
Lopez s-o	88	2	2	2,007 sf	\$499,990	\$249		
Corbett	93	2	2	2,023 sf	\$673,990	\$333	\$773,990	\$383
Genova	39	2	2	2,180 sf	\$720,990	\$331	\$820,990	\$377
Prefumo - s/o	70	2	2.5	2,305 sf	\$564,990	\$245		
Average	495	2	2.1	1,981 sf	\$577,093	\$291	\$758,023	\$383
Trilogy - Monarch Ridge Townhomes								
					<u>Base Price</u>			
Acacia		3	2.5	1,782 sf	\$529,900	\$297		
Sage		3	2.5	1,970 sf	\$549,900	\$279		
The Enclave								
Selling units. 37 units planned and built. Average lot size 20,160 sf.								
Venice	12	3	3	1,981 sf	\$612,000	\$309	\$622,000	\$314
Capri	10	3	2.5	2,161 sf	\$627,000	\$290	\$637,000	\$295
Corsica	7	3	2.5	2,223 sf	\$629,000	\$283	\$639,000	\$287
Portofino	8	3	2.5	2,259 sf	\$699,000	\$309	\$709,000	\$314
Average	37	3	2.7	2,136 sf	\$638,081	\$299	\$648,081	\$303

Source: Real Estate Economics, Development websites, Ciano Real Estate.

**APPENDIX A TABLE 4
SINGLE FAMILY HOME SALES BY LOT SIZE AND LOCATION
RESIDENTIAL NEXUS ANALYSIS
COUNTY OF SAN LUIS OBISPO, CA**

Working Draft

Property City Yr Built # Bath # Bed SF Lot SF Sale Price Price / SF Sale Date
Home Sales in Unincorporated San Luis Obispo County
Homes Built 2005-2017, Sold January 2014- April 2017.

SMALL LOT SINGLE FAMILY HOMES (UP TO 6,000 SF)

AVILA BEACH

San Luis Bay Estates / Kingfisher Canyon

5745 Butter Cup Ln	Avila Beach	2006	3	3	2,172	4,688	\$925,000	\$426	01/13/2015
5770 Butter Cup Ln	Avila Beach	2005	3	3	2,085	4,495	\$575,000	\$276	09/02/2015
5760 Butter Cup Ln	Avila Beach	2005	3	3	1,708	3,989	\$850,000	\$498	08/26/2016
2840 Loganberry Ln	Avila Beach	2005	3	3	1,741	4,178	\$810,000	\$465	04/16/2014
2830 Loganberry Ln	Avila Beach	2005	3	3	2,171	3,850	\$450,000	\$207	09/03/2015
2915 Elderberry Ln	Avila Beach	2007	3	3	2,138	5,204	\$950,000	\$444	08/11/2015
5580 Tanbark Ct	Avila Beach	2007	3	3	1,741	3,704	\$915,000	\$526	05/12/2016
5595 Tanbark Ct	Avila Beach	2010	3	3	2,085	5,271	\$950,000	\$456	12/10/2015
2910 Elderberry Ln	Avila Beach	2009	3	3	1,741	3,642	\$820,000	\$471	05/15/2014
2906 Elderberry Ln	Avila Beach	2009	3	3	1,741	4,922	\$810,000	\$465	05/06/2014
2880 Elderberry Ln	Avila Beach	2008	3	3	1,735	3,834	\$910,000	\$524	06/15/2015
5555 Shooting Star Ln	Avila Beach	2015	3	3	2,435	5,947	\$998,000	\$410	02/03/2015
2915 Club Moss Ln	Avila Beach	2013	4	3	2,228	4,950	\$1,200,000	\$539	01/23/2017
2955 Club Moss Ln	Avila Beach	2015	3	3	2,422	4,933	\$1,289,500	\$532	01/12/2015
2965 Club Moss Ln	Avila Beach	2014	4	3	3,095	5,435	\$1,420,000	\$459	09/10/2014
2975 Club Moss Ln	Avila Beach	2015	3	3	2,301	4,708	\$1,250,000	\$543	11/24/2014
2960 Club Moss Ln	Avila Beach	2015	3	3	2,941	4,949	\$770,000	\$262	08/21/2014
2940 Club Moss Ln	Avila Beach	2015	3	3	2,396	5,348	\$1,445,000	\$603	09/01/2015
2860 Rock Wren Ln	Avila Beach	2014	3	3	2,474	5,302	\$1,150,000	\$465	05/11/2015
2850 Rock Wren Ln	Avila Beach	2015	3	3	2,198	4,237	\$975,000	\$444	11/09/2015

CAMBRIA

5840 Moonstone Beach Dr	Cambria	2014	3	3	2,336	3,962	\$1,550,000	\$664	08/31/2015
5860 Moonstone Beach Dr	Cambria	2014	3	4	2,874	5,199	\$1,550,000	\$539	04/04/2016
2440 Sherwood Dr	Cambria	2005	3	3	2,723	4,792	\$1,275,000	\$468	03/06/2015
290 Castle St	Cambria	2005	3	3	2,243	5,250	\$1,180,000	\$526	03/28/2016
375 Harvey St	Cambria	2015	3	3	1,871	3,500	\$800,100	\$428	11/12/2015
2291 Green St	Cambria	2010	2	4	983	3,500	\$270,000	\$275	05/18/2015

CAYUCOS

186 H St	Cayucos	2006	3	3	1,734	2,000	\$945,000	\$545	03/15/2015
959 Pacific Ave	Cayucos	2011	1	2	984	5,000	\$950,000	\$965	10/09/2015
455 Hacienda Dr	Cayucos	2010	2	2	1,630	4,500	\$649,000	\$398	10/29/2014
244 Cerro Gordo Ave	Cayucos	2006	3	3	2,366	2,800	\$1,100,000	\$465	03/25/2015
244 Cerro Gordo Ave	Cayucos	2006	3	3	2,366	2,800	\$1,100,000	\$465	03/25/2015

LOS OSOS

313 Mar Vista Dr	Los Osos	2006	3	3	1,684	5,481	\$640,000	\$380	12/20/2016
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NIPOMO

Trilogy, Monarch Dunes

937 Jacqueline Pl	Nipomo	2007	3	3	2,703	5,000	\$625,000	\$231	07/24/2015
932 Jacqueline Pl	Nipomo	2007	3	3	2,703	5,200	\$775,000	\$287	01/18/2017
952 Jacqueline Pl	Nipomo	2008	3	3	3,014	4,500	\$720,000	\$239	01/13/2014
945 Jacqueline Pl	Nipomo	2010	3	3	2,703	4,500	\$639,000	\$236	11/11/2014
1604 Payton Way	Nipomo	2007	3	3	2,452	5,100	\$695,000	\$283	03/06/2014
1606 Payton Way	Nipomo	2006	3	3	2,703	5,100	\$660,000	\$244	07/09/2014
1608 Payton Way	Nipomo	2007	3	3	3,014	4,800	\$760,500	\$252	05/22/2014
1610 Payton Way	Nipomo	2006	3	3	2,470	4,830	\$770,000	\$312	10/23/2015
1612 Payton Way	Nipomo	2006	3	3	2,703	5,520	\$790,000	\$292	07/14/2016
1010 Jacqueline Pl	Nipomo	2008	3	3	2,143	4,500	\$835,000	\$390	08/11/2016
1011 Jacqueline Pl	Nipomo	2008	3	3	2,325	4,500	\$675,000	\$290	06/30/2016
1007 Jacqueline Pl	Nipomo	2008	3	3	2,325	4,500	\$690,000	\$297	11/01/2016
1003 Jacqueline Pl	Nipomo	2007	3	2	2,325	4,500	\$625,000	\$269	04/10/2015
995 Jacqueline Pl	Nipomo	2007	3	3	2,110	4,500	\$645,000	\$306	05/09/2016
989 Jacqueline Pl	Nipomo	2007	3	3	2,452	4,500	\$717,000	\$292	03/07/2016
981 Jacqueline Pl	Nipomo	2010	3	3	2,703	4,500	\$615,000	\$228	01/08/2016
1008 Maggie Ln	Nipomo	2013	2	2	1,584	4,829	\$580,000	\$366	03/02/2016
1027 Ford Dr	Nipomo	2014	2	2	1,584	5,602	\$569,000	\$359	10/28/2015
1031 Ford Dr	Nipomo	2013	2	2	1,429	5,095	\$415,500	\$291	02/06/2014
1035 Ford Dr	Nipomo	2014	2	2	1,584	5,164	\$574,000	\$362	11/11/2016

**APPENDIX A TABLE 4
SINGLE FAMILY HOME SALES BY LOT SIZE AND LOCATION
RESIDENTIAL NEXUS ANALYSIS
COUNTY OF SAN LUIS OBISPO, CA**

Working Draft

Property	City	Yr Built	# Bath	# Bed	SF	Lot SF	Sale Price	Price / SF	Sale Date
Home Sales in Unincorporated San Luis Obispo County									
Homes Built 2005-2017, Sold January 2014- April 2017.									
1039 Ford Dr	Nipomo	2014	2	2	1,429	5,869	\$545,000	\$381	11/07/2016
1043 Ford Dr	Nipomo	2014	2	2	1,584	5,898	\$462,000	\$292	02/19/2014
1047 Ford Dr	Nipomo	2014	2	2	1,429	5,898	\$519,500	\$364	06/02/2014
1051 Ford Dr	Nipomo	2014	2	2	1,584	5,626	\$533,000	\$336	12/19/2014
1055 Ford Dr	Nipomo	2014	2	2	1,429	5,016	\$540,000	\$378	07/06/2015
1057 Ford Dr	Nipomo	2014	2	2	1,584	4,565	\$565,000	\$357	06/06/2016
1059 Ford Dr	Nipomo	2014	2	2	1,584	4,808	\$567,500	\$358	10/31/2014
1061 Ford Dr	Nipomo	2014	2	2	1,429	4,996	\$532,500	\$373	09/15/2014
1063 Ford Dr	Nipomo	2014	2	2	1,584	4,722	\$569,500	\$360	11/05/2014
1065 Ford Dr	Nipomo	2014	2	2	1,429	4,725	\$544,500	\$381	12/16/2014
1077 Ford Dr	Nipomo	2015	2	2	1,584	5,691	\$580,000	\$366	06/04/2016
1079 Ford Dr	Nipomo	2015	2	2	1,584	5,827	\$549,000	\$347	10/12/2015
1081 Ford Dr	Nipomo	2015	2	2	1,429	5,732	\$517,500	\$362	10/12/2015
1083 Ford Dr	Nipomo	2015	2	2	1,584	5,919	\$592,500	\$374	10/14/2015
1090 Ford Dr	Nipomo	2013	2	2	1,564	4,806	\$560,000	\$358	08/28/2015
1074 Ford Dr	Nipomo	2014	2	2	1,429	4,879	\$414,000	\$290	01/24/2014
1068 Ford Dr	Nipomo	2013	2	2	1,584	4,725	\$565,000	\$357	03/07/2017
1064 Ford Dr	Nipomo	2013	2	2	1,584	4,725	\$580,000	\$366	08/18/2016
1058 Ford Dr	Nipomo	2013	2	2	1,584	5,254	\$507,000	\$320	12/26/2014
<u>OCEANO</u>									
1505 15th St	Oceano	2006	3	3	1,653	3,175	\$449,000	\$272	08/04/2016
1561 15th St	Oceano	2014	2	3	1,252	4,500	\$379,000	\$303	12/03/2014
1620 14th St	Oceano	2014	2	3	1,678	4,500	\$393,000	\$234	02/27/2014
1610 14th St	Oceano	2015	2	3	1,678	4,356	\$440,000	\$262	06/30/2015
1751 Ocean St	Oceano	2005	6	6	3,424	3,500	\$389,000	\$114	01/29/2014
<u>SAN MIGUEL</u>									
1960 San Buenaventura Way	San Miguel	2005	2	3	1,534	5,296	\$318,000	\$207	05/17/2016
1974 San Buenaventura Way	San Miguel	2005	2	3	1,547	5,296	\$275,000	\$178	03/05/2014
1991 L St	San Miguel	2005	2	3	1,292	5,296	\$315,000	\$244	03/25/2016
1977 L St	San Miguel	2005	2	3	1,292	5,296	\$304,000	\$235	10/09/2015
325 Ladrillos Way	San Miguel	2005	2	3	1,358	5,281	\$292,000	\$215	11/05/2014
313 Ladrillos Way	San Miguel	2005	2	4	1,568	5,281	\$342,500	\$218	11/17/2016
1970 L St	San Miguel	2005	2	3	1,356	5,281	\$275,000	\$203	04/24/2014
1940 L St	San Miguel	2005	2	3	1,356	5,281	\$295,000	\$218	06/18/2015
1950 San Buenaventura Way	San Miguel	2005	2	4	1,547	5,296	\$275,000	\$178	11/13/2014
1949 L St	San Miguel	2005	2	4	1,631	5,296	\$375,000	\$230	03/06/2017
1915 L St	San Miguel	2005	2	4	1,568	5,281	\$293,000	\$187	11/18/2014
1881 L St	San Miguel	2005	2	4	1,631	5,296	\$325,000	\$199	08/01/2016
1871 L St	San Miguel	2005	2	4	1,547	5,281	\$335,000	\$217	11/23/2016
1890 L St	San Miguel	2005	2	3	1,358	5,296	\$325,000	\$239	09/07/2016
310 Pala Mission Way	San Miguel	2005	2	3	1,458	5,296	\$265,000	\$182	03/10/2014
1944 San Juan Bautista St	San Miguel	2005	2	4	1,568	5,281	\$298,000	\$190	08/20/2015
1510 Rio View Pl	San Miguel	2005	2	3	1,157	5,900	\$285,000	\$246	03/24/2016
1560 Rio View Pl	San Miguel	2005	2	3	1,157	5,100	\$260,000	\$225	12/11/2014
1585 Verde Pl	San Miguel	2005	2	3	1,243	5,000	\$280,000	\$225	07/20/2015
775 Tielo St	San Miguel	2010	2	3	1,183	5,863	\$240,000	\$203	02/27/2014
845 River Rd	San Miguel	2014	2	3	1,452	5,160	\$299,000	\$206	08/21/2014
1341 L St	San Miguel	2005	2	3	1,267	5,987	\$245,000	\$193	09/03/2014
1343 L St	San Miguel	2006	2	3	1,446	5,267	\$312,000	\$216	07/15/2016
<u>Creekside Homes</u>									
1630 Bonita Pl	San Miguel	2015	2	3	1,328	5,086	\$289,000	\$218	07/08/2015
1640 Bonita Pl	San Miguel	2015	2	3	1,328	5,066	\$350,000	\$264	02/14/2017
710 Crispin Ave	San Miguel	2015	2	3	1,454	4,536	\$295,000	\$203	06/16/2015
720 Crispin Ave	San Miguel	2015	2	3	1,460	4,623	\$309,000	\$212	10/22/2015
730 Crispin Ave	San Miguel	2015	2	3	1,460	4,623	\$309,000	\$212	12/10/2015
740 Crispin Ave	San Miguel	2015	2	3	1,454	4,499	\$309,000	\$213	10/22/2015
1615 Verde Pl	San Miguel	2015	2	3	1,328	5,066	\$307,500	\$232	07/08/2015
1630 Verde Pl	San Miguel	2015	2	3	1,744	5,472	\$332,500	\$191	10/22/2015
<u>Jazzy Town</u>									
1373 Verde Pl	San Miguel	2015	2	3	1,268	4,439	\$300,000	\$237	06/19/2015
1363 Verde Pl	San Miguel	2015	3	4	1,871	3,951	\$341,000	\$182	03/05/2015
1353 Verde Pl	San Miguel	2015	3	4	1,871	3,695	\$327,000	\$175	07/10/2015

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Working Draft

Property	City	Yr Built	# Bath	# Bed	SF	Lot SF	Sale Price	Price / SF	Sale Date
Home Sales in Unincorporated San Luis Obispo County									
Homes Built 2005-2017, Sold January 2014- April 2017.									
1343 Verde Pl	San Miguel	2015	3	4	1,871	3,640	\$325,000	\$174	03/05/2015
805 Rio Mesa Cir	San Miguel	2015	3	3	1,489	3,530	\$316,000	\$212	06/27/2015
809 Rio Mesa Cir	San Miguel	2015	2	3	1,472	4,218	\$300,000	\$204	02/17/2015
813 Rio Mesa Cir	San Miguel	2015	2	3	1,472	3,792	\$311,000	\$211	05/11/2015
817 Rio Mesa Cir	San Miguel	2015	2	3	1,472	3,869	\$315,000	\$214	12/01/2015
821 Rio Mesa Cir	San Miguel	2015	3	3	1,489	3,368	\$353,000	\$237	03/08/2017
826 Rio Mesa Cir	San Miguel	2015	3	4	1,871	3,440	\$334,500	\$179	02/13/2015
822 Rio Mesa Cir	San Miguel	2015	3	4	1,871	3,215	\$327,500	\$175	03/12/2015
818 Rio Mesa Cir	San Miguel	2015	3	3	1,489	2,838	\$305,000	\$205	07/27/2015
814 Rio Mesa Cir	San Miguel	2015	3	4	1,871	3,218	\$311,500	\$166	12/29/2014
806 Rio Mesa Cir	San Miguel	2015	3	3	1,489	3,769	\$302,000	\$203	11/05/2014
816 River Rd	San Miguel	2015	3	3	1,780	4,681	\$320,000	\$180	02/24/2015
830 River Rd	San Miguel	2015	3	4	1,778	3,602	\$327,100	\$184	07/08/2015
844 River Rd	San Miguel	2015	3	3	1,780	3,599	\$330,000	\$185	02/22/2016
858 River Rd	San Miguel	2015	3	4	1,778	3,596	\$327,000	\$184	12/04/2015
872 River Rd	San Miguel	2015	3	3	1,780	3,594	\$270,000	\$152	06/18/2015
886 River Rd	San Miguel	2015	3	4	1,778	3,591	\$340,500	\$192	02/25/2015

TEMPLETON

Oak Knoll Creek

356 Lily Pad Ln	Templeton	2015	3	4	2,374	4,324	\$436,000	\$184	11/20/2015
364 Lily Pad Ln	Templeton	2015	3	3	2,322	4,324	\$438,100	\$189	11/20/2015
360 Lily Pad Ln	Templeton	2015	3	4	2,374	4,324	\$439,000	\$185	11/20/2015
350 Lily Pad Ln	Templeton	2015	3	3	2,322	4,380	\$441,500	\$190	11/20/2015
900 Salinas Ave	Templeton	2015	3	3	2,032	4,796	\$422,000	\$208	11/17/2015

Creekside Ranch

109 Brookline Ct	Templeton	2013	2	3	1,839	5,249	\$430,000	\$234	04/14/2014
105 Brookline Ct	Templeton	2013	2	3	1,839	5,439	\$390,500	\$212	03/19/2014
106 Brookline Ct	Templeton	2013	2	3	1,839	5,676	\$430,000	\$234	03/18/2014
95 River Run Rd	Templeton	2014	2	3	1,809	5,699	\$430,000	\$238	10/23/2015

MEDIUM LOT (6,000 sf - 1/2 an acre)

Assorted Coastal Communities

3355 Lupine Canyon Rd	Avila Beach	2006	5	4	4,570	8,402	\$2,400,000	\$525	07/20/2015
6440 Harbor Lights Ln	Avila Beach	2006	3	3	4,320	18,323	\$2,500,000	\$579	03/02/2015
3199 Eton Rd	Cambria	2007	2	4	1,796	7,841	\$545,000	\$303	03/28/2017
50 24th St	Cayucos	2006	3	3	2,172	6,760	\$1,100,000	\$506	01/23/2014
491 Lucerne Rd	Cayucos	2006	4	3	2,656	12,595	\$3,200,000	\$1,205	11/02/2015
365 Travis Dr	Los Osos	2015	6	5	5,718	10,500	\$1,999,000	\$350	10/28/2015
283 Highland Dr	Los Osos	2006	6	4	3,374	19,843	\$775,000	\$230	09/28/2016
216 Madera St	Los Osos	2015	3	3	2,801	20,038	\$375,000	\$134	03/13/2014
2464 Bayview Heights Dr	Los Osos	2005	3	4	3,051	21,861	\$776,000	\$254	02/25/2014

NIPOMO

209 Ash Ave	Nipomo	2014	2	4	1,755	7,543	\$430,000	\$245	03/05/2014
221 Ash Ave	Nipomo	2014	2	3	1,539	6,252	\$480,000	\$312	12/19/2016
266 Ash Ave	Nipomo	2013	2	4	1,487	11,230	\$455,500	\$306	01/31/2017
230 Ash Ave	Nipomo	2008	2	4	1,955	6,928	\$440,000	\$225	02/26/2015
218 Ash Ave	Nipomo	2008	2	3	1,458	6,433	\$405,000	\$278	11/20/2014
213 Cornuta Way	Nipomo	2005	2	3	1,529	8,188	\$440,000	\$288	03/05/2015
235 Cornuta Way	Nipomo	2005	2	4	1,754	6,000	\$425,000	\$242	08/19/2014
263 Cornuta Way	Nipomo	2005	2	3	1,529	6,000	\$390,000	\$255	01/10/2014
240 Dahlia St	Nipomo	2008	2	4	1,754	6,032	\$500,000	\$285	09/15/2015
255 Dahlia St	Nipomo	2006	2	3	1,529	6,970	\$415,000	\$271	06/09/2014
265 Dahlia St	Nipomo	2006	2	3	1,429	6,003	\$465,000	\$325	11/29/2016
274 Cornuta Way	Nipomo	2005	2	4	1,754	7,797	\$490,000	\$279	06/22/2016
288 Nandina Ln	Nipomo	2005	2	3	1,754	8,678	\$523,500	\$298	01/12/2017
272 Nandina Ln	Nipomo	2006	2	4	1,925	7,405	\$445,000	\$231	01/16/2015
245 Nandina Ln	Nipomo	2006	2	4	1,754	7,998	\$422,500	\$241	07/22/2014
234 Cornuta Way	Nipomo	2006	2	3	1,429	6,914	\$440,000	\$308	11/25/2015
226 Cornuta Way	Nipomo	2006	2	3	1,529	6,098	\$467,000	\$305	12/28/2016
246 Beechnut St	Nipomo	2006	2	4	1,925	7,841	\$449,000	\$233	04/21/2015
215 Beechnut St	Nipomo	2005	2	4	1,925	7,892	\$425,000	\$221	02/04/2014
241 Beechnut St	Nipomo	2006	2	4	1,754	7,137	\$519,000	\$296	10/26/2016

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Home Sales in Unincorporated San Luis Obispo County									
Homes Built 2005-2017, Sold January 2014- April 2017.									
267 Beechnut St	Nipomo	2006	2	4	1,754	6,669	\$459,000	\$262	05/20/2015
285 Beechnut St	Nipomo	2006	2	4	1,754	7,077	\$420,000	\$239	01/07/2014
289 Beechnut St	Nipomo	2006	2	4	1,925	6,970	\$535,000	\$278	08/19/2016
107 W Chestnut St	Nipomo	2005	2	3	1,708	8,000	\$379,500	\$222	06/05/2015
383 Wild Holly Ln	Nipomo	2008	1	2	712	6,800	\$390,000	\$548	07/12/2016
385 Mads Pl	Nipomo	2016	4	3	2,268	7,328	\$555,100	\$245	06/21/2016
375 Mads Pl	Nipomo	2016	3	2	2,632	7,195	\$553,000	\$210	05/13/2016
660 Vista Del Rio	Nipomo	2013	2	3	2,239	11,240	\$510,000	\$228	06/10/2015
1831 Santa Maria Vis	Nipomo	2014	2	3	2,696	11,977	\$495,000	\$184	02/06/2014
The Enclave									
710 Vista Del Rio	Nipomo	2008	2	3	2,426	13,694	\$587,500	\$242	01/20/2016
720 Vista Del Rio	Nipomo	2007	2	3	2,294	11,600	\$466,000	\$203	01/07/2014
730 Vista Del Rio	Nipomo	2013	4	4	3,111	11,600	\$550,000	\$177	01/08/2014
740 Vista Del Rio	Nipomo	2013	2	3	2,951	11,600	\$740,000	\$251	01/12/2017
760 Vista Del Rio	Nipomo	2013	4	4	3,111	11,600	\$645,000	\$207	03/21/2016
840 Vista Del Rio	Nipomo	2014	2	3	2,227	11,600	\$480,000	\$216	01/09/2015
835 Vista Del Rio	Nipomo	2014	3	3	2,415	12,969	\$499,000	\$207	09/20/2014
1842 Santa Maria Vis	Nipomo	2007	2	3	2,546	11,005	\$634,000	\$249	06/15/2016
860 Vista Del Rio	Nipomo	2014	3	3	2,426	12,616	\$505,000	\$208	10/02/2014
880 Vista Del Rio	Nipomo	2014	4	4	3,111	18,874	\$610,500	\$196	09/20/2014
875 Vista Del Rio	Nipomo	2014	4	4	3,111	14,337	\$700,000	\$225	10/11/2016
1836 Vista Del Pueblo	Nipomo	2014	3	3	2,546	12,000	\$496,500	\$195	07/24/2014
1848 Vista Del Pueblo	Nipomo	2014	4	4	3,111	12,000	\$560,000	\$180	08/15/2014
1935 Vista Del Pueblo	Nipomo	2014	4	4	3,111	12,051	\$548,500	\$176	08/11/2014
1915 Vista Del Pueblo	Nipomo	2014	3	3	2,426	13,131	\$490,000	\$202	01/09/2015
1885 Vista Del Pueblo	Nipomo	2014	3	3	2,546	12,924	\$523,600	\$206	08/25/2014
1875 Vista Del Pueblo	Nipomo	2014	2	4	2,227	12,000	\$480,100	\$216	07/24/2014
1855 Vista Del Pueblo	Nipomo	2014	4	4	3,111	12,000	\$556,500	\$179	08/25/2014
1845 Vista Del Pueblo	Nipomo	2014	4	4	3,111	12,000	\$559,500	\$180	08/22/2014
1835 Vista Del Pueblo	Nipomo	2014	3	3	2,426	12,000	\$498,000	\$205	12/09/2014
371 N Thompson Ave	Nipomo	2005	2	3	1,965	6,560	\$395,000	\$201	05/01/2014
171 E Tefft St	Nipomo	2006	3	3	1,602	7,000	\$440,000	\$275	08/02/2016
612 Misty Glen Pl	Nipomo	2005	3	3	2,290	16,523	\$779,000	\$340	08/06/2015
1014 Sunday Dr	Nipomo	2007	3	4	3,100	17,735	\$826,500	\$267	05/28/2015
616 Misty Glen Pl	Nipomo	2007	3	4	2,954	16,778	\$837,000	\$283	04/29/2015
1015 Sunday Dr	Nipomo	2006	3	3	2,248	17,852	\$775,000	\$345	06/23/2015
849 Via Seco	Nipomo	2015	3	3	2,430	17,860	\$790,000	\$325	06/08/2016
857 Via Seco	Nipomo	2008	3	4	2,985	17,860	\$750,000	\$251	12/19/2014
873 Via Seco	Nipomo	2008	3	3	2,424	20,473	\$820,000	\$338	10/27/2016
Trilogy									
917 Albert Way	Nipomo	2006	4	3	3,232	8,712	\$700,000	\$217	01/29/2014
1808 Tag Ct	Nipomo	2005	2	2	1,989	10,019	\$595,000	\$299	09/25/2014
912 Albert Way	Nipomo	2005	2	2	2,058	7,405	\$814,000	\$396	05/05/2016
1822 Nathan Way	Nipomo	2006	2	2	2,025	8,489	\$740,000	\$365	10/12/2015
1824 Nathan Way	Nipomo	2006	3	2	2,336	7,934	\$775,000	\$332	06/05/2014
1838 Nathan Way	Nipomo	2006	2	2	2,058	6,828	\$825,000	\$401	07/11/2016
1848 Nathan Way	Nipomo	2006	2	2	2,058	8,842	\$759,000	\$369	11/13/2015
1850 Nathan Way	Nipomo	2006	2	2	1,989	8,774	\$825,000	\$415	03/08/2016
1852 Nathan Way	Nipomo	2006	3	2	2,812	9,549	\$950,000	\$338	11/07/2016
1841 Nathan Way	Nipomo	2006	2	2	1,989	6,743	\$735,000	\$370	08/11/2016
1823 Nathan Way	Nipomo	2006	2	2	1,989	8,087	\$693,000	\$348	06/09/2015
912 Anna Cir	Nipomo	2006	3	3	2,345	6,524	\$767,500	\$327	11/04/2015
926 Anna Cir	Nipomo	2006	2	2	2,058	8,269	\$795,000	\$386	02/19/2016
1884 Northwood Rd	Nipomo	2007	4	3	3,232	9,605	\$950,000	\$294	10/28/2016
1845 Northwood Rd	Nipomo	2006	4	3	3,724	9,335	\$1,115,000	\$299	10/04/2016
1825 Northwood Rd	Nipomo	2006	4	3	3,219	9,335	\$1,020,000	\$317	02/24/2016
1914 Northwood Rd	Nipomo	2006	3	2	2,390	8,400	\$920,000	\$385	01/27/2016
1974 Northwood Rd	Nipomo	2007	4	3	3,241	9,333	\$955,000	\$295	11/10/2016
1995 Northwood Rd	Nipomo	2007	4	3	3,233	13,945	\$1,155,000	\$357	02/12/2015
1749 Trilogy Pkwy	Nipomo	2006	4	3	3,241	7,750	\$1,099,000	\$339	11/29/2016
1709 Trilogy Pkwy	Nipomo	2006	4	3	3,219	8,712	\$1,050,000	\$326	07/28/2016
1695 Trilogy Pkwy	Nipomo	2013	4	3	3,049	9,574	\$1,090,000	\$357	10/26/2016
1689 Trilogy Pkwy	Nipomo	2013	2	2	1,945	9,376	\$910,500	\$468	08/24/2016
1673 Trilogy Pkwy	Nipomo	2013	2	2	1,734	7,819	\$825,000	\$476	11/08/2016
1669 Trilogy Pkwy	Nipomo	2006	3	2	2,336	7,804	\$889,000	\$381	08/16/2016

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Home Sales in Unincorporated San Luis Obispo County Homes Built 2005-2017, Sold January 2014- April 2017.									
1665 Trilogy Pkwy	Nipomo	2006	2	2	2,073	7,806	\$857,500	\$414	09/27/2016
1662 Trilogy Pkwy	Nipomo	2006	4	3	3,724	9,872	\$1,365,000	\$367	08/19/2016
1666 Trilogy Pkwy	Nipomo	2006	4	3	3,232	9,434	\$1,125,000	\$348	08/05/2016
1672 Trilogy Pkwy	Nipomo	2006	4	3	3,374	9,287	\$1,227,000	\$364	09/23/2016
1676 Trilogy Pkwy	Nipomo	2006	4	3	3,233	8,362	\$1,100,000	\$340	08/05/2016
1682 Trilogy Pkwy	Nipomo	2006	3	2	2,760	8,333	\$1,101,000	\$399	08/19/2016
1688 Trilogy Pkwy	Nipomo	2013	3	3	3,509	8,590	\$1,455,500	\$415	07/22/2016
1722 Trilogy Pkwy	Nipomo	2005	4	3	3,232	9,503	\$1,150,000	\$356	12/19/2014
1742 Trilogy Pkwy	Nipomo	2006	4	3	3,219	9,025	\$994,955	\$309	02/26/2015
1784 Trilogy Pkwy	Nipomo	2007	2	2	2,073	8,581	\$710,000	\$342	09/23/2016
1783 Trilogy Pkwy	Nipomo	2006	2	2	1,989	8,348	\$699,000	\$351	06/08/2015
1928 Eucalyptus Rd	Nipomo	2008	4	3	3,232	8,587	\$1,035,000	\$320	05/29/2014
1781 Kyle Ct	Nipomo	2010	4	3	3,232	9,441	\$975,000	\$302	09/12/2014
1754 Kyle Ct	Nipomo	2015	4	3	3,049	10,516	\$965,500	\$317	05/08/2015
1794 Kyle Ct	Nipomo	2012	3	3	2,553	10,922	\$765,000	\$300	06/24/2016
1898 Eucalyptus Rd	Nipomo	2015	3	2	2,379	9,251	\$965,000	\$406	03/17/2015
1888 Eucalyptus Rd	Nipomo	2014	3	4	3,644	9,699	\$976,364	\$268	11/05/2014
1838 Eucalyptus Rd	Nipomo	2014	4	3	3,049	9,994	\$1,108,000	\$363	08/18/2014
1869 Eucalyptus Rd	Nipomo	2013	4	3	3,374	15,808	\$1,035,000	\$307	09/28/2015
1796 Tomas Ct	Nipomo	2013	4	3	3,925	10,118	\$1,107,000	\$282	05/02/2016
1804 Tomas Ct	Nipomo	2015	3	2	2,718	12,197	\$929,500	\$342	04/27/2015
1785 Blue Ct	Nipomo	2014	3	3	2,786	11,707	\$915,000	\$328	12/16/2015
1765 Blue Ct	Nipomo	2015	3	3	2,398	12,812	\$1,046,500	\$436	09/08/2015
1792 Blue Ct	Nipomo	2013	2	2	2,073	10,227	\$820,000	\$396	11/09/2015
1748 Louise Ln	Nipomo	2011	3	3	2,593	8,431	\$895,000	\$345	07/08/2016
1780 Louise Ln	Nipomo	2014	3	3	2,786	9,056	\$765,500	\$275	05/06/2014
1788 Louise Ln	Nipomo	2014	3	3	2,786	9,437	\$797,000	\$286	07/08/2014
1796 Louise Ln	Nipomo	2014	3	2	2,181	8,659	\$816,000	\$374	05/02/2014
1804 Louise Ln	Nipomo	2014	3	3	2,786	10,090	\$844,000	\$303	06/30/2014
1812 Louise Ln	Nipomo	2015	4	3	3,195	11,774	\$915,000	\$286	12/23/2015
1820 Louise Ln	Nipomo	2015	4	3	3,219	10,616	\$945,000	\$294	12/18/2015
1828 Louise Ln	Nipomo	2015	4	3	3,725	12,659	\$969,600	\$260	12/17/2015
1825 Louise Ln	Nipomo	2014	3	3	2,390	11,442	\$696,500	\$291	12/18/2014
1817 Louise Ln	Nipomo	2014	3	2	2,595	11,016	\$841,000	\$324	10/27/2014
1809 Louise Ln	Nipomo	2014	3	2	2,760	10,196	\$786,000	\$285	12/12/2014
1801 Louise Ln	Nipomo	2014	3	3	2,786	9,778	\$839,500	\$301	08/15/2014
1775 Louise Ln	Nipomo	2014	3	3	2,558	9,187	\$699,000	\$273	03/07/2014
1751 Louise Ln	Nipomo	2012	2	2	2,018	8,782	\$640,000	\$317	03/04/2015
1735 Louise Ln	Nipomo	2013	4	3	3,925	9,647	\$1,050,000	\$268	07/07/2016
930 Jacqueline Pl	Nipomo	2008	3	3	3,014	6,800	\$875,000	\$290	02/25/2016
1618 Northwood Rd	Nipomo	2012	2	2	1,676	6,470	\$605,000	\$361	08/21/2015
924 Lilly Ct	Nipomo	2007	2	2	1,989	8,444	\$835,000	\$420	11/13/2015
925 Lilly Ct	Nipomo	2007	3	3	2,336	9,144	\$989,000	\$423	12/02/2015
921 Lilly Ct	Nipomo	2007	2	2	1,835	8,134	\$525,000	\$286	02/11/2014
919 Lilly Ct	Nipomo	2007	3	3	2,336	7,198	\$737,000	\$315	02/19/2015
915 Lilly Ct	Nipomo	2007	2	2	1,835	6,662	\$590,000	\$322	11/25/2014
917 Bea Ct	Nipomo	2007	2	2	2,073	6,938	\$800,000	\$386	03/10/2015
1706 Northwood Rd	Nipomo	2007	2	2	1,669	6,868	\$649,000	\$389	03/31/2016
1754 Northwood Rd	Nipomo	2008	2	2	1,669	6,924	\$655,000	\$392	05/04/2016
923 Miguel Ct	Nipomo	2007	2	2	1,911	7,657	\$625,000	\$327	01/27/2016
1797 Northwood Rd	Nipomo	2007	2	2	1,835	7,370	\$742,500	\$405	10/03/2016
1783 Waterview Pl	Nipomo	2008	3	2	2,390	8,250	\$825,000	\$345	06/18/2015
960 Jason Ct	Nipomo	2008	2	2	1,669	8,939	\$650,000	\$389	10/23/2014
947 Sophie Ct	Nipomo	2008	2	2	1,835	7,114	\$683,000	\$372	09/10/2014
1730 Waterview Pl	Nipomo	2008	2	2	1,989	6,855	\$742,000	\$373	08/31/2015
1723 Waterview Pl	Nipomo	2008	2	2	1,669	6,716	\$680,000	\$407	02/11/2015
976 Allison Ct	Nipomo	2008	2	2	1,989	7,434	\$795,000	\$400	06/08/2016
977 Allison Ct	Nipomo	2008	2	2	1,835	7,407	\$680,000	\$371	04/03/2015
973 Allison Ct	Nipomo	2009	2	2	1,669	7,097	\$723,000	\$433	02/05/2016
969 Allison Ct	Nipomo	2009	2	2	2,058	6,716	\$779,000	\$379	09/03/2015
968 Michele Ct	Nipomo	2012	2	2	2,051	8,720	\$685,000	\$334	03/28/2014
963 Michele Ct	Nipomo	2013	2	2	1,835	8,975	\$720,000	\$392	08/12/2016
1658 Waterview Pl	Nipomo	2014	2	2	1,835	7,239	\$626,000	\$341	04/16/2014
1706 Waterview Pl	Nipomo	2008	3	2	2,345	6,850	\$850,000	\$362	09/22/2015
1718 Waterview Pl	Nipomo	2008	2	2	1,989	6,510	\$670,000	\$337	02/20/2014
1725 Louise Ln A	Nipomo	2015	3	3	2,558	9,914	\$735,500	\$288	11/05/2015

**APPENDIX A TABLE 4
SINGLE FAMILY HOME SALES BY LOT SIZE AND LOCATION
RESIDENTIAL NEXUS ANALYSIS
COUNTY OF SAN LUIS OBISPO, CA**

Working Draft

Property	City	Yr Built	# Bath	# Bed	SF	Lot SF	Sale Price	Price / SF	Sale Date
Home Sales in Unincorporated San Luis Obispo County									
Homes Built 2005-2017, Sold January 2014- April 2017.									
1721 Louise Ln	Nipomo	2014	3	3	2,812	9,287	\$781,500	\$278	12/02/2014
1717 Louise Ln	Nipomo	2014	3	3	2,786	9,132	\$748,500	\$269	12/12/2014
1713 Louise Ln	Nipomo	2014	3	3	2,390	9,155	\$744,500	\$312	11/19/2014
1705 Louise Ln	Nipomo	2015	3	2	2,760	8,768	\$771,500	\$280	08/06/2015
1697 Louise Ln	Nipomo	2015	3	2	2,181	9,272	\$752,500	\$345	08/21/2015
1698 Louise Ln	Nipomo	2015	3	3	3,050	8,060	\$843,000	\$276	11/09/2015
1702 Louise Ln	Nipomo	2015	3	2	2,223	7,535	\$848,500	\$382	07/17/2015
1706 Louise Ln	Nipomo	2015	3	3	2,949	7,537	\$983,000	\$333	06/03/2015
1710 Louise Ln	Nipomo	2015	3	2	2,223	7,264	\$863,000	\$388	07/17/2015
1714 Louise Ln	Nipomo	2015	3	3	2,818	7,733	\$1,007,000	\$357	08/20/2015
1722 Louise Ln	Nipomo	2015	3	3	2,762	8,305	\$816,500	\$296	03/05/2015
1726 Louise Ln	Nipomo	2015	3	2	2,532	8,579	\$742,500	\$293	03/03/2015
1730 Louise Ln	Nipomo	2014	3	3	2,760	9,590	\$885,000	\$321	10/28/2014
1358 Vicki Ln	Nipomo	2013	2	2	1,676	6,570	\$657,000	\$392	07/01/2016
1362 Vicki Ln	Nipomo	2014	3	2	2,760	7,705	\$780,500	\$283	07/03/2014
1368 Vicki Ln	Nipomo	2014	3	2	2,390	7,478	\$771,000	\$323	05/06/2014
1124 Aidin Ct	Nipomo	2011	4	3	3,028	8,213	\$980,500	\$324	04/20/2016
1130 Aidin Ct	Nipomo	2011	2	3	2,066	6,906	\$679,000	\$329	04/07/2014
1429 Vicki Ln	Nipomo	2010	3	2	2,558	7,775	\$800,000	\$313	09/08/2014
1173 Saltillo Way	Nipomo	2010	2	2	1,669	6,304	\$673,000	\$403	07/15/2015
1409 Vicki Ln	Nipomo	2010	2	2	1,669	6,300	\$699,000	\$419	09/29/2016
1401 Vicki Ln	Nipomo	2010	3	3	2,760	7,635	\$925,000	\$335	11/03/2014
1160 Kristen Ct	Nipomo	2013	2	2	2,025	7,437	\$780,000	\$385	08/05/2015
1168 Kristen Ct	Nipomo	2010	3	2	2,643	9,169	\$869,000	\$329	04/06/2016
1373 Vicki Ln	Nipomo	2014	3	3	2,786	9,910	\$928,000	\$333	01/09/2014
1361 Vicki Ln	Nipomo	2010	3	2	2,390	8,395	\$864,000	\$362	02/04/2015
1156 Saltillo Way	Nipomo	2011	2	3	1,669	6,969	\$565,000	\$339	04/10/2015
1164 Saltillo Way	Nipomo	2013	2	3	1,669	6,568	\$609,000	\$365	04/10/2015
1168 Saltillo Way	Nipomo	2012	2	2	1,835	6,153	\$660,000	\$360	06/02/2016
1172 Saltillo Way	Nipomo	2012	2	2	1,669	6,091	\$560,000	\$336	01/12/2015
1484 Padre Ln	Nipomo	2009	2	2	2,073	7,153	\$775,000	\$374	07/08/2015
1130 Vaquero Way	Nipomo	2009	2	2	2,025	8,709	\$790,000	\$390	02/08/2017
1156 Vaquero Way	Nipomo	2010	2	2	2,073	8,271	\$620,000	\$299	02/18/2015
1159 Contessa Way	Nipomo	2010	2	2	1,835	7,949	\$571,000	\$311	11/02/2014
1160 Saguaro Way	Nipomo	2010	2	3	1,989	7,732	\$727,000	\$366	02/03/2016
1166 Saguaro Way	Nipomo	2011	2	2	1,835	6,460	\$660,000	\$360	03/18/2016
1153 Tyler Ct	Nipomo	2008	2	2	1,657	8,282	\$599,000	\$361	08/05/2015
1380 Trail View Pl	Nipomo	2014	2	2	1,734	7,354	\$631,500	\$364	06/02/2014
1372 Trail View Pl	Nipomo	2014	2	2	1,734	6,668	\$524,000	\$302	04/04/2014
1364 Trail View Pl	Nipomo	2014	2	2	1,945	9,367	\$615,000	\$316	03/18/2014
1015 Maggie Ln	Nipomo	2013	2	2	1,584	8,282	\$585,000	\$369	02/23/2016
1017 Maggie Ln	Nipomo	2014	2	2	1,429	9,734	\$475,000	\$332	03/28/2014
1084 Ford Dr	Nipomo	2013	2	2	1,429	8,481	\$529,000	\$370	04/23/2015
1078 Ford Dr	Nipomo	2014	2	2	1,428	6,960	\$415,500	\$291	01/21/2014
1056 Ford Dr	Nipomo	2013	2	2	1,429	6,158	\$525,000	\$367	08/09/2016
1046 Ford Dr	Nipomo	2013	2	2	1,429	6,931	\$545,000	\$381	03/10/2016
1354 Trail View Pl	Nipomo	2013	2	2	1,676	9,959	\$659,000	\$393	07/06/2015
1350 Trail View Pl	Nipomo	2014	3	2	2,181	9,783	\$695,000	\$319	05/27/2014
1342 Trail View Pl	Nipomo	2014	3	2	2,595	10,231	\$705,000	\$272	04/23/2014
1338 Trail View Pl	Nipomo	2013	2	3	1,734	8,000	\$690,000	\$398	02/02/2017
1334 Trail View Pl	Nipomo	2014	2	2	2,058	9,004	\$640,000	\$311	06/10/2014
1330 Trail View Pl	Nipomo	2013	2	2	1,676	8,501	\$600,000	\$358	04/03/2014
1322 Trail View Pl	Nipomo	2013	2	2	1,835	11,343	\$630,000	\$343	09/02/2014
1307 Trail View Pl	Nipomo	2014	3	2	2,181	8,444	\$755,000	\$346	05/28/2014
1299 Trail View Pl	Nipomo	2014	3	2	2,181	8,310	\$781,000	\$358	05/20/2014
1291 Trail View Pl	Nipomo	2014	3	2	2,390	8,320	\$719,000	\$301	04/01/2014
1287 Trail View Pl	Nipomo	2014	4	3	3,049	8,312	\$916,000	\$300	01/23/2014
1283 Trail View Pl	Nipomo	2014	4	3	3,049	8,079	\$930,000	\$305	10/07/2014
1275 Trail View Pl	Nipomo	2013	2	2	2,073	7,683	\$765,000	\$369	03/18/2015
1383 Trail View Pl	Nipomo	2014	3	3	2,558	8,282	\$810,000	\$317	12/12/2014
1375 Trail View Pl	Nipomo	2015	3	2	2,181	10,110	\$737,500	\$338	06/29/2015
1367 Trail View Pl	Nipomo	2015	3	3	3,048	11,431	\$797,000	\$261	04/20/2015
1351 Trail View Pl	Nipomo	2014	3	2	2,181	9,364	\$716,500	\$329	08/25/2014
1327 Trail View Pl	Nipomo	2013	2	2	1,945	6,571	\$682,000	\$351	10/13/2014
1099 Emma Ln	Nipomo	2013	2	2	1,669	7,768	\$598,000	\$358	06/23/2015
1075 Emma Ln	Nipomo	2014	2	2	1,734	9,273	\$570,500	\$329	11/20/2014

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Property	City	Yr Built	# Bath	# Bed	SF	Lot SF	Sale Price	Price / SF	Sale Date
Home Sales in Unincorporated San Luis Obispo County Homes Built 2005-2017, Sold January 2014- April 2017.									
1071 Emma Ln	Nipomo	2014	3	2	2,595	10,473	\$825,000	\$318	09/11/2014
1067 Emma Ln	Nipomo	2014	3	3	2,390	11,326	\$673,000	\$282	11/19/2014
1060 Emma Ln	Nipomo	2014	4	3	3,374	14,031	\$960,000	\$285	04/28/2014
1068 Emma Ln	Nipomo	2014	2	2	1,734	6,300	\$586,000	\$338	01/28/2014
1072 Emma Ln	Nipomo	2014	2	3	1,734	6,300	\$591,000	\$341	01/14/2014
1080 Emma Ln	Nipomo	2014	2	2	1,945	6,744	\$759,500	\$390	06/05/2014
1084 Emma Ln	Nipomo	2014	2	2	1,945	6,434	\$774,500	\$398	04/16/2014
1088 Emma Ln	Nipomo	2014	2	2	2,073	6,985	\$703,000	\$339	03/05/2014
1090 Emma Ln	Nipomo	2014	2	2	1,734	7,060	\$772,000	\$445	04/14/2014
1096 Emma Ln	Nipomo	2013	2	2	1,767	7,742	\$668,000	\$378	01/05/2015
1560 Trail View Pl	Nipomo	2015	3	2	2,390	7,275	\$838,500	\$351	01/08/2016
1554 Trail View Pl	Nipomo	2015	2	2	1,734	6,050	\$652,500	\$376	01/07/2016
1548 Trail View Pl	Nipomo	2015	2	2	1,945	6,049	\$670,500	\$345	09/11/2015
1542 Trail View Pl	Nipomo	2015	3	2	2,759	7,096	\$805,000	\$292	12/28/2015
1536 Trail View Pl	Nipomo	2015	2	2	1,743	6,211	\$665,909	\$382	09/04/2015
1512 Trail View Pl	Nipomo	2015	2	2	1,734	7,575	\$617,000	\$356	05/22/2015
1506 Trail View Pl	Nipomo	2015	2	2	1,734	8,576	\$708,500	\$409	05/20/2015
1494 Trail View Pl	Nipomo	2014	2	2	1,734	6,539	\$545,000	\$314	08/15/2014
1488 Trail View Pl	Nipomo	2014	2	2	1,945	6,279	\$657,500	\$338	08/19/2014
1482 Trail View Pl	Nipomo	2014	2	2	1,734	6,177	\$553,000	\$319	04/28/2014
1476 Trail View Pl	Nipomo	2014	2	2	1,734	6,243	\$556,500	\$321	04/10/2014
1010 Gabriel Ct	Nipomo	2015	2	3	1,945	6,882	\$765,000	\$393	07/14/2016
1014 Gabriel Ct	Nipomo	2015	2	2	2,072	6,779	\$753,500	\$364	03/06/2015
1018 Gabriel Ct	Nipomo	2014	2	2	1,945	8,084	\$740,000	\$380	12/19/2014
1022 Gabriel Ct	Nipomo	2015	3	3	2,558	9,595	\$957,500	\$374	04/23/2015
1023 Gabriel Ct	Nipomo	2015	3	3	3,050	9,681	\$970,000	\$318	11/30/2016
1019 Gabriel Ct	Nipomo	2015	3	2	2,812	8,981	\$834,000	\$297	05/27/2015
1015 Gabriel Ct	Nipomo	2015	2	2	1,734	7,084	\$653,500	\$377	04/23/2015
1011 Gabriel Ct	Nipomo	2015	2	3	1,945	7,309	\$647,500	\$333	03/17/2015
1012 Katrina Ct	Nipomo	2014	2	2	1,734	6,351	\$618,500	\$357	08/18/2014
1024 Katrina Ct	Nipomo	2014	3	2	2,181	8,535	\$933,500	\$428	10/20/2014
1029 Katrina Ct	Nipomo	2014	3	2	2,390	8,772	\$849,500	\$355	10/20/2014
1021 Katrina Ct	Nipomo	2014	2	2	1,745	8,225	\$736,000	\$422	09/11/2014
1017 Katrina Ct	Nipomo	2014	2	2	1,745	7,901	\$653,000	\$374	09/22/2014
1013 Katrina Ct	Nipomo	2014	2	2	1,945	7,572	\$705,000	\$362	09/22/2014
1010 Jane Ann Ct	Nipomo	2014	2	2	1,745	6,674	\$630,000	\$361	10/09/2014
1014 Jane Ann Ct	Nipomo	2014	2	2	2,073	6,572	\$714,000	\$344	11/19/2014
1018 Jane Ann Ct	Nipomo	2014	2	2	1,734	6,924	\$644,500	\$372	12/09/2014
1022 Jane Ann Ct	Nipomo	2014	3	3	2,776	9,512	\$958,500	\$345	10/09/2014
1027 Jane Ann Ct	Nipomo	2015	3	4	3,645	10,119	\$1,013,500	\$278	05/27/2015
1023 Jane Ann Ct	Nipomo	2014	3	3	2,786	10,621	\$995,000	\$357	09/29/2014
1019 Jane Ann Ct	Nipomo	2014	2	2	1,945	7,503	\$723,500	\$372	09/26/2014
1015 Jane Ann Ct	Nipomo	2014	2	2	1,734	7,318	\$553,500	\$319	07/08/2014
1011 Jane Ann Ct	Nipomo	2014	2	2	1,734	6,916	\$622,500	\$359	08/26/2014
1440 Trail View Pl	Nipomo	2014	2	2	2,058	7,684	\$699,000	\$340	12/19/2014
1022 Joseph Ct	Nipomo	2014	3	2	2,181	9,630	\$750,500	\$344	07/22/2014
1018 Joseph Ct	Nipomo	2013	3	2	2,300	9,222	\$850,000	\$370	05/12/2016
1003 Joseph Ct	Nipomo	2014	3	4	2,390	10,339	\$890,000	\$372	09/13/2016
1443 Trail View Pl	Nipomo	2014	2	2	1,734	7,338	\$721,000	\$416	11/21/2014
1437 Trail View Pl	Nipomo	2014	3	3	2,181	8,030	\$892,000	\$409	07/16/2014
1431 Trail View Pl	Nipomo	2014	3	2	2,181	8,203	\$941,500	\$432	09/17/2014
1425 Trail View Pl	Nipomo	2014	2	2	2,073	7,781	\$803,500	\$388	07/22/2014
1419 Trail View Pl	Nipomo	2014	3	3	2,390	6,708	\$855,500	\$358	08/04/2014
1413 Trail View Pl	Nipomo	2014	2	2	1,945	7,561	\$808,500	\$416	11/12/2014
1401 Trail View Pl	Nipomo	2014	2	2	1,945	6,225	\$737,500	\$379	09/30/2014
1395 Trail View Pl	Nipomo	2015	3	2	2,558	10,323	\$746,000	\$292	08/06/2015
1440 Vista Tesoro Pl	Nipomo	2015	3	2	2,181	7,587	\$919,000	\$421	07/24/2015
1458 Vista Tesoro Pl	Nipomo	2015	3	3	3,404	8,630	\$1,070,000	\$314	11/05/2015
1464 Vista Tesoro Pl	Nipomo	2015	2	2	2,181	6,482	\$902,000	\$414	11/11/2015
1470 Vista Tesoro Pl	Nipomo	2015	2	2	1,734	6,431	\$789,000	\$455	10/23/2015
1494 Vista Tesoro Pl	Nipomo	2015	3	2	2,181	6,300	\$869,000	\$398	10/23/2015
1500 Vista Tesoro Pl	Nipomo	2015	2	2	1,734	6,300	\$720,000	\$415	10/20/2015
1082 Danni Ct	Nipomo	2015	2	2	1,734	6,859	\$639,500	\$369	12/31/2015
1086 Danni Ct	Nipomo	2015	3	2	2,181	6,968	\$845,500	\$388	12/10/2015
1094 Danni Ct	Nipomo	2015	2	2	1,734	8,069	\$841,000	\$485	01/21/2016
1098 Danni Ct	Nipomo	2015	3	3	3,644	9,992	\$1,050,500	\$288	12/29/2015

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Property	City	Yr Built	# Bath	# Bed	SF	Lot SF	Sale Price	Price / SF	Sale Date
Home Sales in Unincorporated San Luis Obispo County Homes Built 2005-2017, Sold January 2014- April 2017.									
1099 Danni Ct	Nipomo	2015	3	3	3,219	10,457	\$962,500	\$299	12/14/2015
1091 Danni Ct	Nipomo	2015	2	2	1,945	7,852	\$839,000	\$431	11/18/2015
1087 Danni Ct	Nipomo	2015	2	2	1,945	6,735	\$730,000	\$375	11/16/2015
1083 Danni Ct	Nipomo	2015	2	2	1,734	6,283	\$656,500	\$379	10/26/2015
1473 Vista Tesoro PI	Nipomo	2015	3	2	2,181	7,397	\$938,500	\$430	11/03/2015
1467 Vista Tesoro PI	Nipomo	2015	3	3	2,786	7,549	\$953,500	\$342	02/01/2016
1461 Vista Tesoro PI	Nipomo	2015	3	3	2,558	8,452	\$1,020,500	\$399	12/23/2015
1455 Vista Tesoro PI	Nipomo	2015	2	3	2,579	8,451	\$917,000	\$356	10/27/2015
1449 Vista Tesoro PI	Nipomo	2015	3	3	2,786	8,397	\$925,500	\$332	11/18/2015
1443 Vista Tesoro PI	Nipomo	2015	3	2	2,558	7,529	\$910,000	\$356	08/19/2015
1396 Vista Tesoro PI	Nipomo	2015	4	3	3,050	10,040	\$979,500	\$321	06/03/2015
1402 Vista Tesoro PI	Nipomo	2014	3	2	2,760	8,692	\$879,500	\$319	12/10/2014
1408 Vista Tesoro PI	Nipomo	2015	3	2	2,786	9,627	\$974,500	\$350	06/12/2015
1416 Vista Tesoro PI	Nipomo	2015	3	2	2,181	7,753	\$867,000	\$398	02/23/2015
1422 Vista Tesoro PI	Nipomo	2015	4	3	3,049	9,495	\$1,231,500	\$404	05/14/2015
1428 Vista Tesoro PI	Nipomo	2015	2	2	2,390	7,679	\$938,000	\$392	10/05/2015
1425 Vista Tesoro PI	Nipomo	2015	3	3	2,786	8,948	\$931,000	\$334	10/23/2015
1419 Vista Tesoro PI	Nipomo	2015	3	4	3,380	8,392	\$992,500	\$294	12/02/2015
1413 Vista Tesoro PI	Nipomo	2015	3	3	2,390	7,778	\$876,500	\$367	12/08/2015
1405 Vista Tesoro PI	Nipomo	2015	4	3	2,786	9,280	\$899,000	\$323	07/27/2015
1401 Vista Tesoro PI	Nipomo	2015	3	2	2,595	9,280	\$771,000	\$297	07/31/2015
1397 Vista Tesoro PI	Nipomo	2015	3	3	2,558	9,280	\$816,500	\$319	07/31/2015
1393 Vista Tesoro PI	Nipomo	2015	2	2	1,734	8,092	\$602,500	\$347	01/30/2015
1389 Vista Tesoro PI	Nipomo	2015	3	2	2,390	12,867	\$718,500	\$301	08/14/2015
1027 Joseph Ct	Nipomo	2015	2	3	1,734	10,702	\$606,000	\$349	02/02/2015
1011 Joseph Ct	Nipomo	2015	3	2	2,181	11,441	\$779,000	\$357	06/16/2015
411 Hazel Ln	Nipomo	2011	2	4	2,445	20,000	\$615,000	\$252	06/04/2016
905 Briar Rose Ln	Nipomo	2010	2	4	2,431	21,057	\$619,000	\$255	09/29/2014
845 Primrose Ln	Nipomo	2014	2	4	1,950	7,653	\$539,000	\$276	03/13/2015
325 Janice Way	Nipomo	2005	3	3	2,094	12,700	\$410,000	\$196	11/26/2014
687 Crystal Way	Nipomo	2006	3	3	2,078	9,148	\$483,000	\$232	04/08/2015
448 Grove Ln	Nipomo	2009	2	3	1,445	7,440	\$390,000	\$270	06/19/2015
688 Honey Grove Ln	Nipomo	2008	2	4	2,351	10,560	\$552,000	\$235	08/17/2015
640 Honey Grove Ln	Nipomo	2008	2	4	2,351	10,560	\$485,000	\$206	12/10/2014
630 Honey Grove Ln	Nipomo	2008	2	3	2,351	10,560	\$550,000	\$234	04/21/2016
200 Cyclone St	Nipomo	2012	3	5	3,170	10,174	\$600,000	\$189	09/09/2014
245 S Tejas PI	Nipomo	2013	2	4	2,402	10,072	\$549,000	\$229	01/28/2015
845 Theodora St	Nipomo	2006	2	3	1,449	6,077	\$400,000	\$276	07/22/2015
850 Brisas Ln	Nipomo	2006	2	3	1,672	7,533	\$450,000	\$269	06/14/2016
881 Tanis PI	Nipomo	2007	2	3	1,774	7,393	\$416,000	\$234	07/07/2014
873 Tanis PI	Nipomo	2007	2	3	1,774	7,390	\$475,000	\$268	11/07/2016
<u>OCEANO</u>									
1915 Wilmar Ave	Oceano	2006	2	3	1,429	6,098	\$415,000	\$290	03/18/2015
1750 Rochelle Way	Oceano	2008	3	4	2,008	6,682	\$605,000	\$301	10/03/2016
1740 Rochelle Way	Oceano	2013	3	3	1,958	6,760	\$590,000	\$301	04/07/2015
1435 23rd St	Oceano	2007	2	3	1,860	8,939	\$455,000	\$245	08/15/2016
<u>SAN MIGUEL</u>									
1951 La Purisma Ct	San Miguel	2005	2	4	1,632	6,098	\$315,000	\$193	09/23/2015
810 Sebastian Ct	San Miguel	2010	2	4	1,742	11,337	\$340,000	\$195	08/12/2016
795 Tielo St	San Miguel	2010	2	3	1,557	7,831	\$270,000	\$173	04/17/2014
750 Armand Ave	San Miguel	2007	2	3	1,503	6,001	\$296,000	\$197	05/07/2016
715 Armand Ave	San Miguel	2007	2	3	1,503	6,732	\$275,000	\$183	01/06/2015
675 Benedict St	San Miguel	2009	2	3	1,557	7,740	\$324,000	\$208	03/28/2016
655 Benedict St	San Miguel	2009	2	3	1,557	7,680	\$256,000	\$164	05/21/2014
615 Benedict St	San Miguel	2008	2	3	1,503	9,659	\$300,000	\$200	09/10/2015
610 Benedict St	San Miguel	2008	2	4	1,745	8,187	\$295,000	\$169	10/02/2014
620 Benedict St	San Miguel	2008	2	4	1,621	6,442	\$270,000	\$167	02/08/2016
695 Armand Ave	San Miguel	2006	2	3	1,557	7,210	\$255,000	\$164	08/03/2015
655 Armand Ave	San Miguel	2006	2	4	1,621	6,756	\$320,000	\$197	03/11/2016
1640 Verde PI	San Miguel	2015	2	3	1,744	7,661	\$169,500	\$97	09/16/2015

**APPENDIX A TABLE 4
SINGLE FAMILY HOME SALES BY LOT SIZE AND LOCATION
RESIDENTIAL NEXUS ANALYSIS
COUNTY OF SAN LUIS OBISPO, CA**

Working Draft

Property	City	Yr Built	# Bath	# Bed	SF	Lot SF	Sale Price	Price / SF	Sale Date
Home Sales in Unincorporated San Luis Obispo County Homes Built 2005-2017, Sold January 2014- April 2017.									
<u>SANTA MARGARITA</u>									
9750 Encina Ave	Santa Margarita	2005	2	2	1,404	7,499	\$440,000	\$313	05/10/2016
22675 J St	Santa Margarita	2011	2	3	1,640	7,500	\$495,000	\$302	01/03/2017
<u>SHANDON</u>									
318 Mesa Grande Dr	Shandon	2007	2	3	1,265	6,970	\$268,000	\$212	05/09/2016
347 Escondido Way	Shandon	2005	2	3	1,725	10,454	\$230,000	\$133	03/17/2014
155 El Portal Dr	Shandon	2005	2	3	1,521	12,100	\$255,000	\$168	07/11/2016
<u>TEMPLETON</u>									
1060 Riesling Ln	Templeton	2005	2	3	1,999	15,421	\$600,000	\$300	06/26/2015
1090 Riesling Ln	Templeton	2005	3	3	2,594	14,394	\$770,000	\$297	10/06/2015
1505 Via Rojas	Templeton	2005	3	3	2,195	20,185	\$639,000	\$291	07/29/2015
1055 Muscat Ct	Templeton	2005	3	3	2,825	17,232	\$804,000	\$285	05/01/2015
1550 Granache Way	Templeton	2005	3	3	2,594	20,480	\$775,000	\$299	02/09/2017
435 Tessa Ct	Templeton	2012	3	3	2,090	17,424	\$629,000	\$301	06/08/2016
455 Tessa Ct	Templeton	2012	3	3	1,751	18,295	\$550,000	\$314	10/23/2015
475 Tessa Ct	Templeton	2012	3	3	2,188	18,731	\$654,000	\$299	06/01/2016
113 Brookline Ct	Templeton	2014	3	3	2,292	6,080	\$480,000	\$209	04/29/2015
110 Brookline Ct	Templeton	2014	2	3	1,740	6,259	\$445,000	\$256	06/05/2014
114 Brookline Ct	Templeton	2014	2	3	1,787	6,593	\$485,000	\$271	11/02/2016
1290 Templeton Hills Rd	Templeton	2011	3	4	1,775	10,019	\$440,000	\$248	02/02/2015
1270 Templeton Hills Rd	Templeton	2012	2	3	1,418	8,698	\$470,000	\$331	06/11/2015
1250 Laura Ct	Templeton	2012	2	3	1,827	12,806	\$526,000	\$288	09/17/2015
1295 Pamela Ct	Templeton	2013	3	3	1,442	8,947	\$450,000	\$312	12/10/2015
1270 Pamela Ct	Templeton	2013	3	3	1,701	10,298	\$517,000	\$304	05/27/2016
819 Peterson Ranch Rd	Templeton	2006	3	4	2,103	7,526	\$607,000	\$289	10/26/2016
849 Peterson Ranch Rd	Templeton	2006	2	4	1,802	8,266	\$476,000	\$264	10/06/2014
865 Peterson Ranch Rd	Templeton	2006	3	4	2,103	9,911	\$595,000	\$283	08/23/2016
860 Rosebay Way	Templeton	2006	3	4	2,449	9,217	\$640,000	\$261	06/22/2016
710 Rosebay Way	Templeton	2007	3	5	2,449	11,060	\$660,000	\$269	12/01/2016
735 Rosebay Way	Templeton	2006	2	3	1,747	8,000	\$525,000	\$301	01/04/2017
765 Rosebay Way	Templeton	2006	2	3	1,747	7,784	\$510,000	\$292	07/01/2015
764 Lavender Ln	Templeton	2008	2	3	1,747	8,268	\$453,500	\$260	05/07/2014
756 Lavender Ln	Templeton	2007	2	3	1,747	8,276	\$514,000	\$294	01/12/2016
740 Lavender Ln	Templeton	2007	2	3	1,747	8,021	\$405,000	\$232	06/24/2014
724 Lavender Ln	Templeton	2007	3	4	2,102	9,036	\$605,000	\$288	02/02/2017
979 Peterson Ranch Rd	Templeton	2008	2	4	1,802	7,513	\$530,000	\$294	02/19/2016
925 Peterson Ranch Rd	Templeton	2005	2	3	1,747	7,711	\$525,000	\$301	03/23/2016
930 Rosebay Way	Templeton	2008	2	4	1,802	7,513	\$480,000	\$266	12/17/2014
965 Rosebay Way	Templeton	2008	2	4	1,802	8,629	\$469,500	\$261	07/31/2014
945 Rosebay Way	Templeton	2008	3	4	2,449	9,171	\$599,000	\$245	12/03/2015
925 Rosebay Way	Templeton	2008	2	4	1,802	10,523	\$575,000	\$319	08/09/2016
255 Hawley St	Templeton	2007	2	3	1,876	7,000	\$540,000	\$288	02/08/2017
685 Lincoln Ave	Templeton	2014	3	3	1,695	7,500	\$439,000	\$259	06/13/2014
675 Lincoln Ave	Templeton	2014	3	4	1,854	7,600	\$453,000	\$244	12/02/2014
710 Old County Rd	Templeton	2014	2	3	1,260	8,200	\$429,000	\$340	10/06/2014
LARGE LOTS (1/2 ACRE OR MORE)									
11710 Chowchilla Trl	California Valley	2006	1	1	480	108,900	\$50,000	\$104	05/07/2014
6640 Buckley Dr	Cambria	2008	3	4	4,552	24,942	\$1,375,000	\$302	03/04/2016
3650 Stage Springs Rd	Creston	2015	1	1	1,024	439,520	\$122,000	\$119	05/06/2014
8070 Webster Rd	Creston	2010	4	4	3,436	1,753,726	\$514,000	\$150	12/15/2016
7575 Andrews Vineyard Dr	Creston	2005	2	3	1,486	3,484,800	\$518,000	\$349	04/24/2014
1492 Valley View Dr	Los Osos	2007	5	6	5,234	25,700	\$1,275,000	\$244	06/24/2015
<u>NIPOMO</u>									
775 Riata Ln	Nipomo	2007	4	4	5,190	443,441	\$1,335,000	\$257	10/20/2014
230 Rim Rock Rd	Nipomo	2015	4	4	3,372	238,273	\$319,500	\$95	04/24/2014
250 Rim Rock Rd	Nipomo	2015	6	5	4,422	267,023	\$315,000	\$71	05/09/2014
1310 American Way	Nipomo	2005	3	4	2,808	46,174	\$930,000	\$331	12/22/2014
820 Sundale Way	Nipomo	2013	3	5	2,568	94,961	\$829,000	\$267	01/06/2014
625 Misty Glen Pl	Nipomo	2005	3	4	3,100	23,176	\$829,000	\$267	10/05/2016

**APPENDIX A TABLE 4
SINGLE FAMILY HOME SALES BY LOT SIZE AND LOCATION
RESIDENTIAL NEXUS ANALYSIS
COUNTY OF SAN LUIS OBISPO, CA**

Working Draft

Property	City	Yr Built	# Bath	# Bed	SF	Lot SF	Sale Price	Price / SF	Sale Date
Home Sales in Unincorporated San Luis Obispo County									
Homes Built 2005-2017, Sold January 2014- April 2017.									
1163 Willow Rd	Nipomo	2005	4	3	3,352	232,610	\$950,000	\$283	12/10/2014
1310 Sandy Acres Ln	Nipomo	2006	2	3	1,980	238,709	\$835,000	\$422	05/05/2014
1225 Estate Way	Nipomo	2008	4	4	4,995	209,088	\$1,060,000	\$212	02/27/2017
1255 Kiwi Ln	Nipomo	2010	2	3	1,200	217,800	\$536,000	\$447	04/22/2014
979 Sweet Gum Ln	Nipomo	2005	4	4	3,375	39,204	\$915,000	\$271	09/05/2014
1185 Easy Ln	Nipomo	2014	3	4	2,375	49,223	\$700,000	\$295	05/13/2014
1165 Easy Ln	Nipomo	2015	3	3	2,472	46,174	\$770,000	\$311	06/30/2015
1525 Camino Mariposa	Nipomo	2014	2	4	2,404	101,495	\$653,000	\$272	10/23/2014
1545 Camino Mariposa	Nipomo	2014	2	4	2,404	101,930	\$670,000	\$279	09/23/2014
1520 Camino Mariposa	Nipomo	2014	2	4	2,404	98,010	\$670,000	\$279	10/14/2014
1420 Camino Mariposa	Nipomo	2007	5	4	4,962	104,980	\$1,400,000	\$282	03/07/2016
120 La Joya Dr	Nipomo	2007	3	4	3,233	51,401	\$840,000	\$260	08/11/2015
SAN MIGUEL									
6255 Buckhorn Ridge Pl	San Miguel	2007	3	3	2,865	528,383	\$565,000	\$197	06/10/2016
80020 Eva Rd	San Miguel	2007	3	3	2,580	435,600	\$650,000	\$252	02/18/2014
79560 Watkins Ln	San Miguel	2005	3	4	3,047	438,649	\$615,000	\$202	10/27/2014
77655 Ranchita Canyon Rd	San Miguel	2005	3	4	2,622	435,600	\$675,000	\$257	03/21/2014
76970 Barker Rd	San Miguel	2005	3	3	2,698	435,600	\$530,000	\$196	07/08/2014
80025 Eva Rd	San Miguel	2009	1	1	1,632	435,600	\$393,000	\$241	11/06/2015
77634 Ranchita Canyon Rd	San Miguel	2006	2	3	2,886	435,600	\$519,500	\$180	07/20/2014
77824 Ranchita Canyon Rd	San Miguel	2006	3	4	3,082	444,312	\$550,000	\$178	03/03/2015
77222 Ranchita Canyon Rd	San Miguel	2006	2	3	2,166	435,600	\$637,000	\$294	04/27/2016
77008 Ranchita Canyon Rd	San Miguel	2007	2	4	2,048	217,800	\$458,000	\$224	12/17/2015
TEMPLETON									
8345 Green Valley Rd	Templeton	2009	4	3	3,719	1,489,752	\$1,200,000	\$323	03/10/2015
Santa Ysabel Ranch									
1825 Fire Rock Loop	Templeton	2008	6	4	4,523	145,490	\$1,450,000	\$321	06/19/2014
1715 Fire Rock Loop	Templeton	2014	3	4	3,314	78,844	\$1,090,000	\$329	07/15/2016
1210 Fire Rock Loop	Templeton	2015	4	3	3,294	76,230	\$975,000	\$296	01/12/2017
1610 Fire Rock Loop	Templeton	2014	5	4	3,543	153,767	\$1,180,000	\$333	07/28/2014
1537 Fire Rock Loop	Templeton	2014	4	4	4,269	69,260	\$1,550,000	\$363	12/03/2014
1680 Fire Rock Loop	Templeton	2015	3	4	3,488	125,453	\$995,000	\$285	07/31/2015
2424 Battering Rock Rd	Templeton	2014	5	4	3,858	102,802	\$1,450,000	\$376	08/01/2014
2390 Battering Rock Rd	Templeton	2007	4	3	4,536	72,745	\$867,000	\$191	06/30/2016
2290 Iron Stone Loop	Templeton	2014	5	4	4,195	64,904	\$1,050,000	\$250	09/17/2014
2305 Iron Stone Loop	Templeton	2014	4	4	3,511	56,628	\$1,095,000	\$312	04/03/2015
1535 Bunkhouse Ct	Templeton	2005	4	3	4,062	100,624	\$1,150,000	\$283	08/23/2014
1113 Burnt Rock Way	Templeton	2008	4	4	4,054	84,506	\$1,450,000	\$358	07/31/2015
1540 Bunkhouse Ct	Templeton	2008	4	4	4,120	102,366	\$1,370,000	\$333	05/16/2016
1835 Laguna Del Campo	Templeton	2006	3	4	3,609	54,450	\$915,000	\$254	06/18/2014
1815 Laguna Del Campo	Templeton	2005	4	5	4,119	133,294	\$1,000,000	\$243	09/14/2016
900 Venice Rd	Templeton	2010	5	6	6,060	498,326	\$1,425,000	\$235	06/17/2014
655 Camino Sombrio	Templeton	2010	3	4	3,497	296,208	\$750,000	\$214	01/03/2017
1615 Paradise Meadow Ln	Templeton	2008	3	2	2,603	110,642	\$1,550,000	\$595	06/11/2015
1360 S Bethel Rd	Templeton	2005	3	4	3,277	60,984	\$967,500	\$295	04/11/2016
790 Hopkins St	Templeton	2007	3	3	2,885	59,677	\$815,000	\$282	06/23/2016
980 S Bethel Rd	Templeton	2007	2	4	2,643	50,965	\$695,000	\$263	12/08/2014
1325 Winegrape Ct	Templeton	2006	4	3	3,692	49,658	\$900,000	\$244	12/04/2015
350 Eddy St	Templeton	2013	3	3	2,088	30,492	\$593,000	\$284	03/02/2016

Source: CoreLogic Listsource, 4/28/2017

**APPENDIX A TABLE 5
TOWNHOME AND CONDOMINIUM SALES
RESIDENTIAL NEXUS ANALYSIS
COUNTY OF SAN LUIS OBISPO, CA**

Working Draft

New Sales and Resales of Homes Built Since 2005 and Sold January 2014 - April 2017.

Property	City	Yr Built	# Bath	# Bed	SF	Sale Price	Price/SF	Sale Date
61 San Miguel St 253	Avila Beach	2006	3	3	1,483	\$835,000	\$563	04/28/2014
75 San Miguel St 256	Avila Beach	2006	2	4	1,836	\$1,050,000	\$572	10/07/2014
77 San Miguel St 257	Avila Beach	2006	2	3	1,485	\$950,000	\$640	07/21/2014
95 San Miguel St 260	Avila Beach	2006	1	1	615	\$640,000	\$1,041	01/30/2015
371 1st St 3	Avila Beach	2007	2	2	1,136	\$1,060,000	\$933	09/02/2016

Monarch Dunes, Trilogy

1660 Red Admiral Ct 21	Nipomo	2008	4	3	1,933	\$542,000	\$280	03/23/2016
1658 Red Admiral Ct 22	Nipomo	2008	3	3	1,639	\$415,000	\$253	07/02/2015
1654 Red Admiral Ct 24	Nipomo	2012	3	3	1,639	\$372,500	\$227	12/17/2014
1652 Red Admiral Ct 25	Nipomo	2008	3	4	2,130	\$437,000	\$205	01/29/2014
1149 Spring Azure Way 26	Nipomo	2009	3	3	2,130	\$435,000	\$204	08/11/2014
1151 Spring Azure Way 27	Nipomo	2008	3	3	1,735	\$425,000	\$245	06/09/2016
1153 Spring Azure Way 28	Nipomo	2008	3	3	1,639	\$415,000	\$253	05/01/2015
1155 Spring Azure Way 29	Nipomo	2008	3	3	1,735	\$355,000	\$205	04/08/2014
1158 Spring Azure Way 14	Nipomo	2008	3	3	1,735	\$445,000	\$256	06/23/2015
1156 Spring Azure Way 15	Nipomo	2008	3	3	1,639	\$415,000	\$253	01/15/2016
1152 Spring Azure Way 17	Nipomo	2008	3	3	1,639	\$355,000	\$217	10/02/2014
1197 Swallowtail Way 61	Nipomo	2012	3	3	1,639	\$444,500	\$271	04/26/2016
1191 Swallowtail Way 64	Nipomo	2012	3	3	1,735	\$380,000	\$219	11/22/2014
1189 Swallowtail Way 65	Nipomo	2010	3	3	2,130	\$445,000	\$209	11/05/2015
1187 Swallowtail Way 66	Nipomo	2010	4	3	1,933	\$449,000	\$232	12/10/2014
1185 Swallowtail Way 67	Nipomo	2013	3	3	1,639	\$350,000	\$214	06/23/2014
1183 Swallowtail Way 68	Nipomo	2012	3	3	1,735	\$440,000	\$254	01/15/2016
1179 Swallowtail Way 70	Nipomo	2012	3	3	2,130	\$415,000	\$195	05/06/2014
1173 Swallowtail Way 73	Nipomo	2009	3	3	1,735	\$365,000	\$210	02/26/2014
1171 Swallowtail Way 74	Nipomo	2009	3	3	1,639	\$425,000	\$259	10/13/2016
Average		2010	3	3	1,795	\$416,250	\$233	

Trinity Palms

555 Orchard Rd E	Nipomo	2005	3	3	1,346	\$270,000	\$201	04/22/2015
557 Orchard Rd A	Nipomo	2005	3	3	1,346	\$244,000	\$181	04/13/2014
557 Orchard Rd C	Nipomo	2005	3	3	1,346	\$245,000	\$182	05/01/2014
557 Orchard Rd E	Nipomo	2005	3	3	1,346	\$270,000	\$201	06/08/2015
559 Orchard Rd 13a	Nipomo	2005	3	3	1,346	\$255,000	\$189	09/15/2014
559 Orchard Rd C	Nipomo	2005	3	3	1,666	\$360,000	\$216	01/04/2017
Average		2005	3	3	1,399	\$274,000	\$195	

Source: CoreLogic Listsource, 4/28/2017.

APPENDIX B: WORKER OCCUPATIONS AND COMPENSATION LEVELS

**RESIDENTIAL NEXUS APPENDIX B TABLE 1
 WORKER OCCUPATION DISTRIBUTION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$50K - \$70K, RESIDENT SERVICES
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA**

Working Draft

Major Occupations (2% or more)	Worker Occupation Distribution¹ Services to Households Earning \$50k - \$70k
Management Occupations	4.7%
Business and Financial Operations Occupations	4.7%
Community and Social Service Occupations	2.1%
Education, Training, and Library Occupations	1.9%
Arts, Design, Entertainment, Sports, and Media Occupations	1.9%
Healthcare Practitioners and Technical Occupations	6.3%
Healthcare Support Occupations	3.6%
Food Preparation and Serving Related Occupations	14.0%
Building and Grounds Cleaning and Maintenance Occupations	5.5%
Personal Care and Service Occupations	5.8%
Sales and Related Occupations	13.9%
Office and Administrative Support Occupations	16.2%
Installation, Maintenance, and Repair Occupations	4.7%
Transportation and Material Moving Occupations	5.0%
All Other Worker Occupations - Services to Households Earning \$50k - \$70k	<u>9.5%</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, 2016
 SERVICES TO HOUSEHOLDS EARNING \$50K - \$70K
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Working Draft

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total No. of Service Workers
Page 1 of 4			
<i>Management Occupations</i>			
General and Operations Managers	\$105,100	34.1%	1.6%
Sales Managers	\$93,500	4.1%	0.2%
Administrative Services Managers	\$92,000	3.1%	0.1%
Financial Managers	\$98,900	8.1%	0.4%
Food Service Managers	\$43,500	4.4%	0.2%
Medical and Health Services Managers	\$101,700	4.4%	0.2%
Property, Real Estate, and Community Association Managers	\$68,700	18.2%	0.9%
Social and Community Service Managers	\$59,300	3.1%	0.1%
All other Management Occupations (Avg. All Categories)	<u>\$89,600</u>	<u>20.6%</u>	<u>1.0%</u>
Weighted Mean Annual Wage	\$89,600	100.0%	4.7%
<i>Business and Financial Operations Occupations</i>			
Human Resources Specialists	\$73,800	5.5%	0.3%
Management Analysts	\$70,900	4.9%	0.2%
Training and Development Specialists	\$107,900	3.0%	0.1%
Market Research Analysts and Marketing Specialists	\$53,200	8.0%	0.4%
Business Operations Specialists, All Other	\$72,200	8.9%	0.4%
Accountants and Auditors	\$64,600	20.8%	1.0%
Financial Analysts	\$127,700	7.7%	0.4%
Personal Financial Advisors	\$118,500	10.4%	0.5%
Loan Officers	\$96,500	3.9%	0.2%
All Other Business and Financial Operations Occupations (Avg. All Categ)	<u>\$83,200</u>	<u>26.9%</u>	<u>1.3%</u>
Weighted Mean Annual Wage	\$83,200	100.0%	4.7%
<i>Community and Social Service Occupations</i>			
Substance Abuse and Behavioral Disorder Counselors	\$58,500	3.2%	0.1%
Educational, Guidance, School, and Vocational Counselors	\$49,500	3.1%	0.1%
Mental Health Counselors	\$45,400	6.4%	0.1%
Rehabilitation Counselors	\$37,500	4.7%	0.1%
Child, Family, and School Social Workers	\$42,200	10.5%	0.2%
Healthcare Social Workers	\$71,700	5.6%	0.1%
Mental Health and Substance Abuse Social Workers	\$69,300	4.3%	0.1%
Social and Human Service Assistants	\$35,000	18.2%	0.4%
Community and Social Service Specialists, All Other	\$40,400	3.9%	0.1%
Clergy	\$64,800	16.3%	0.3%
Directors, Religious Activities and Education	\$60,500	10.1%	0.2%
Religious Workers, All Other	\$63,600	3.7%	0.1%
All Other Community and Social Service Occupations (Avg. All Categories)	<u>\$45,800</u>	<u>9.9%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$51,100	100.0%	2.1%

RESIDENTIAL NEXUS APPENDIX B TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION, 2016
SERVICES TO HOUSEHOLDS EARNING \$50K - \$70K
RESIDENTIAL NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY, CA

Working Draft

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total No. of Service Workers
<i>Page 2 of 4</i>			
<i>Education, Training, and Library Occupations</i>			
Vocational Education Teachers, Postsecondary	\$52,300	4.1%	0.1%
Preschool Teachers, Except Special Education	\$27,600	22.0%	0.4%
Elementary School Teachers, Except Special Education	\$72,900	5.2%	0.1%
Secondary School Teachers, Except Special and Career/Technical Educ	\$68,800	2.6%	0.0%
Self-Enrichment Education Teachers	\$43,500	19.8%	0.4%
Teachers and Instructors, All Other, Except Substitute Teachers	\$51,600	9.4%	0.2%
Substitute Teachers	\$36,900	3.9%	0.1%
Teacher Assistants	\$27,500	16.8%	0.3%
All Other Education, Training, and Library Occupations (Avg. All Categori	<u>\$42,800</u>	<u>16.2%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$40,200	100.0%	1.9%
<i>Arts, Design, Entertainment, Sports, and Media Occupations</i>			
Floral Designers	\$24,300	3.9%	0.1%
Graphic Designers	\$47,900	7.8%	0.1%
Merchandise Displayers and Window Trimmers	\$33,400	4.2%	0.1%
Producers and Directors	\$131,300	4.1%	0.1%
Coaches and Scouts	\$35,200	8.3%	0.2%
Music Directors and Composers	\$40,200	4.1%	0.1%
Musicians and Singers	\$63,731	10.3%	0.2%
Public Relations Specialists	\$53,300	9.2%	0.2%
Writers and Authors	\$62,600	3.9%	0.1%
Audio and Video Equipment Technicians	\$49,200	3.8%	0.1%
Photographers	\$65,100	7.9%	0.1%
All Other Arts, Design, Entertainment, Sports, and Media Occupations (A	<u>\$50,900</u>	<u>32.6%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$53,500	100.0%	1.9%
<i>Healthcare Practitioners and Technical Occupations</i>			
Pharmacists	\$137,900	4.0%	0.3%
Physicians and Surgeons, All Other	\$184,600	4.3%	0.3%
Physical Therapists	\$91,900	3.8%	0.2%
Registered Nurses	\$92,500	25.2%	1.6%
Dental Hygienists	\$94,700	5.3%	0.3%
Pharmacy Technicians	\$44,300	5.7%	0.4%
Licensed Practical and Licensed Vocational Nurses	\$53,600	6.8%	0.4%
All Other Healthcare Practitioners and Technical Occupations (Avg. All C	<u>\$93,400</u>	<u>44.8%</u>	<u>2.8%</u>
Weighted Mean Annual Wage	\$93,400	100.0%	6.3%
<i>Healthcare Support Occupations</i>			
Home Health Aides	\$29,000	22.0%	0.8%
Nursing Assistants	\$29,200	20.0%	0.7%
Physical Therapist Assistants	\$33,800	3.0%	0.1%
Massage Therapists	\$72,700	4.9%	0.2%
Dental Assistants	\$42,000	14.5%	0.5%
Medical Assistants	\$34,000	18.8%	0.7%
Veterinary Assistants and Laboratory Animal Caretakers	\$28,600	4.1%	0.1%
Phlebotomists	\$40,200	2.8%	0.1%
All Other Healthcare Support Occupations (Avg. All Categories)	<u>\$33,700</u>	<u>9.9%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$34,900	100.0%	3.6%

RESIDENTIAL NEXUS APPENDIX B TABLE 2
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$50K - \$70K
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Working Draft

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total No. of Service Workers
<i>Food Preparation and Serving Related Occupations</i>			
First-Line Supervisors of Food Preparation and Serving Workers	\$36,800	6.9%	1.0%
Cooks, Fast Food	\$22,500	3.9%	0.5%
Cooks, Restaurant	\$30,300	9.1%	1.3%
Food Preparation Workers	\$24,600	6.4%	0.9%
Bartenders	\$32,800	6.9%	1.0%
Combined Food Preparation and Serving Workers, Including Fast Food	\$21,400	26.0%	3.6%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	\$24,700	3.5%	0.5%
Waiters and Waitresses	\$29,700	19.7%	2.8%
Dishwashers	\$21,200	4.0%	0.6%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$21,900	3.1%	0.4%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	<u>\$26,800</u>	<u>10.6%</u>	<u>1.5%</u>
Weighted Mean Annual Wage	\$26,600	100.0%	14.0%
<i>Building and Grounds Cleaning and Maintenance Occupations</i>			
First-Line Supervisors of Landscaping, Lawn Service, and Groundskeeping Workers	\$49,900	3.5%	0.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$27,800	45.1%	2.5%
Maids and Housekeeping Cleaners	\$22,900	10.9%	0.6%
Landscaping and Groundskeeping Workers	\$28,700	32.3%	1.8%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All Categories)	<u>\$28,400</u>	<u>8.3%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$28,400	100.0%	5.5%
<i>Personal Care and Service Occupations</i>			
First-Line Supervisors of Personal Service Workers	\$45,000	3.9%	0.2%
Nonfarm Animal Caretakers	\$26,200	7.2%	0.4%
Amusement and Recreation Attendants	\$22,500	3.1%	0.2%
Hairdressers, Hairstylists, and Cosmetologists	\$34,600	13.6%	0.8%
Manicurists and Pedicurists	\$21,400	3.6%	0.2%
Childcare Workers	\$25,300	9.9%	0.6%
Personal Care Aides	\$23,600	33.6%	1.9%
Fitness Trainers and Aerobics Instructors	\$41,500	6.9%	0.4%
Recreation Workers	\$28,000	4.8%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	<u>\$28,200</u>	<u>13.3%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$28,200	100.0%	5.8%
<i>Sales and Related Occupations</i>			
First-Line Supervisors of Retail Sales Workers	\$43,900	8.8%	1.2%
Cashiers	\$24,000	24.2%	3.4%
Counter and Rental Clerks	\$30,900	6.6%	0.9%
Retail Salespersons	\$27,800	35.4%	4.9%
Sales Representatives, Services, All Other	\$54,200	4.3%	0.6%
Sales Representatives, Wholesale and Manufacturing, Except Technical Sales Representatives	\$56,700	3.6%	0.5%
Real Estate Sales Agents	\$75,500	5.3%	0.7%
All Other Sales and Related Occupations (Avg. All Categories)	<u>\$30,100</u>	<u>11.7%</u>	<u>1.6%</u>
Weighted Mean Annual Wage	\$33,500	100.0%	13.9%

RESIDENTIAL NEXUS APPENDIX B TABLE 2
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$50K - \$70K
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Working Draft

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total No. of Service Workers
<i>Office and Administrative Support Occupations</i>			
First-Line Supervisors of Office and Administrative Support Workers	\$54,700	6.4%	1.0%
Bookkeeping, Accounting, and Auditing Clerks	\$43,600	8.3%	1.4%
Customer Service Representatives	\$26,100	10.7%	1.7%
Receptionists and Information Clerks	\$30,400	8.2%	1.3%
Stock Clerks and Order Fillers	\$27,300	10.1%	1.6%
Medical Secretaries	\$43,400	3.8%	0.6%
Secretaries and Administrative Assistants, Except Legal, Medical, and Ex	\$37,000	13.2%	2.1%
Office Clerks, General	\$32,700	15.6%	2.5%
All Other Office and Administrative Support Occupations (Avg. All Catego	<u>\$35,100</u>	<u>23.7%</u>	<u>3.9%</u>
Weighted Mean Annual Wage	\$35,100	100.0%	16.2%
<i>Installation, Maintenance, and Repair Occupations</i>			
First-Line Supervisors of Mechanics, Installers, and Repairers	\$74,100	7.7%	0.4%
Automotive Body and Related Repairers	\$52,300	5.6%	0.3%
Automotive Service Technicians and Mechanics	\$43,900	16.5%	0.8%
Maintenance and Repair Workers, General	\$38,700	45.2%	2.1%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Cat	<u>\$44,500</u>	<u>25.0%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$44,500	100.0%	4.7%
<i>Transportation and Material Moving Occupations</i>			
Bus Drivers, School or Special Client	\$39,600	3.8%	0.2%
Driver/Sales Workers	\$25,000	7.8%	0.4%
Heavy and Tractor-Trailer Truck Drivers	\$47,500	11.6%	0.6%
Light Truck or Delivery Services Drivers	\$41,200	10.9%	0.5%
Taxi Drivers and Chauffeurs	\$23,000	2.9%	0.1%
Parking Lot Attendants	\$23,100	7.5%	0.4%
Cleaners of Vehicles and Equipment	\$25,100	8.8%	0.4%
Laborers and Freight, Stock, and Material Movers, Hand	\$31,200	22.7%	1.1%
Packers and Packagers, Hand	\$21,500	7.7%	0.4%
All Other Transportation and Material Moving Occupations (Avg. All Cateq	<u>\$32,000</u>	<u>16.4%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$32,000	100.0%	5.0%

90.5%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

² Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Luis Obispo County as of 1st Quarter 2016.

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

**RESIDENTIAL NEXUS APPENDIX B TABLE 3
 WORKER OCCUPATION DISTRIBUTION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$70 TO \$100K, RESIDENT SERVICES
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA**

Working Draft

<p>Worker Occupation Distribution¹ Services to Households Earning \$70,000 to \$100,000</p>

Major Occupations (2% or more)

Management Occupations	4.6%
Business and Financial Operations Occupations	4.9%
Community and Social Service Occupations	2.1%
Healthcare Practitioners and Technical Occupations	6.5%
Healthcare Support Occupations	3.8%
Food Preparation and Serving Related Occupations	14.8%
Building and Grounds Cleaning and Maintenance Occupations	5.3%
Personal Care and Service Occupations	5.9%
Sales and Related Occupations	13.6%
Office and Administrative Support Occupations	16.0%
Installation, Maintenance, and Repair Occupations	4.3%
Transportation and Material Moving Occupations	4.8%
All Other Worker Occupations - Services to Households Earning \$70,000 to \$100,000	<u>13.3%</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, 2016
 SERVICES TO HOUSEHOLDS EARNING \$70,000 TO \$100,000
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Working Draft

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total No. of Service Workers
<i>Management Occupations</i>			
General and Operations Managers	\$105,100	34.3%	1.6%
Sales Managers	\$93,500	4.1%	0.2%
Administrative Services Managers	\$92,000	3.1%	0.1%
Financial Managers	\$98,900	8.8%	0.4%
Food Service Managers	\$43,500	4.8%	0.2%
Medical and Health Services Managers	\$101,700	4.7%	0.2%
Property, Real Estate, and Community Association Managers	\$68,700	16.0%	0.7%
Social and Community Service Managers	\$59,300	3.2%	0.1%
All other Management Occupations (Avg. All Categories)	<u>\$90,200</u>	<u>21.0%</u>	<u>1.0%</u>
	Weighted Mean Annual Wage	\$90,200	100.0%
<i>Business and Financial Operations Occupations</i>			
Human Resources Specialists	\$73,800	5.2%	0.3%
Management Analysts	\$70,900	4.9%	0.2%
Market Research Analysts and Marketing Specialists	\$53,200	7.5%	0.4%
Business Operations Specialists, All Other	\$72,200	8.4%	0.4%
Accountants and Auditors	\$64,600	20.1%	1.0%
Financial Analysts	\$127,700	8.6%	0.4%
Personal Financial Advisors	\$118,500	11.9%	0.6%
Loan Officers	\$96,500	4.2%	0.2%
All Other Business and Financial Operations Occupations (Avg. All Categories)	<u>\$84,000</u>	<u>29.2%</u>	<u>1.4%</u>
	Weighted Mean Annual Wage	\$84,000	100.0%
<i>Community and Social Service Occupations</i>			
Substance Abuse and Behavioral Disorder Counselors	\$58,500	3.4%	0.1%
Educational, Guidance, School, and Vocational Counselors	\$49,500	3.1%	0.1%
Mental Health Counselors	\$45,400	6.7%	0.1%
Rehabilitation Counselors	\$37,500	4.8%	0.1%
Child, Family, and School Social Workers	\$42,200	10.8%	0.2%
Healthcare Social Workers	\$71,700	5.8%	0.1%
Mental Health and Substance Abuse Social Workers	\$69,300	4.5%	0.1%
Social and Human Service Assistants	\$35,000	18.6%	0.4%
Community and Social Service Specialists, All Other	\$40,400	3.8%	0.1%
Clergy	\$64,800	15.4%	0.3%
Directors, Religious Activities and Education	\$60,500	9.6%	0.2%
Religious Workers, All Other	\$63,600	3.5%	0.1%
All Other Community and Social Service Occupations (Avg. All Categories)	<u>\$51,400</u>	<u>10.0%</u>	<u>0.2%</u>
	Weighted Mean Annual Wage	\$51,400	100.0%

RESIDENTIAL NEXUS APPENDIX B TABLE 4
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$70,000 TO \$100,000
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Working Draft

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total No. of Service Workers
<i>Healthcare Practitioners and Technical Occupations</i>			
Pharmacists	\$137,900	3.9%	0.3%
Physicians and Surgeons, All Other	\$184,600	4.5%	0.3%
Physical Therapists	\$91,900	3.7%	0.2%
Registered Nurses	\$92,500	25.7%	1.7%
Dental Hygienists	\$94,700	4.6%	0.3%
Pharmacy Technicians	\$44,300	5.5%	0.4%
Licensed Practical and Licensed Vocational Nurses	\$53,600	7.7%	0.5%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Categories)	<u>\$93,000</u>	<u>44.3%</u>	<u>2.9%</u>
	\$93,000	100.0%	6.5%
<i>Healthcare Support Occupations</i>			
Home Health Aides	\$29,000	20.0%	0.8%
Nursing Assistants	\$29,200	25.0%	0.9%
Massage Therapists	\$72,700	4.8%	0.2%
Dental Assistants	\$42,000	12.4%	0.5%
Medical Assistants	\$34,000	18.9%	0.7%
Veterinary Assistants and Laboratory Animal Caretakers	\$28,600	3.6%	0.1%
All Other Healthcare Support Occupations (Avg. All Categories)	<u>\$34,500</u>	<u>15.4%</u>	<u>0.6%</u>
	\$34,500	100.0%	3.8%
<i>Food Preparation and Serving Related Occupations</i>			
First-Line Supervisors of Food Preparation and Serving Workers	\$36,800	6.9%	1.0%
Cooks, Fast Food	\$22,500	3.9%	0.6%
Cooks, Restaurant	\$30,300	9.1%	1.3%
Food Preparation Workers	\$24,600	6.3%	0.9%
Bartenders	\$32,800	6.8%	1.0%
Combined Food Preparation and Serving Workers, Including Fast Food	\$21,400	26.0%	3.9%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	\$24,700	3.5%	0.5%
Waiters and Waitresses	\$29,700	19.7%	2.9%
Dishwashers	\$21,200	4.0%	0.6%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$21,900	3.1%	0.5%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	<u>\$26,600</u>	<u>10.8%</u>	<u>1.6%</u>
	\$26,600	100.0%	14.8%

**RESIDENTIAL NEXUS APPENDIX B TABLE 4
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$70,000 TO \$100,000
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA**

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	Working Draft
			% of Total No. of Service Workers
<i>Building and Grounds Cleaning and Maintenance Occupations</i>			
First-Line Supervisors of Landscaping, Lawn Service, and Groundskeepir	\$49,900	3.6%	0.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$27,800	44.9%	2.4%
Maids and Housekeeping Cleaners	\$22,900	10.6%	0.6%
Landscaping and Groundskeeping Workers	\$28,700	32.6%	1.7%
All Other Building and Grounds Cleaning and Maintenance Occupations (.	<u>\$28,400</u>	<u>8.4%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$28,400	100.0%	5.3%
<i>Personal Care and Service Occupations</i>			
First-Line Supervisors of Personal Service Workers	\$45,000	3.9%	0.2%
Nonfarm Animal Caretakers	\$26,200	7.1%	0.4%
Amusement and Recreation Attendants	\$22,500	3.3%	0.2%
Hairdressers, Hairstylists, and Cosmetologists	\$34,600	13.7%	0.8%
Manicurists and Pedicurists	\$21,400	3.7%	0.2%
Childcare Workers	\$25,300	10.1%	0.6%
Personal Care Aides	\$23,600	33.1%	2.0%
Fitness Trainers and Aerobics Instructors	\$41,500	7.3%	0.4%
Recreation Workers	\$28,000	4.9%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	<u>\$28,300</u>	<u>12.9%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$28,300	100.0%	5.9%
<i>Sales and Related Occupations</i>			
First-Line Supervisors of Retail Sales Workers	\$43,900	8.8%	1.2%
Cashiers	\$24,000	24.6%	3.3%
Counter and Rental Clerks	\$30,900	6.1%	0.8%
Retail Salespersons	\$27,800	35.7%	4.8%
Securities, Commodities, and Financial Services Sales Agents	\$76,800	3.6%	0.5%
Sales Representatives, Services, All Other	\$54,200	4.3%	0.6%
Sales Representatives, Wholesale and Manufacturing, Except Technical	\$56,700	3.5%	0.5%
Real Estate Sales Agents	\$75,500	4.7%	0.6%
All Other Sales and Related Occupations (Avg. All Categories)	<u>\$35,300</u>	<u>8.7%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$35,300	100.0%	13.6%
<i>Office and Administrative Support Occupations</i>			
First-Line Supervisors of Office and Administrative Support Workers	\$54,700	6.5%	1.0%
Bookkeeping, Accounting, and Auditing Clerks	\$43,600	8.2%	1.3%
Customer Service Representatives	\$26,100	10.8%	1.7%
Receptionists and Information Clerks	\$30,400	8.2%	1.3%
Stock Clerks and Order Fillers	\$27,300	9.9%	1.6%
Medical Secretaries	\$43,400	3.8%	0.6%
Secretaries and Administrative Assistants, Except Legal, Medical, and Ex	\$37,000	12.9%	2.1%
Office Clerks, General	\$32,700	15.2%	2.4%
All Other Office and Administrative Support Occupations (Avg. All Catego	<u>\$35,100</u>	<u>24.4%</u>	<u>3.9%</u>
Weighted Mean Annual Wage	\$35,100	100.0%	16.0%

RESIDENTIAL NEXUS APPENDIX B TABLE 4
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$70,000 TO \$100,000
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	Working Draft
			% of Total No. of Service Workers
<i>Installation, Maintenance, and Repair Occupations</i>			
First-Line Supervisors of Mechanics, Installers, and Repairers	\$74,100	7.7%	0.3%
Automotive Body and Related Repairers	\$52,300	5.4%	0.2%
Automotive Service Technicians and Mechanics	\$43,900	16.5%	0.7%
Maintenance and Repair Workers, General	\$38,700	44.2%	1.9%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Cat)	<u>\$44,600</u>	<u>26.2%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$44,600	100.0%	4.3%
<i>Transportation and Material Moving Occupations</i>			
Bus Drivers, School or Special Client	\$39,600	3.8%	0.2%
Driver/Sales Workers	\$25,000	8.2%	0.4%
Heavy and Tractor-Trailer Truck Drivers	\$47,500	11.7%	0.6%
Light Truck or Delivery Services Drivers	\$41,200	11.0%	0.5%
Parking Lot Attendants	\$23,100	7.8%	0.4%
Cleaners of Vehicles and Equipment	\$25,100	8.1%	0.4%
Laborers and Freight, Stock, and Material Movers, Hand	\$31,200	22.6%	1.1%
Packers and Packagers, Hand	\$21,500	7.6%	0.4%
All Other Transportation and Material Moving Occupations (Avg. All Cate)	<u>\$39,300</u>	<u>19.0%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$33,700	100.0%	4.8%
			86.7%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

² Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Luis Obispo County as of 1st Quarter 2016.

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

**RESIDENTIAL NEXUS APPENDIX B TABLE 5
 WORKER OCCUPATION DISTRIBUTION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$100 - \$150K, RESIDENT SERVICES
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA**

Working Draft

<p>Worker Occupation Distribution¹ Services to Households Earning \$100,000 to \$150,000</p>

Major Occupations (2% or more)

Management Occupations	4.5%
Business and Financial Operations Occupations	4.7%
Community and Social Service Occupations	2.1%
Education, Training, and Library Occupations	2.1%
Healthcare Practitioners and Technical Occupations	6.5%
Healthcare Support Occupations	4.1%
Food Preparation and Serving Related Occupations	14.7%
Building and Grounds Cleaning and Maintenance Occupation:	5.4%
Personal Care and Service Occupations	6.5%
Sales and Related Occupations	13.3%
Office and Administrative Support Occupations	15.7%
Installation, Maintenance, and Repair Occupations	4.1%
Transportation and Material Moving Occupations	4.9%
All Other Worker Occupations - Services to Households Earning \$100,000 to \$150,000	<u>11.6%</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, 2016
 SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA**

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	Working Draft % of Total No. of Service Workers
<i>Page 1 of 4</i>			
<i>Management Occupations</i>			
General and Operations Managers	\$105,100	35.1%	1.6%
Sales Managers	\$93,500	4.1%	0.2%
Administrative Services Managers	\$92,000	3.2%	0.1%
Financial Managers	\$98,900	8.7%	0.4%
Food Service Managers	\$43,500	4.9%	0.2%
Medical and Health Services Managers	\$101,700	5.0%	0.2%
Property, Real Estate, and Community Association Managers	\$68,700	14.2%	0.6%
Social and Community Service Managers	\$59,300	3.3%	0.1%
Managers, All Other	\$155,900	3.0%	0.1%
All other Management Occupations (Avg. All Categories)	<u>\$93,100</u>	<u>18.6%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$93,100	100.0%	4.5%
<i>Business and Financial Operations Occupations</i>			
Human Resources Specialists	\$73,800	5.3%	0.3%
Management Analysts	\$70,900	5.0%	0.2%
Market Research Analysts and Marketing Specialists	\$53,200	7.7%	0.4%
Business Operations Specialists, All Other	\$72,200	8.5%	0.4%
Accountants and Auditors	\$64,600	20.2%	1.0%
Financial Analysts	\$127,700	8.3%	0.4%
Personal Financial Advisors	\$118,500	11.5%	0.5%
Loan Officers	\$96,500	4.2%	0.2%
All Other Business and Financial Operations Occupations (Avg. All Categories)	<u>\$83,500</u>	<u>29.4%</u>	<u>1.4%</u>
Weighted Mean Annual Wage	\$83,500	100.0%	4.7%
<i>Community and Social Service Occupations</i>			
Substance Abuse and Behavioral Disorder Counselors	\$58,500	3.4%	0.1%
Educational, Guidance, School, and Vocational Counselors	\$49,500	3.2%	0.1%
Mental Health Counselors	\$45,400	6.7%	0.1%
Rehabilitation Counselors	\$37,500	4.8%	0.1%
Child, Family, and School Social Workers	\$42,200	10.9%	0.2%
Healthcare Social Workers	\$71,700	6.4%	0.1%
Mental Health and Substance Abuse Social Workers	\$69,300	4.5%	0.1%
Social and Human Service Assistants	\$35,000	18.6%	0.4%
Community and Social Service Specialists, All Other	\$40,400	3.8%	0.1%
Clergy	\$64,800	15.1%	0.3%
Directors, Religious Activities and Education	\$60,500	9.2%	0.2%
Religious Workers, All Other	\$63,600	3.4%	0.1%
All Other Community and Social Service Occupations (Avg. All Categories)	<u>\$46,100</u>	<u>10.1%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$50,900	100.0%	2.1%

RESIDENTIAL NEXUS APPENDIX B TABLE 6
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Working Draft

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total No. of Service Workers
<i>Education, Training, and Library Occupations</i>			
Vocational Education Teachers, Postsecondary	\$52,300	3.3%	0.1%
Preschool Teachers, Except Special Education	\$27,600	22.5%	0.5%
Elementary School Teachers, Except Special Education	\$72,900	6.6%	0.1%
Secondary School Teachers, Except Special and Career/Technical Educati	\$68,800	3.8%	0.1%
Self-Enrichment Education Teachers	\$43,500	17.1%	0.4%
Teachers and Instructors, All Other, Except Substitute Teachers	\$51,600	8.1%	0.2%
Substitute Teachers	\$36,900	4.3%	0.1%
Teacher Assistants	\$27,500	17.8%	0.4%
All Other Education, Training, and Library Occupations (Avg. All Categories)	<u>\$43,500</u>	<u>16.5%</u>	<u>0.3%</u>
	Weighted Mean Annual Wage	\$40,600	100.0%
<i>Healthcare Practitioners and Technical Occupations</i>			
Pharmacists	\$137,900	3.8%	0.2%
Physicians and Surgeons, All Other	\$184,600	4.2%	0.3%
Physical Therapists	\$91,900	4.0%	0.3%
Registered Nurses	\$92,500	25.9%	1.7%
Dental Hygienists	\$94,700	4.5%	0.3%
Pharmacy Technicians	\$44,300	5.5%	0.4%
Licensed Practical and Licensed Vocational Nurses	\$53,600	8.4%	0.5%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Cat)	<u>\$105,900</u>	<u>43.7%</u>	<u>2.8%</u>
	Weighted Mean Annual Wage	\$98,200	100.0%
<i>Healthcare Support Occupations</i>			
Home Health Aides	\$29,000	26.2%	1.1%
Nursing Assistants	\$29,200	23.2%	0.9%
Massage Therapists	\$72,700	4.5%	0.2%
Dental Assistants	\$42,000	11.2%	0.5%
Medical Assistants	\$34,000	16.9%	0.7%
Veterinary Assistants and Laboratory Animal Caretakers	\$28,600	3.5%	0.1%
All Other Healthcare Support Occupations (Avg. All Categories)	<u>\$34,000</u>	<u>14.5%</u>	<u>0.6%</u>
	Weighted Mean Annual Wage	\$34,000	100.0%

**RESIDENTIAL NEXUS APPENDIX B TABLE 6
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA**

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	Working Draft % of Total No. of Service Workers
<i>Food Preparation and Serving Related Occupations</i>			
First-Line Supervisors of Food Preparation and Serving Workers	\$36,800	6.8%	1.0%
Cooks, Fast Food	\$22,500	3.9%	0.6%
Cooks, Restaurant	\$30,300	9.0%	1.3%
Food Preparation Workers	\$24,600	6.3%	0.9%
Bartenders	\$32,800	7.0%	1.0%
Combined Food Preparation and Serving Workers, Including Fast Food	\$21,400	25.8%	3.8%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	\$24,700	3.5%	0.5%
Waiters and Waitresses	\$29,700	19.6%	2.9%
Dishwashers	\$21,200	4.0%	0.6%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$21,900	3.1%	0.5%
All Other Food Preparation and Serving Related Occupations (Avg. All Cat)	<u>\$29,500</u>	<u>11.0%</u>	<u>1.6%</u>
Weighted Mean Annual Wage	\$26,900	100.0%	14.7%
<i>Building and Grounds Cleaning and Maintenance Occupations</i>			
First-Line Supervisors of Landscaping, Lawn Service, and Groundskeeping	\$49,900	3.6%	0.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$27,800	44.9%	2.4%
Maids and Housekeeping Cleaners	\$22,900	10.0%	0.5%
Landscaping and Groundskeeping Workers	\$28,700	32.9%	1.8%
All Other Building and Grounds Cleaning and Maintenance Occupations (A)	<u>\$28,500</u>	<u>8.6%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$28,500	100.0%	5.4%
<i>Personal Care and Service Occupations</i>			
First-Line Supervisors of Personal Service Workers	\$45,000	3.8%	0.2%
Nonfarm Animal Caretakers	\$26,200	6.7%	0.4%
Amusement and Recreation Attendants	\$22,500	3.5%	0.2%
Hairdressers, Hairstylists, and Cosmetologists	\$34,600	12.7%	0.8%
Manicurists and Pedicurists	\$21,400	3.4%	0.2%
Childcare Workers	\$25,300	10.1%	0.7%
Personal Care Aides	\$23,600	33.7%	2.2%
Fitness Trainers and Aerobics Instructors	\$41,500	7.9%	0.5%
Recreation Workers	\$28,000	4.7%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	<u>\$26,900</u>	<u>13.5%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$28,100	100.0%	6.5%
<i>Sales and Related Occupations</i>			
First-Line Supervisors of Retail Sales Workers	\$43,900	8.9%	1.2%
Cashiers	\$24,000	25.0%	3.3%
Counter and Rental Clerks	\$30,900	5.6%	0.8%
Retail Salespersons	\$27,800	36.1%	4.8%
Securities, Commodities, and Financial Services Sales Agents	\$76,800	3.4%	0.5%
Sales Representatives, Services, All Other	\$54,200	4.5%	0.6%
Sales Representatives, Wholesale and Manufacturing, Except Technical ar	\$56,700	3.6%	0.5%
Real Estate Sales Agents	\$75,500	4.1%	0.6%
All Other Sales and Related Occupations (Avg. All Categories)	<u>\$35,000</u>	<u>8.7%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$35,000	100.0%	13.3%

**RESIDENTIAL NEXUS APPENDIX B TABLE 6
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$100,000 TO \$150,000
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA**

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	Working Draft % of Total No. of Service Workers
<i>Office and Administrative Support Occupations</i>			
First-Line Supervisors of Office and Administrative Support Workers	\$54,700	6.5%	1.0%
Bookkeeping, Accounting, and Auditing Clerks	\$43,600	8.1%	1.3%
Customer Service Representatives	\$26,100	10.9%	1.7%
Receptionists and Information Clerks	\$30,400	8.3%	1.3%
Stock Clerks and Order Fillers	\$27,300	10.0%	1.6%
Medical Secretaries	\$43,400	3.8%	0.6%
Secretaries and Administrative Assistants, Except Legal, Medical, and Exec	\$37,000	12.7%	2.0%
Office Clerks, General	\$32,700	15.2%	2.4%
All Other Office and Administrative Support Occupations (Avg. All Categori	<u>\$34,700</u>	<u>24.4%</u>	<u>3.8%</u>
Weighted Mean Annual Wage	\$35,000	100.0%	15.7%
<i>Installation, Maintenance, and Repair Occupations</i>			
First-Line Supervisors of Mechanics, Installers, and Repairers	\$74,100	7.7%	0.3%
Automotive Body and Related Repairers	\$52,300	5.8%	0.2%
Automotive Service Technicians and Mechanics	\$43,900	17.5%	0.7%
Maintenance and Repair Workers, General	\$38,700	41.5%	1.7%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Cateq	<u>\$44,800</u>	<u>27.5%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$44,800	100.0%	4.1%
<i>Transportation and Material Moving Occupations</i>			
Bus Drivers, School or Special Client	\$39,600	4.2%	0.2%
Driver/Sales Workers	\$25,000	8.1%	0.4%
Heavy and Tractor-Trailer Truck Drivers	\$47,500	11.7%	0.6%
Light Truck or Delivery Services Drivers	\$41,200	10.9%	0.5%
Taxi Drivers and Chauffeurs	\$23,000	3.0%	0.1%
Parking Lot Attendants	\$23,100	8.1%	0.4%
Cleaners of Vehicles and Equipment	\$25,100	8.2%	0.4%
Laborers and Freight, Stock, and Material Movers, Hand	\$31,200	22.1%	1.1%
Packers and Packagers, Hand	\$21,500	7.4%	0.4%
All Other Transportation and Material Moving Occupations (Avg. All Catego	<u>\$32,100</u>	<u>16.2%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$32,100	100.0%	4.9%
			88.4%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

² Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Luis Obispo County as of 1st Quarter 2016.

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

**RESIDENTIAL NEXUS APPENDIX B TABLE 7
 WORKER OCCUPATION DISTRIBUTION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$150K - \$200K, RESIDENT SERVICES
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA**

Working Draft

Major Occupations (2% or more)	Worker Occupation Distribution¹ Services to Households Earning \$150k - \$200k
Management Occupations	4.4%
Business and Financial Operations Occupations	4.2%
Community and Social Service Occupations	2.1%
Education, Training, and Library Occupations	2.3%
Arts, Design, Entertainment, Sports, and Media Occupations	2.1%
Healthcare Practitioners and Technical Occupations	6.7%
Healthcare Support Occupations	4.1%
Food Preparation and Serving Related Occupations	15.2%
Building and Grounds Cleaning and Maintenance Occupations	5.5%
Personal Care and Service Occupations	6.4%
Sales and Related Occupations	13.3%
Office and Administrative Support Occupations	15.5%
Installation, Maintenance, and Repair Occupations	3.9%
Transportation and Material Moving Occupations	4.9%
All Other Worker Occupations - Services to Households Earning \$150k - \$200k	<u>9.3%</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 8
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$150K - \$200K
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	Working Draft
			% of Total No. of Service Workers
<i>Page 1 of 4</i>			
<i>Management Occupations</i>			
General and Operations Managers	\$105,100	35.7%	1.6%
Sales Managers	\$93,500	4.2%	0.2%
Administrative Services Managers	\$92,000	3.2%	0.1%
Financial Managers	\$98,900	7.7%	0.3%
Food Service Managers	\$43,500	5.2%	0.2%
Medical and Health Services Managers	\$101,700	5.3%	0.2%
Property, Real Estate, and Community Association Managers	\$68,700	13.8%	0.6%
Social and Community Service Managers	\$59,300	3.4%	0.1%
All other Management Occupations (Avg. All Categories)	<u>\$90,600</u>	<u>21.5%</u>	<u>0.9%</u>
	Weighted Mean Annual Wage	100.0%	4.4%
<i>Business and Financial Operations Occupations</i>			
Human Resources Specialists	\$73,800	5.8%	0.2%
Management Analysts	\$70,900	5.1%	0.2%
Training and Development Specialists	\$107,900	3.3%	0.1%
Market Research Analysts and Marketing Specialists	\$53,200	8.3%	0.4%
Business Operations Specialists, All Other	\$72,200	9.2%	0.4%
Accountants and Auditors	\$64,600	20.8%	0.9%
Financial Analysts	\$127,700	7.2%	0.3%
Personal Financial Advisors	\$118,500	9.5%	0.4%
Loan Officers	\$96,500	3.9%	0.2%
All Other Business and Financial Operations Occupations (Avg. All Categories)	<u>\$82,300</u>	<u>27.0%</u>	<u>1.1%</u>
	Weighted Mean Annual Wage	100.0%	4.2%
<i>Community and Social Service Occupations</i>			
Substance Abuse and Behavioral Disorder Counselors	\$58,500	3.5%	0.1%
Educational, Guidance, School, and Vocational Counselors	\$49,500	3.4%	0.1%
Mental Health Counselors	\$45,400	6.9%	0.1%
Rehabilitation Counselors	\$37,500	4.8%	0.1%
Child, Family, and School Social Workers	\$42,200	11.1%	0.2%
Healthcare Social Workers	\$71,700	6.3%	0.1%
Mental Health and Substance Abuse Social Workers	\$69,300	4.6%	0.1%
Social and Human Service Assistants	\$35,000	18.7%	0.4%
Community and Social Service Specialists, All Other	\$40,400	3.8%	0.1%
Clergy	\$64,800	14.5%	0.3%
Directors, Religious Activities and Education	\$60,500	8.9%	0.2%
Religious Workers, All Other	\$63,600	3.3%	0.1%
All Other Community and Social Service Occupations (Avg. All Categories)	<u>\$46,200</u>	<u>10.2%</u>	<u>0.2%</u>
	Weighted Mean Annual Wage	100.0%	2.1%

RESIDENTIAL NEXUS APPENDIX B TABLE 8
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$150K - \$200K
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	Working Draft % of Total No. of Service Workers
<i>Page 2 of 4</i>			
<i>Education, Training, and Library Occupations</i>			
Vocational Education Teachers, Postsecondary	\$52,300	3.5%	0.1%
Preschool Teachers, Except Special Education	\$27,600	21.6%	0.5%
Elementary School Teachers, Except Special Education	\$72,900	7.0%	0.2%
Secondary School Teachers, Except Special and Career/Technical Educa	\$68,800	4.1%	0.1%
Self-Enrichment Education Teachers	\$43,500	16.9%	0.4%
Teachers and Instructors, All Other, Except Substitute Teachers	\$51,600	8.3%	0.2%
Substitute Teachers	\$36,900	4.3%	0.1%
Teacher Assistants	\$27,500	17.6%	0.4%
All Other Education, Training, and Library Occupations (Avg. All Categorie	<u>\$44,000</u>	<u>16.8%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$41,100	100.0%	2.3%
<i>Arts, Design, Entertainment, Sports, and Media Occupations</i>			
Floral Designers	\$24,300	3.6%	0.1%
Graphic Designers	\$47,900	6.9%	0.1%
Merchandise Displayers and Window Trimmers	\$33,400	3.7%	0.1%
Producers and Directors	\$131,300	5.0%	0.1%
Coaches and Scouts	\$35,200	9.3%	0.2%
Music Directors and Composers	\$40,200	3.5%	0.1%
Musicians and Singers	\$63,731	9.6%	0.2%
Public Relations Specialists	\$53,300	8.2%	0.2%
Writers and Authors	\$62,600	3.8%	0.1%
Audio and Video Equipment Technicians	\$49,200	3.9%	0.1%
Photographers	\$65,100	8.3%	0.2%
All Other Arts, Design, Entertainment, Sports, and Media Occupations (Av	<u>\$53,500</u>	<u>34.2%</u>	<u>0.7%</u>
Weighted Mean Annual Wage	\$55,100	100.0%	2.1%
<i>Healthcare Practitioners and Technical Occupations</i>			
Pharmacists	\$137,900	3.8%	0.3%
Physicians and Surgeons, All Other	\$184,600	4.1%	0.3%
Physical Therapists	\$91,900	4.1%	0.3%
Registered Nurses	\$92,500	26.1%	1.8%
Dental Hygienists	\$94,700	4.4%	0.3%
Pharmacy Technicians	\$44,300	5.4%	0.4%
Licensed Practical and Licensed Vocational Nurses	\$53,600	7.6%	0.5%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Ca	<u>\$92,500</u>	<u>44.5%</u>	<u>3.0%</u>
Weighted Mean Annual Wage	\$92,500	100.0%	6.7%
<i>Healthcare Support Occupations</i>			
Home Health Aides	\$29,000	25.2%	1.0%
Nursing Assistants	\$29,200	22.0%	0.9%
Physical Therapist Assistants	\$33,800	3.0%	0.1%
Massage Therapists	\$72,700	4.8%	0.2%
Dental Assistants	\$42,000	11.4%	0.5%
Medical Assistants	\$34,000	17.0%	0.7%
Veterinary Assistants and Laboratory Animal Caretakers	\$28,600	3.6%	0.1%
Phlebotomists	\$40,200	3.4%	0.1%
All Other Healthcare Support Occupations (Avg. All Categories)	<u>\$33,100</u>	<u>9.6%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$34,400	100.0%	4.1%

RESIDENTIAL NEXUS APPENDIX B TABLE 8
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$150K - \$200K
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Working Draft

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total No. of Service Workers
<i>Food Preparation and Serving Related Occupations</i>			
First-Line Supervisors of Food Preparation and Serving Workers	\$36,800	6.9%	1.0%
Cooks, Fast Food	\$22,500	3.9%	0.6%
Cooks, Restaurant	\$30,300	9.1%	1.4%
Food Preparation Workers	\$24,600	6.2%	0.9%
Bartenders	\$32,800	6.9%	1.1%
Combined Food Preparation and Serving Workers, Including Fast Food	\$21,400	26.1%	4.0%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	\$24,700	3.6%	0.5%
Waiters and Waitresses	\$29,700	19.9%	3.0%
Dishwashers	\$21,200	4.0%	0.6%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$21,900	3.0%	0.5%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	<u>\$26,800</u>	<u>10.3%</u>	<u>1.6%</u>
Weighted Mean Annual Wage	\$26,600	100.0%	15.2%
<i>Building and Grounds Cleaning and Maintenance Occupations</i>			
First-Line Supervisors of Landscaping, Lawn Service, and Groundskeeping	\$49,900	3.7%	0.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$27,800	44.8%	2.5%
Maids and Housekeeping Cleaners	\$22,900	9.8%	0.5%
Landscaping and Groundskeeping Workers	\$28,700	33.3%	1.8%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All Categories)	<u>\$28,500</u>	<u>8.4%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$28,500	100.0%	5.5%
<i>Personal Care and Service Occupations</i>			
First-Line Supervisors of Personal Service Workers	\$45,000	3.9%	0.3%
Nonfarm Animal Caretakers	\$26,200	6.8%	0.4%
Amusement and Recreation Attendants	\$22,500	3.7%	0.2%
Hairdressers, Hairstylists, and Cosmetologists	\$34,600	13.1%	0.8%
Manicurists and Pedicurists	\$21,400	3.5%	0.2%
Childcare Workers	\$25,300	10.9%	0.7%
Personal Care Aides	\$23,600	33.7%	2.2%
Fitness Trainers and Aerobics Instructors	\$41,500	8.7%	0.6%
Recreation Workers	\$28,000	4.8%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	<u>\$28,400</u>	<u>10.9%</u>	<u>0.7%</u>
Weighted Mean Annual Wage	\$28,400	100.0%	6.4%
<i>Sales and Related Occupations</i>			
First-Line Supervisors of Retail Sales Workers	\$43,900	9.0%	1.2%
Cashiers	\$24,000	25.3%	3.4%
Counter and Rental Clerks	\$30,900	5.5%	0.7%
Retail Salespersons	\$27,800	36.6%	4.9%
Sales Representatives, Services, All Other	\$54,200	4.6%	0.6%
Sales Representatives, Wholesale and Manufacturing, Except Technical and Sales Engineers	\$56,700	3.6%	0.5%
Real Estate Sales Agents	\$75,500	3.9%	0.5%
All Other Sales and Related Occupations (Avg. All Categories)	<u>\$30,100</u>	<u>11.4%</u>	<u>1.5%</u>
Weighted Mean Annual Wage	\$32,800	100.0%	13.3%

RESIDENTIAL NEXUS APPENDIX B TABLE 8
 AVERAGE ANNUAL WORKER COMPENSATION, 2016
 SERVICES TO HOUSEHOLDS EARNING \$150K - \$200K
 RESIDENTIAL NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY, CA

Occupation ³	2016 Avg. Compensation ¹	% of Total Occupation Group ²	Working Draft % of Total No. of Service Workers
<i>Page 4 of 4</i>			
<i>Office and Administrative Support Occupations</i>			
First-Line Supervisors of Office and Administrative Support Workers	\$54,700	6.4%	1.0%
Bookkeeping, Accounting, and Auditing Clerks	\$43,600	8.0%	1.2%
Customer Service Representatives	\$26,100	10.9%	1.7%
Receptionists and Information Clerks	\$30,400	8.6%	1.3%
Stock Clerks and Order Fillers	\$27,300	10.3%	1.6%
Medical Secretaries	\$43,400	4.0%	0.6%
Secretaries and Administrative Assistants, Except Legal, Medical, and Exe	\$37,000	12.6%	1.9%
Office Clerks, General	\$32,700	15.2%	2.3%
All Other Office and Administrative Support Occupations (Avg. All Categor	<u>\$35,000</u>	<u>24.0%</u>	<u>3.7%</u>
Weighted Mean Annual Wage	\$35,000	100.0%	15.5%
<i>Installation, Maintenance, and Repair Occupations</i>			
First-Line Supervisors of Mechanics, Installers, and Repairers	\$74,100	7.7%	0.3%
Automotive Body and Related Repairers	\$52,300	5.7%	0.2%
Automotive Service Technicians and Mechanics	\$43,900	17.4%	0.7%
Maintenance and Repair Workers, General	\$38,700	41.2%	1.6%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Cate	<u>\$44,800</u>	<u>28.1%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$44,800	100.0%	3.9%
<i>Transportation and Material Moving Occupations</i>			
Bus Drivers, School or Special Client	\$39,600	4.6%	0.2%
Driver/Sales Workers	\$25,000	8.2%	0.4%
Heavy and Tractor-Trailer Truck Drivers	\$47,500	11.8%	0.6%
Light Truck or Delivery Services Drivers	\$41,200	10.9%	0.5%
Taxi Drivers and Chauffeurs	\$23,000	3.1%	0.2%
Parking Lot Attendants	\$23,100	7.9%	0.4%
Cleaners of Vehicles and Equipment	\$25,100	7.7%	0.4%
Laborers and Freight, Stock, and Material Movers, Hand	\$31,200	22.2%	1.1%
Packers and Packagers, Hand	\$21,500	7.5%	0.4%
All Other Transportation and Material Moving Occupations (Avg. All Categ	<u>\$32,100</u>	<u>16.0%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$32,100	100.0%	4.9%
			90.7%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

² Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Luis Obispo County as of 1st Quarter 2016.

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



KEYSER MARSTON ASSOCIATES

DRAFT

ATTACHMENT B

NON-RESIDENTIAL NEXUS ANALYSIS

Prepared for
County of San Luis Obispo

Prepared by:
Keyser Marston Associates, Inc.

September 2017

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I. INTRODUCTION

The following report is a Jobs Housing Nexus Analysis, an analysis of the linkages between non-residential development and the need for additional affordable housing in San Luis Obispo County. This Jobs Housing Nexus Analysis has been prepared in support of the County's affordable housing impact fees that are levied on non-residential development and potential updates to the County's fee schedule. The report has been prepared by Keyser Marston Associates, Inc. (KMA) pursuant to a contract with the County of San Luis Obispo. An analysis in support of affordable housing impact fees on residential development was also prepared as part of this work program.

Purpose

The purpose of a Jobs-Housing Nexus Analysis is to quantify and document the impact of the development of new workplace buildings (commercial and industrial) 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 lower income housing created by each type of workplace building.

This nexus analysis may be used as the foundation for updating San Luis Obispo County's non-residential affordable housing impact fees. This report has been prepared in accordance with Section 29.04.040 of the San Luis Obispo County Code which requires fees and the supporting analyses on which they are based to be updated every five years. The conclusions of the analysis represent maximum supportable or legally defensible impact fee levels based on the impact of new non-residential development on the need for affordable housing. Findings are not recommended fee levels. The County is free to take a range of policy considerations into account in setting fees anywhere below the maximums identified in this report.

Analysis Scope

This analysis examines seven types of workplace buildings, mirroring the categories addressed by the existing fee schedule.

- Office, which includes traditional office users such as law firms, accountants, real estate and insurance agencies, as well as research & development (R&D) and medical office.
- Hotel, which covers the range from full service hotels to minimum service and extended stay lodging.
- Retail, which includes all types of retail, restaurants, and personal services.
- Industrial, which includes manufacturing and wholesalers.
- Warehouse, or large structures primarily devoted to storage, typically with a small amount of office space.

- Greenhouse structures which are devoted to nursery plants and other crops.
- Other Non-Residential, captures uses that do not fit well into one of the other categories and includes building types ranging from medical care to performing arts and amusement facilities.

The household income categories addressed in the analysis are:

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

Report Organization

The report is organized into four sections and three appendices, as follows:

- Section I provides an introduction and describes the purpose and organization of this report.
- Section II presents a summary of the nexus concept and some of the key issues and underlying assumptions in the analyses linking jobs and housing demand.
- Section III presents an analysis of the jobs and housing relationships associated with each workplace building type and concludes with a quantification of the number of households at each income level associated with each building type.
- Section IV contains a summary of the costs of delivering housing units affordable to households at the income levels under study, allocated to each square foot of building area, and provides the conclusions regarding maximum supported fee levels.
- Appendix A provides a discussion of various specific factors and assumptions in relation to the nexus concept to supplement the overview provided in Section II.
- Appendix B contains support information on worker occupations and incomes and an identification of the industry categories represented within each building type.
- Appendix C provides an analysis to address the potential for overlap between jobs counted in the Residential and Non-Residential Nexus Analyses.

Data Sources and Qualifications

The analyses in this report have been prepared using the best and most recent data available. Local and current data were used whenever possible. Sources such as the American Community Survey of the U.S. Census, the 2010 Census, Bureau of Labor Statistics and

California Employment Department (EDD) data were used extensively. Other sources and analyses used are noted in the text and footnotes. While we believe all sources utilized are sufficiently accurate for the purposes of the analyses, we cannot guarantee their accuracy. KMA assumes no liability for information from these or other sources.

II. THE NEXUS CONCEPT

This section outlines the nexus concept and some of the key issues surrounding the impact of new non-residential development on the demand for affordable housing units in San Luis Obispo County. The nexus analysis and discussion focus on the relationships among development, growth, employment, income of workers and demand for affordable housing. The analysis describes the impact of new construction of workplace buildings and the need for additional affordable housing, quantified both in terms of number of units and the justified fee to provide those affordable units.

Background

The first jobs-housing linkage fee programs were adopted by the cities of San Francisco and Boston in the mid-1980s. To support the fees, the City of San Francisco commissioned an early version of a nexus analysis.

In 1987, the California legislature enacted AB 1600, the Mitigation Fee Act, which requires local agencies proposing an impact fee on a development project to identify the purpose and use of the fee, and to determine that there is a reasonable relationship between the fee's use and the development project on which the fee is imposed. The local agency must also demonstrate that there is a reasonable relationship between the fee amount and the cost of mitigating the problem that the fee addresses. Studies by local governments designed to fulfill the requirements of AB 1600 are often referred to as "nexus" studies. While commercial linkage fees for affordable housing are not clearly "fees" as defined by the Mitigation Fee Act, the methodology and findings specified by the Act are appropriate for any nexus study.

Commercial linkage fees were upheld in *Commercial Builders of Northern California v. City of Sacramento*. Commercial builders in Sacramento sued the City following the City's adoption of a housing linkage fee. Both the U.S. District Court and the Ninth Circuit Court of Appeals upheld the commercial linkage fees adopted by the City of Sacramento. The Supreme Court of the United States denied the builders' petition to hear the case, allowing the ruling of the Ninth Circuit to stand.

The Nexus Methodology

An overview of the basic nexus concept and methodology is helpful to understand the discussion and concepts presented in this section. The nexus analysis links new commercial buildings with new workers; these workers demand additional housing in proximity to the jobs, a portion of which needs to be affordable to the workers in lower income households.

Below is a description of the major calculations of the analysis. For analysis purposes, buildings of 100,000 square feet are assumed and then the following calculations are made:

- The total number of employees working in the building is estimated based on average employment density data.
- Occupation and income information for typical job types in the building is used to calculate how many of those jobs pay compensation at the various income levels (Extremely Low, Very Low, and Low) addressed in the analysis. Compensation data is from the California Employment Development Department (EDD) and is specific to San Luis Obispo County. Worker occupations by building type are derived from the 2016 Occupational Employment Survey by the U.S. Bureau of Labor Statistics and weighted to reflect the industry mix in San Luis Obispo County.
- Census data indicate that many workers are members of households where more than one person is employed and that there is a range of household sizes; factors derived from the Census are used to translate the workers in the building into Extremely Low, Very Low, and Low-income households of various sizes.
- Then, the Extremely Low, Very Low-, and Low-Income households are divided by the building size to arrive at the number of housing units per square foot of building area, for each income category.
- In the last step, the number of households per square foot in each income category is multiplied by the costs of delivering housing units affordable to these income groups.

Discount for Changing Industries

The local economy, like that of the U.S. as a whole, is constantly evolving, with job losses in some sectors and job growth in others. Over the past decade employment in durable goods manufacturing, transportation, information (which includes newspapers) and financial activities employment has declined in the local economy. Jobs lost over the last decade in these declining sectors were replaced by job growth in other sectors.

The analysis 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 10% adjustment is utilized 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. Existing workers downsized from declining industries are assumed to be available to fill a portion of the new retail, restaurant, health care, and other jobs associated with services to residents.

The 10% downward adjustment used for purposes of the analysis was derived from California Employment Development Department data on employment by industry in the County. Over the ten-year period from 2007 to 2017, approximately 1,300 jobs were lost in declining industry sectors. Over the same period, growing and stable industries added a total of 14,600 jobs. The

figures are used to establish a ratio between jobs lost in declining industries to jobs gained in growing and stable industries at 10%.¹ The 10% factor is applied as an adjustment in the analysis, effectively assuming one in every ten new jobs is filled by a worker down-sized from a declining industry and who already lives locally.

The discount for changing industries represents a conservative assumption because many displaced workers may exit the workforce entirely by retiring. In addition, 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 20% adjustment is conservative in that it is mainly necessary to cover a special case in which buildings vacated by declining industries cannot be readily occupied by other users due to their special purpose nature or because of obsolescence.

Other Factors and Assumptions

Appendix A provides a discussion of other specific factors in relation to the nexus concept including housing needs of the existing population, multiplier effects (indirect and induced jobs), commuting, and economic cycles.

¹ The 20% ratio is calculated as 1,300 jobs lost in declining sectors divided by 14,600 jobs gained in growing and stable sectors = 8.9% (rounded to 10%).

III. JOBS HOUSING NEXUS ANALYSIS

This section presents a summary of the analysis linking the development of the seven types of workplace buildings to the estimated number of lower income housing units required in each of three income categories. This section should not be read or reproduced without the narrative presented in the previous sections.

Analysis Approach and Framework

The analysis establishes the jobs housing nexus for individual commercial land use categories, quantifying the connection between employment growth in San Luis Obispo County and affordable housing demand.

The analysis examines the employment associated with the development of workplace building prototypes. Then, through a series of steps, the number of employees is converted to households and housing units by income level. The findings are expressed in terms of numbers of households per 100,000 square feet, for ease of presentation. In the final step, we convert the numbers of households for an entire building to the number of households per square foot.

Household Income Limits

The analysis estimates demand for affordable housing in three household income categories: Extremely Low, Very Low, and Low Income. Household incomes for these affordability categories are published by the California Department of Housing and Community Development (HCD). The income limits are shown below, along with the income limits for Moderate and Median income households for informational purposes.

2017 Income Limits for San Luis Obispo County						
	Household Size (Persons)					
	1	2	3	4	5	6 +
Extr. Low (Under 30% AMI)	\$17,150	\$19,600	\$22,050	\$24,600	\$28,780	\$32,960
Very Low (30%-50% AMI)	\$28,600	\$32,700	\$36,800	\$40,850	\$44,150	\$47,400
Low (50%-80% AMI)	\$45,750	\$52,300	\$58,850	\$65,350	\$70,600	\$75,850
Moderate (80%-120% AMI)	\$69,900	\$79,900	\$89,850	\$99,850	\$107,850	\$115,850
Median (100% of Median)	\$58,250	\$66,550	\$74,900	\$83,200	\$89,850	\$96,500

Source: California Department of Housing and Community Development.

Analysis Steps

The analysis is conducted using a model that KMA has developed for application in many jurisdictions for which the firm has conducted similar analyses. The model inputs are all local data to the extent possible, and are fully documented.

Tables 1 through 4 at the end of this section summarize the nexus analysis steps for the seven building types. Following is a description of each step of the analysis:

Step 1 – Estimate of Total New Employees

The first step in Table 1 identifies the total number of direct employees who will work in the building type being analyzed. Average employment density factors are used to make the calculation.

The employment density estimates are drawn from several sources, including local information, KMA experience in other jurisdictions, some survey data, and other sources, tailored to the character of development in San Luis Obispo County and the types of tenancies expected in the commercial buildings in the County.

- *Office* – 300 square feet per employee. This represents an average of a range that includes traditional office uses and medical offices. Open floor plan office configurations can achieve significantly higher densities of employment.
- *Retail* – 400 square feet per employee. This reflects a mix of retail and restaurant space and also a whole range of personal services. Restaurant space typically has a higher employment density, while retail space ranges widely depending on the type of retail, with furniture stores, for example, representing the lower end. The density range within this category is wide, with some types of retail as much as five times as dense as other types.
- *Hotel* – 1,200 square feet per employee. The 1,200 square feet per employee average covers a range from higher service hotels, which are far more employment intensive, to minimal service extended stay hotels which have very low employment density.
- *Industrial* – 1,000 square feet per employee. This density covers manufacturing, light industrial, and wholesale activities. A small amount of office or administrative space is assumed as well.
- *Warehouse* – 2,000 square feet per employee. This reflects that the primary activity in the building is assumed to be storage. A small amount of office or administrative space is assumed within warehouse structures.
- *Greenhouse* – 17,000 square feet per employee. To establish an estimate of employment density for greenhouse space, KMA used San Luis Obispo County Department of Agriculture figures on the total amount of greenhouse space in the County and divided it by the number of employees in the greenhouse industry based on data from the California Employment Development Department.
- *Other Non-Residential* – 1,000 square feet per employee is assumed for purposes of the other non-residential category given some uses to which it may be applied, such as performing arts facilities, will have a low density of employment.

KMA conducted the analysis on 100,000 square foot buildings. This facilitates the presentation of the nexus findings, as it allows jobs and housing units to be presented in whole numbers that can be more readily understood. At the conclusion of the analysis, the findings are divided by building size to express the linkages per square foot, so that the findings can be applied to buildings of any size.

Step 2 – Adjustment for Changing Industries

This step is an adjustment 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. A 10% downward adjustment is utilized to recognize long-term employment shifts and the likelihood of continuing changes in the local economy (see Section II discussion).

Step 3 – Adjustment from Employees to Employee Households

This step (Table 1) 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.

The County average of 1.70 workers per worker household (from the U. S. Census Bureau 2011-2015 American Community Survey) is used for this step in the analysis. The number of jobs is divided by 1.70 to determine the number of worker households. This ratio is distinguished from the overall number of workers per household in that the denominator includes only households with at least one worker. If the average number of workers in all households were used, it would have produced a greater demand for housing units. The 1.70 ratio covers all workers, full and part time.

Step 4 – Occupational Distribution of Employees

Estimating the occupational breakdown of employees is the first step to arrive at income levels. The Bureau of Labor Statistics publishes data on the distribution of occupations within industries. The industries included in the analysis vary by building type.

- For office buildings, the mix of industries was customized based on employment by industry sector in San Luis Obispo County using California Employment Development Department (EDD) data. This category is inclusive of professional and technical services, technology-oriented firms, medical and dental offices, along with small firms such as realtors, insurance agents, employment services, legal and business services.
- For retail space, the industries include a mix of retail, restaurant and personal service uses tailored to San Luis Obispo County based on current employment levels reported by EDD.

- For hotel buildings, the industry includes Hotels, Motels and other accommodations, excluding casino hotels.
- For industrial buildings, the industries include manufacturing and wholesale businesses. The categories are weighted to reflect the mix of these industries within San Luis Obispo County.
- For warehouse buildings, the applicable industry category is Warehouse & Storage.
- For greenhouse buildings, occupations most relevant to greenhouse and nursery operations were selected by KMA from the local compensation data set as the national BLS data does not provide a separate industry category specific to greenhouses.
- For other non-residential buildings, the industries include hospitals and outpatient care, nursing homes, day care centers, recreation and amusement parks, performing art centers, auto service and body repair and others. While some included uses may qualify as exempt under Section 22.12.080 of the County Code, this category is designed to encompass a broad range of building types to provide flexibility should the County choose to adjust these exemptions in the future.

Once the industries are selected, the May 2016 National Industry-Specific Occupational Estimates, published by the Bureau of Labor Statistics (BLS), are used to translate industries to occupations. At the end of this step, the occupational composition of employees in the seven types of buildings has been estimated. The occupational compositions that reflect the expected mix of activities in the new buildings are presented in the tables in Appendix B.

- Office employment in San Luis Obispo County includes a range of administrative support occupations (27%), healthcare practitioners (12%), computer and mathematical (11%), business and financial (11%), and management occupations (7%), among others.
- Retail employment consists of predominantly food preparation and serving occupations (41%) and sales related occupations (32%), with office and administrative support occupations making up an additional 9%.
- Hotels employ workers primarily from three main occupation categories: building and grounds cleaning and maintenance (maid service, etc.), food preparation and serving related, and office and administrative support, which together make up 77% of Hotel workers. Other Hotel occupations include personal care, management, sales, production and maintenance and repair.
- Industrial occupations consist of production jobs (35%), office and administrative (13%), sales related (11%) and others.
- Warehouse workers are largely engaged in transportation and material moving (62%), followed by office and administrative support (22%).
- Greenhouse workers are predominantly in farming occupations (96%) with a small amount of manager occupations (3%).

- Other Non-Residential employment includes healthcare practitioners (20%), personal care services occupations (18%), healthcare support occupations (13%), office and administrative support occupations (9%) and a broad mix of others.

The results of Step #4 are shown on Table 1 at the end of this section; the table shows both the percentage of total employee households and the number of employee households in the prototype buildings.

Step 5 – Estimated Employee Household Income

In this step, occupations are translated to employee incomes based on recent San Luis Obispo County wage and salary information from EDD. The wage and salary information summarized in the tables in Appendix B provided the income inputs to the analysis. Worker compensation used in the analysis assumes full time employment (40 hours per week) based on EDD's convention for reporting annual compensation.

In the even numbered Appendix B tables, EDD 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. For each detailed occupational category, the model uses the distribution of wages to calculate the percent of worker households that would fall into each income category. The occupations with the lowest compensation levels are in Greenhouses, Retail and Hotel buildings.

The calculation is performed for each possible combination of household size and number of workers in the household. For households with more than one worker, individual *employee* income data was used to calculate the household income by assuming multiple earner households are, on average, formed of individuals with similar incomes. The model recognizes that many, but not all households have multiple incomes.

Step 6 – Distribution of Household Size and Number of Workers

In this step, the model examines the demographics of San Luis Obispo County in order to identify the percentage of households applicable to each potential combination of household size and number of workers. The percentage factors are specific to San Luis Obispo County and are derived from the 2011 – 2015 American Community Survey. 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.

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

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

This is the final step to calculate the number of worker households meeting the size and income criteria for the three affordability tiers. The calculation combines the matrix of 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 households that have each given household size/number of workers combination. The result is the percentage 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 2-A shows the results after completing Steps 5, 6, and 7 for the Extremely Low Income Tier. The methodology is repeated for each of the lower income tiers (Tables 2-B and 2-C), resulting in a total count of worker households per 100 units.

Summary by Income Level

Table 3 at the end of this section indicates the results of the analysis for each of the seven building types, for all of the income categories. The table presents the number of households in each affordability category, the total number up to 80% of median, and the remaining households earning over 80% of median associated with a 100,000 square foot building.

The findings in Table 3 are summarized below:

New Worker Households by Income Level per 100,000 square feet							
	Office	Retail	Hotel	Industrial	Ware-house	Green-house	Other Non-Residential
Extremely Low (0%-30% AMI)	3.4	13.9	4.3	2.7	1.7	0.4	2.2
Very Low Income (30%-50% AMI)	19.0	45.5	15.4	10.3	6.8	1.2	11.4
Low Income (50%-80% AMI)	37.2	45.5	15.3	15.5	9.2	1.1	14.2
Subtotal through 80% AMI	59.6	104.9	34.9	28.5	17.7	2.8	27.9
Above Low (over 80% AMI)	116.6	27.3	9.1	24.4	8.7	0.3	25.0
Total	176.2	132.2	44.1	52.9	26.4	3.1	52.9

The table below summarizes the percentage of total new worker households that falls into each income category. As indicated, almost 90% of Greenhouse worker households are below the 80% of median income level, while almost 80% of retail and hotel worker households are below the 80% of median income level. By contrast, in Office buildings, only 34% of worker households fall below 80% of median.

Percentage of New Worker Households by Income Tier							
	Office	Retail	Hotel	Industrial	Ware-house	Green-house	Other Non-Residential
Extremely Low (0%-30% AMI)	1.9%	10.5%	9.8%	5.2%	6.4%	12.9%	4.2%
Very Low Income (30%-50% AMI)	10.8%	34.4%	34.9%	19.4%	25.9%	39.7%	21.6%
Low Income (50%-80% AMI)	21.1%	34.4%	34.7%	29.3%	34.6%	36.3%	27.0%
Subtotal through 80% AMI	33.8%	79.4%	79.3%	53.9%	67.0%	89.0%	52.7%
Above Low (over 80% AMI)	66.2%	20.6%	20.7%	46.1%	33.0%	11.0%	47.3%
Total	100%	100%	100%	100%	100%	100%	100%

Summary by Square Foot Building Area

The analysis thus far has used 100,000 square foot buildings. In this step, the conclusions are translated to households per square foot by income level (see Table 4).

For example, for office buildings, household generation per square foot is as follows:

New Worker Households Per Square Foot of New Office Space	
Extremely Low (0%-30% AMI)	0.00003384
Very Low Income (30%-50% AMI)	0.00019005
Low Income (50%-80% AMI)	0.00037227
Total, Less than 80% AMI	0.00059617

This is the summary of the housing nexus analysis, or the linkage from buildings to employees to housing demand, by income level. We believe that it is a conservative approximation that most likely understates the households at each income level generated by these building types.

TABLE 1
NET NEW HOUSEHOLDS AND OCCUPATION DISTRIBUTION BY BUILDING TYPE
JOBS HOUSING NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY

Working Draft

Per 100,000 Sq.Ft. of Building Area

	Office	Retail	Hotel	Industrial	Warehouse	Greenhouse	Other Non-Residential
Step 1 - Estimate of Number of Employees							
Employment Density (SF/Employee)	300	400	1,200	1,000	2,000	17,000	1,000
Number of Employees Per 100,000 SF Building Area	333	250	83	100	50	6	100
Step 2 - Net New Employees after Declining Industries Adjustment (10%)	300	225	75	90	45	5	90
Step 3 - Adjustment for Number of Households (1.70)	176.2	132.2	44.1	52.9	26.4	3.1	52.9
Step 4 - Occupation Distribution ⁽¹⁾							
Management Occupations	7.3%	2.4%	4.5%	6.1%	3.2%	2.5%	3.9%
Business and Financial Operations	10.6%	0.6%	1.5%	3.8%	2.0%	0.0%	2.3%
Computer and Mathematical	11.4%	0.1%	0.1%	1.8%	0.6%	0.0%	0.5%
Architecture and Engineering	4.8%	0.0%	0.0%	3.6%	0.3%	0.0%	0.0%
Life, Physical, and Social Science	1.4%	0.0%	0.0%	0.6%	0.0%	1.2%	0.5%
Community and Social Services	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	8.7%
Legal	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Education, Training, and Library	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	2.7%
Arts, Design, Entertainment, Sports, and Media	2.3%	0.5%	0.2%	1.3%	0.2%	0.0%	1.0%
Healthcare Practitioners and Technical	11.5%	1.6%	0.0%	0.2%	0.1%	0.0%	20.1%
Healthcare Support	6.3%	0.3%	0.5%	0.0%	0.0%	0.0%	13.1%
Protective Service	0.2%	0.3%	1.6%	0.1%	0.6%	0.0%	1.2%
Food Preparation and Serving Related	0.2%	41.3%	24.9%	2.5%	0.1%	0.0%	5.0%
Building and Grounds Cleaning and Maint.	0.9%	0.6%	31.5%	0.7%	0.9%	0.0%	3.6%
Personal Care and Service	0.4%	2.3%	4.0%	0.1%	0.0%	0.0%	17.5%
Sales and Related	6.7%	31.7%	2.4%	10.9%	1.5%	0.0%	1.5%
Office and Administrative Support	27.4%	9.2%	20.1%	13.1%	22.3%	0.0%	9.1%
Farming, Fishing, and Forestry	0.0%	0.1%	0.0%	0.9%	0.1%	96.3%	0.0%
Construction and Extraction	0.5%	0.2%	0.1%	0.8%	0.1%	0.0%	0.2%
Installation, Maintenance, and Repair	2.2%	2.5%	5.1%	5.4%	2.9%	0.0%	5.1%
Production	1.5%	1.9%	2.3%	35.0%	3.1%	0.0%	0.9%
Transportation and Material Moving	<u>1.3%</u>	<u>4.5%</u>	<u>1.0%</u>	<u>12.9%</u>	<u>62.1%</u>	<u>0.0%</u>	<u>2.9%</u>
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Management Occupations	12.8	3.1	2.0	3.2	0.8	0.1	2.1
Business and Financial Operations	18.7	0.8	0.6	2.0	0.5	0.0	1.2
Computer and Mathematical	20.1	0.1	0.0	1.0	0.2	0.0	0.3
Architecture and Engineering	8.4	0.0	0.0	1.9	0.1	0.0	0.0
Life, Physical, and Social Science	2.5	0.0	0.0	0.3	0.0	0.0	0.3
Community and Social Services	0.9	0.0	0.0	0.0	0.0	0.0	4.6
Legal	4.0	0.0	0.0	0.0	0.0	0.0	0.0
Education, Training, and Library	0.5	0.1	0.0	0.0	0.0	0.0	1.4
Arts, Design, Entertainment, Sports, and Media	4.1	0.6	0.1	0.7	0.0	0.0	0.6
Healthcare Practitioners and Technical	20.2	2.1	0.0	0.1	0.0	0.0	10.6
Healthcare Support	11.1	0.4	0.2	0.0	0.0	0.0	6.9
Protective Service	0.4	0.4	0.7	0.1	0.1	0.0	0.6
Food Preparation and Serving Related	0.4	54.6	11.0	1.3	0.0	0.0	2.6
Building and Grounds Cleaning and Maint.	1.5	0.8	13.9	0.4	0.2	0.0	1.9
Personal Care and Service	0.8	3.1	1.8	0.1	0.0	0.0	9.3
Sales and Related	11.8	41.9	1.1	5.8	0.4	0.0	0.8
Office and Administrative Support	48.3	12.1	8.9	6.9	5.9	0.0	4.8
Farming, Fishing, and Forestry	0.1	0.1	0.0	0.5	0.0	3.0	0.0
Construction and Extraction	0.9	0.2	0.1	0.4	0.0	0.0	0.1
Installation, Maintenance, and Repair	3.9	3.3	2.2	2.9	0.8	0.0	2.7
Production	2.6	2.4	1.0	18.5	0.8	0.0	0.5
Transportation and Material Moving	<u>2.2</u>	<u>5.9</u>	<u>0.5</u>	<u>6.8</u>	<u>16.4</u>	<u>0.0</u>	<u>1.5</u>
Totals	176.2	132.2	44.1	52.9	26.4	3.1	52.9

Notes:

(1) Appendix B Tables 1 through 14 contain additional information regarding worker occupation categories.

TABLE 2A
ESTIMATE OF QUALIFYING HOUSEHOLDS - EXTREMELY LOW INCOME
JOBS HOUSING NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY

Working Draft

Analysis for Households Earning up to 30% of Median

<i>Per 100,000 Sq.Ft. of Building Area</i>	Office	Retail	Hotel	Industrial	Warehouse	Greenhouse	Other Non-Residential
Step 5, 6, & 7 - Households Earning up to 30% of Median⁽¹⁾							
Management	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Business and Financial Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computer and Mathematical	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Architecture and Engineering	0.03	0.00	0.00	0.00	0.00	0.00	0.00
Life, Physical and Social Science	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community and Social Services	0.00	0.00	0.00	0.00	0.00	0.00	0.04
Legal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Education Training and Library	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arts, Design, Entertainment, Sports, and Media	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Healthcare Practitioners and Technical	0.02	0.00	0.00	0.00	0.00	0.00	0.00
Healthcare Support	0.14	0.00	0.00	0.00	0.00	0.00	0.30
Protective Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Food Preparation and Serving Related	0.00	6.87	1.08	0.11	0.00	0.00	0.25
Building Grounds and Maintenance	0.00	0.00	1.95	0.00	0.00	0.00	0.20
Personal Care and Service	0.00	0.18	0.17	0.00	0.00	0.00	0.94
Sales and Related	0.50	4.38	0.10	0.24	0.00	0.00	0.00
Office and Admin	2.20	0.98	0.66	0.39	0.37	0.00	0.17
Farm, Fishing, and Forestry	0.00	0.00	0.00	0.00	0.00	0.40	0.00
Construction and Extraction	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Installation Maintenance and Repair	0.00	0.07	0.03	0.02	0.01	0.00	0.02
Production	0.00	0.00	0.10	1.31	0.06	0.00	0.00
Transportation and Material Moving	0.00	0.58	0.00	0.48	1.18	0.00	0.00
HH earning up to 30% of Median - major occupations	2.91	13.06	4.09	2.55	1.63	0.40	1.91
HH earning up to 30% of Median - all other occupations	0.48	0.85	0.22	0.18	0.08	0.00	0.31
Total Households Earning up to 30% of Median	3.4	13.9	4.3	2.7	1.7	0.4	2.2

Notes:

(1) Appendix B Tables 1 through 14 contain additional information regarding worker occupation categories.

TABLE 2B
ESTIMATE OF QUALIFYING HOUSEHOLDS - VERY LOW INCOME
JOBS HOUSING NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY

Working Draft

Analysis for Households Earning from 30% to 50% of Median

<i>Per 100,000 Sq.Ft. of Building Area</i>	Office	Retail	Hotel	Industrial	Warehouse	Greenhouse	Other Non-Residential
Step 5, 6, & 7 - Households Earning from 30% to 50% of Median⁽¹⁾							
Management	0.02	0.12	0.03	0.00	0.00	0.00	0.00
Business and Financial Operations	0.29	0.00	0.00	0.05	0.01	0.00	0.00
Computer and Mathematical	0.31	0.00	0.00	0.00	0.00	0.00	0.00
Architecture and Engineering	0.17	0.00	0.00	0.01	0.00	0.00	0.00
Life, Physical and Social Science	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community and Social Services	0.00	0.00	0.00	0.00	0.00	0.00	0.56
Legal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Education Training and Library	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arts, Design, Entertainment, Sports, and Media	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Healthcare Practitioners and Technical	0.26	0.00	0.00	0.00	0.00	0.00	0.01
Healthcare Support	2.32	0.00	0.00	0.00	0.00	0.00	2.49
Protective Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Food Preparation and Serving Related	0.00	20.59	3.97	0.46	0.00	0.00	0.96
Building Grounds and Maintenance	0.00	0.00	5.60	0.00	0.00	0.00	0.69
Personal Care and Service	0.00	0.89	0.58	0.00	0.00	0.00	3.73
Sales and Related	1.67	15.00	0.27	1.19	0.00	0.00	0.00
Office and Admin	11.28	3.65	3.26	1.72	1.68	0.00	1.04
Farm, Fishing, and Forestry	0.00	0.00	0.00	0.00	0.00	1.23	0.00
Construction and Extraction	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Installation Maintenance and Repair	0.00	0.60	0.41	0.34	0.12	0.00	0.34
Production	0.00	0.00	0.43	4.08	0.19	0.00	0.00
Transportation and Material Moving	0.00	1.85	0.00	1.74	4.54	0.00	0.00
HH earning from 30%-50% of Median - major occupations	16.34	42.70	14.56	9.58	6.54	1.24	9.83
HH earning from 30%-50% of Median - all other occupation	2.67	2.78	0.80	0.68	0.30	0.00	1.59
Total Households Earning from 30%-50% of Median	19.0	45.5	15.4	10.3	6.8	1.2	11.4

Notes:

(1) Appendix B Tables 1 through 14 contain additional information regarding worker occupation categories.

TABLE 2C
ESTIMATE OF QUALIFYING HOUSEHOLDS - LOW INCOME
JOBS HOUSING NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY

Working Draft

Analysis for Households Earning from 50% to 80% of Median

	Office	Retail	Hotel	Industrial	Warehouse	Greenhouse	Other Non-Residential
<i>Per 100,000 Sq.Ft. of Building Area</i>							
Step 5, 6, & 7 - Households Earning from 50% to 80% of Median⁽¹⁾							
Management	0.50	0.36	0.22	0.13	0.05	0.00	0.17
Business and Financial Operations	3.02	0.00	0.00	0.38	0.08	0.00	0.00
Computer and Mathematical	1.70	0.00	0.00	0.00	0.00	0.00	0.00
Architecture and Engineering	0.66	0.00	0.00	0.11	0.00	0.00	0.00
Life, Physical and Social Science	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Community and Social Services	0.00	0.00	0.00	0.00	0.00	0.00	1.28
Legal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Education Training and Library	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arts, Design, Entertainment, Sports, and Media	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Healthcare Practitioners and Technical	1.54	0.00	0.00	0.00	0.00	0.00	0.76
Healthcare Support	4.13	0.00	0.00	0.00	0.00	0.00	2.42
Protective Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Food Preparation and Serving Related	0.00	19.24	3.88	0.47	0.00	0.00	0.93
Building Grounds and Maintenance	0.00	0.00	5.19	0.00	0.00	0.00	0.70
Personal Care and Service	0.00	1.15	0.63	0.00	0.00	0.00	3.48
Sales and Related	3.02	14.59	0.32	1.66	0.00	0.00	0.00
Office and Admin	17.42	4.25	3.11	2.43	2.05	0.00	1.75
Farm, Fishing, and Forestry	0.00	0.00	0.00	0.00	0.00	1.11	0.00
Construction and Extraction	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Installation Maintenance and Repair	0.00	0.97	0.74	0.82	0.23	0.00	0.76
Production	0.00	0.00	0.39	6.04	0.27	0.00	0.00
Transportation and Material Moving	0.00	2.14	0.00	2.45	6.06	0.00	0.00
HH earning from 50%-80% of Median - major occupations	32.00	42.70	14.48	14.47	8.75	1.13	12.26
HH earning from 50%-80% of Median - all other occupations	5.23	2.78	0.79	1.03	0.40	0.00	1.99
Total Households Earning from 50%-80% of Median	37.2	45.5	15.3	15.5	9.2	1.1	14.2

Notes:

(1) Appendix B Tables 1 through 14 contain additional information regarding worker occupation categories.

**TABLE 3
WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
JOBS HOUSING NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY**

Working Draft

Per 100,000 Sq.Ft. of Building Area

	Office	Retail	Hotel	Industrial	Warehouse	Greenhouse	Other Non-Residential
NUMBER OF HOUSEHOLDS BY INCOME TIER ⁽¹⁾							
Extremely Low (0% - 30% AMI)	3.4	13.9	4.3	2.7	1.7	0.4	2.2
Very Low Income (30% - 50% AMI)	19.0	45.5	15.4	10.3	6.8	1.2	11.4
Low Income (50% to 80% AMI)	37.2	45.5	15.3	15.5	9.2	1.1	14.2
Subtotal through 80% AMI	59.6	104.9	34.9	28.5	17.7	2.8	27.9
Above 80% AMI ⁽²⁾	116.6	27.3	9.1	24.4	8.7	0.3	25.0
Total New Worker Households	176.2	132.2	44.1	52.9	26.4	3.1	52.9
PERCENTAGE OF HOUSEHOLDS BY INCOME TIER							
Extremely Low (0% - 30% AMI)	1.9%	10.5%	9.8%	5.2%	6.4%	12.9%	4.2%
Very Low Income (30% - 50% AMI)	10.8%	34.4%	34.9%	19.4%	25.9%	39.7%	21.6%
Low Income (50% to 80% AMI)	21.1%	34.4%	34.7%	29.3%	34.6%	36.3%	27.0%
Subtotal through 80% AMI	33.8%	79.4%	79.3%	53.9%	67.0%	89.0%	52.7%
Above 80% AMI ⁽²⁾	66.2%	20.6%	20.7%	46.1%	33.0%	11.0%	47.3%
Total	100%	100%	100%	100%	100%	100%	100%

Notes:

(1) Appendix B Tables 1 through 14 contain additional information regarding worker occupation categories.

(2) Based on pricing of market units in the County, no affordability gap was identified for the moderate and workforce tiers.

**TABLE 4
HOUSING DEMAND NEXUS FACTORS PER SQ.FT. OF BUILDING AREA
JOBS HOUSING NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY**

Working Draft

Number of Housing Units per Square Foot of Building Area⁽¹⁾

	Office	Retail	Hotel	Industrial	Warehouse	Greenhouse	Other Non-Residential
Extremely Low (0% - 30% AMI)	0.00003384	0.00013915	0.00004310	0.00002733	0.00001703	0.00000402	0.00002219
Very Low Income (30% - 50% AMI)	0.00019005	0.00045485	0.00015356	0.00010268	0.00006844	0.00001236	0.00011418
Low Income (50% to 80% AMI)	0.00037227	0.00045480	0.00015274	0.00015502	0.00009156	0.00001130	0.00014249
Total	0.00059617	0.00104880	0.00034939	0.00028503	0.00017704	0.00002767	0.00027886

Notes:

⁽¹⁾Calculated by dividing number of household in Table 3 by 100,000 square feet to convert to households per square foot of building.

IV. TOTAL HOUSING NEXUS COSTS

This section takes the conclusions of the previous section on the number of households in the Extremely Low, Very Low, and Low Income categories associated with each building type, and identifies the total cost of assistance required to make housing affordable. This section puts a cost on the units at each income level to produce the “total nexus cost.”

A key component of the analysis is the size of the gap between what households can afford and the cost of producing new housing in San Luis Obispo County, known as the ‘affordability gap.’ Affordability gaps are calculated for each of the three categories of Area Median Income (AMI): Extremely Low (under 30% of median), Very Low (30% to 50%), and Low (50% to 80%).

KMA also examined affordability of units for the Moderate (80% to 120%) and Workforce (120% to 160%) income tiers. According to San Luis Obispo County estimates, Moderate Income households can afford to purchase a 3-bedroom home for \$391,000 and a Workforce Income household can afford to pay \$542,000 for a 3-bedroom home. The KMA market survey found that market rate housing is available for these households in this price range in certain parts of the County. Because there are areas within the County where market rate homes are affordable to these households, KMA did not calculate an affordability gap for the Moderate and Workforce Income tiers. This is a conservative assumption that lowers the total nexus cost results.

The following summarizes the analysis of mitigation cost which is based on the affordability gap, or the net cost to deliver units that are affordable to worker households in the lower income tiers.

County 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 County practices and policies. The analysis assumes that the County will assist in the development of multi-family rental units for Extremely Low, Very Low and Low Income units. Based on the average unit size for several recent affordable projects in the County, KMA estimated development costs and unit values for a 2.3 bedroom unit.

Development Costs

KMA prepared an estimate of the total development cost for a new multi-family rental unit (inclusive of land acquisition costs, direct construction costs, indirect costs of development, and financing) based on a review of development cost estimates for recent affordable projects. It is estimated that the new affordable multi-family apartment unit would have a total development cost of approximately \$385,000. Table 5 provides further details.

The development program and cost estimates were informed by KMA’s review of six local multi-family affordable housing projects. Of these projects, KMA selected the three most recent projects to base our development cost estimates. The list below identifies the multi-family affordable projects that KMA considered in our analysis. The average total development cost for the first three projects on the list was the basis of the estimate for the mitigation cost analysis.

- Iron Works, San Luis Obispo
- Atascadero Family Apartments, Atascadero
- Rolling Hills II, Templeton
- Village at Broad, San Luis Obispo
- Oak Park Apartment II, Paso Robles
- South Street Apartments, San Luis Obispo

Unit values are based upon the funding sources assumed to be available for the project. Based on a review of tax-credit projects in the County, most affordable rental projects in the County received 9% federal low income housing tax credits; only one of the projects that we reviewed received tax-exempt permanent debt financing and 4% federal tax credits. For the purposes of this analysis, KMA used the average value of the tax credits received by five of the recent projects. In addition, KMA estimated the permanent debt supportable by the unit’s net operating income and a small deferred developer fee based on the average from the recent projects. Other affordable housing subsidy sources such as CDBG, HOME, AHP, Section 8, and various Federal and State funding programs are 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.

On this basis, KMA estimated the unit value (total permanent funding sources) of the Extremely Low-Income rental units at \$230,300, the Very Low-Income units at \$289,300, and the Low-Income units at \$318,300. Details for these calculations are presented in Table 5.

Unit Values for Affordable Units			
<i>Income Group</i>	<i>Unit Tenure / Type</i>	<i>Number of BRs</i>	<i>Unit Values</i>
Under 30% AMI	Rental	2.3 BR	\$230,300
30% to 50% AMI	Rental	2.3 BR	\$289,300
50% to 80% AMI	Rental	2.3 BR	\$318,300

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 follows:

Affordability Gap Calculation			
	<i>Unit Value</i>	<i>Development Cost</i>	<i>Affordability Gap</i>
Extremely Low (Under 30% AMI)	\$230,300	\$385,000	\$154,700
Very Low (30% to 50% AMI)	\$289,300	\$385,000	\$95,700
Low (50% to 80% AMI)	\$318,300	\$385,000	\$66,700

AMI = Area Median Income

Table 5 presents the detailed affordability gap calculations. Note that the affordability gaps are the same as those assumed in the residential nexus analysis.

Maximum Fees to Mitigate Impacts

The last step in the nexus analysis calculates the cost of delivering affordable housing to the households created by new non-residential development.

Table 6 summarizes the analysis. The demand for affordable units in each income range that is generated per square foot of building area is drawn from Table 4 in the previous section. The “Maximum Fee per Square Foot” represents the results of the following calculation:

Affordability Gap (from above)	X	No. affordable units generated per square foot of building area. (from Table 4)	=	Maximum Fee Per Square Foot of Building Area
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The maximum impact fees for the seven building types in San Luis Obispo County are as follows:

Building Type	Maximum Supported Fee Per Square Foot
Office	\$48.20
Retail	\$95.30
Hotel	\$31.60
Industrial	\$24.30
Warehouse	\$15.30
Greenhouse	\$2.55
Other Non-Residential	\$23.80

Note: Nexus findings are not recommended fee levels.
See Table 6 for detail.

These totals represent the maximum impact fee that could be charged for new non-residential construction to mitigate its impacts on the need for affordable housing. The totals are not recommended fee levels; they represent only the maximums established by this analysis.

These total nexus or mitigation costs are high due to the low compensation levels of many jobs, coupled with the high cost of developing residential units. Higher employment densities also contribute to higher nexus costs. These factors are especially pronounced with the Retail category, yielding a high nexus cost.

EDD data for 2016 indicates compensation for Retail workers in San Luis Obispo County averages approximately \$30,000 per year. This means many workers qualify as Very Low Income (four-person households earning \$40,850 and below²); as shown in Table 3, 45% of Retail workers fall in the Extremely Low or Very Low Income categories. Almost 80% of Retail employee households earn less than 80% of median. Hotel workers have similar compensation levels (averaging \$31,000 annually); however, since there are fewer employees per square feet of building area, the resulting mitigation costs are much lower on a per square foot basis. Greenhouse workers have even lower compensation levels (averaging \$26,000 annually), but the very low employment density results in much lower mitigation costs on a per square foot basis.

Conservative Assumptions

In establishing the maximum impact fee, many 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” a number of services that are not taken into account in the analysis. In addition, there are ‘induced’ employment effects when the direct employees spend their earnings in the local economy. It would certainly be appropriate to include the affordable housing demand generated by the indirect and induced jobs in this nexus analysis. For simplicity, however, and because the results using only direct employees are significantly higher than the fee levels that are typically considered for adoption, we limit it to direct employees only.

- A downward adjustment of 10% 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 jobs in new workplace buildings. This is a conservative assumption because many displaced workers may exit the workforce entirely by retiring rather than seek a new job in one of the industries serving new residents. In addition, development of new workspace buildings will typically occur only to the extent net new demand exists after space vacated by businesses in declining sectors of the economy has been re-occupied. The 10% adjustment is conservative in that it is mainly necessary to cover a special case scenario in which buildings vacated by declining industries cannot be readily occupied by other users due to their special purpose nature or due to obsolescence.

² Income criteria vary by household size.

- 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 used in the analysis are probably overstated, especially for Greenhouse, Retail and Hotel, which tend to have a high number of part time employees.
- Affordability gaps are based upon the assumption that Low Income Housing Tax Credits will be available. This reduces the affordability gap that needs to be filled if affordable units are to be made available.

In summary, many less conservative assumptions could be made that would justify a much higher maximum linkage fee.

**TABLE 5
AFFORDABILITY GAPS FOR EXTREMELY LOW, VERY LOW, AND LOW INCOME
JOBS HOUSING NEXUS ANALYSIS
COUNTY OF SAN LUIS OBISPO, CA**

Working Draft

	Extremely Low	Very Low	Low Income
I. Affordable Prototype			
Tenure	Rental		
Average Number of Bedrooms	2.3 BR		
Density	20 du/a		
II. Development Costs ^[1]			
	Per Unit	Per Unit	Per Unit
Total Development Costs		\$385,000	
III. Supported Financing			
	Per Unit	Per Unit	Per Unit
<u>Affordable Rents</u>			
Average Number of Bedrooms		2.3 BR	
Maximum TCAC Rent ^[2]	\$578	\$963	\$1,155
(Less) Utility Allowance ^[3]	(\$68)	(\$68)	(\$68)
Maximum Monthly Rent	\$509	\$894	\$1,087
<u>Net Operating Income (NOI)</u>			
Gross Potential Income			
Monthly	\$509	\$894	\$1,087
Annual	\$6,109	\$10,730	\$13,042
Other Income	\$125	\$125	\$125
(Less) Vacancy 5.0%	(\$312)	(\$543)	(\$658)
Effective Gross Income (EGI)	\$5,922	\$10,312	\$12,509
(Less) Operating Expenses	(\$5,400)	(\$5,400)	(\$5,400)
(Less) Property Taxes ^[4]	\$0	\$0	\$0
Net Operating Income (NOI)	\$522	\$4,912	\$7,109
<u>Permanent Financing</u>			
Permanent Loan 5.0%	\$7,000	\$66,000	\$95,000
Deferred Developer Fee	\$2,300	\$2,300	\$2,300
Tax Credit Equity ^[5]	\$221,000	\$221,000	\$221,000
Total Sources	\$230,300	\$289,300	\$318,300
IV. Affordability Gap			
	Per Unit	Per Unit	Per Unit
Supported Permanent Financing	\$230,300	\$289,300	\$318,300
(Less) Total Development Costs	(\$385,000)	(\$385,000)	(\$385,000)
Affordability Gap	(\$154,700)	(\$95,700)	(\$66,700)

^[1] Development costs estimated by KMA based on recent affordable projects in San Luis Obispo County.

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

^[3] Utility allowances from Housing Authority San Luis Obispo (February 2017). Represents an average of utility allowances for the North County area and the South County area. Assumes tenant pays for gas heat, gas stove, gas water heating and general electric.

^[4] Assumes tax exemption for non-profit general partner.

^[5] The average tax credit equity received by recent affordable projects in the County, including four 9% tax credit projects and one 4% tax credit project.

**TABLE 6
TOTAL HOUSING NEXUS COST
JOBS HOUSING NEXUS ANALYSIS
SAN LUIS OBISPO COUNTY**

Working Draft

INCOME CATEGORY	Affordability Gap Per Unit	Nexus Cost Per Sq.Ft. of Building Area ²						
		Office	Retail	Hotel	Industrial	Warehouse	Greenhouse	Other Non-Residential
Extremely Low (0% - 30% AMI)	\$154,700 ¹	\$5.20	\$21.50	\$6.70	\$4.20	\$2.60	\$0.62	\$3.40
Very Low Income (30% - 50% AMI)	\$95,700 ¹	\$18.20	\$43.50	\$14.70	\$9.80	\$6.60	\$1.18	\$10.90
Low Income (50% to 80% AMI)	\$66,700 ¹	\$24.80	\$30.30	\$10.20	\$10.30	\$6.10	\$0.75	\$9.50
Total		\$48.20	\$95.30	\$31.60	\$24.30	\$15.30	\$2.55	\$23.80

Notes:

⁽¹⁾ Assumes rental units. Affordability Gap reflected is the remaining gap after financing available through tax credits. Based on pricing of market units in the County, no affordability gap was identified for the moderate and workforce tiers.

⁽²⁾ Calculated by multiplying housing demand factors from Table 4 by the affordability gaps shown in Table 5.

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

This appendix provides a discussion of various specific factors and assumptions in relation to the nexus concept to supplement the overview provided in Section II.

1. 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 study 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.

Local analyses of housing conditions have found that new housing affordable to lower income households is not being added to the supply in sufficient quantity to meet the needs of new employee households. If this were not the case and significant numbers of units were being added to the supply to accommodate the lower income groups, or if residential units were experiencing significant long term vacancy levels, particularly in affordable units, then the need for new units would be questionable.

2. 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 San Luis Obispo County, conditions are consistent with this underlying assumption. According to the Census (2011 to 2015 ACS), approximately 46% of all households in the County were paying thirty percent or more of their income on housing. In addition, housing vacancy is minimal.

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 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 the nexus analysis, the direct jobs are those located in the new workspace buildings that would be subject to the linkage 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 jobs housing linkage 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 the security guards, the delivery services, the landscape maintenance workers, 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. Compressed employment densities mean more jobs added for a given amount of building area. Boom periods also tend to go hand-in-hand with rising development costs and increasing home prices. These factors can bring market rate housing out of reach of a larger percentage of the workforce and increase the cost of delivering affordable units.

While the 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.

APPENDIX B: SUPPORTING NEXUS TABLES

**APPENDIX B TABLE 1
 2016 NATIONAL OFFICE WORKER DISTRIBUTION BY OCCUPATION
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY**

Working Draft

Major Occupations (3% or more)	2016 National Office Industry Occupation Distribution	
Management Occupations	2,139,994	7.3%
Business and Financial Operations Occupations	3,134,846	10.6%
Computer and Mathematical Occupations	3,372,204	11.4%
Architecture and Engineering Occupations	1,403,653	4.8%
Healthcare Practitioners and Technical Occupations	3,386,716	11.5%
Healthcare Support Occupations	1,858,344	6.3%
Sales and Related Occupations	1,973,466	6.7%
Office and Administrative Support Occupations	8,089,776	27.4%
All Other Office Occupations	<u>4,145,366</u>	<u>14.1%</u>
INDUSTRY TOTAL	29,504,366	100.0%

Note: weighted to reflect San Luis Obispo County office mix.

APPENDIX B TABLE 2
 AVERAGE ANNUAL COMPENSATION, 2016
 OFFICE WORKER OCCUPATIONS
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY

Working Draft

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ^z	<u>% of Total Occupation Group</u> ³	<u>% of Total Office Workers</u>
Page 1 of 2			
<i>Management Occupations</i>			
General and Operations Managers	\$105,100	27.5%	2.0%
Marketing Managers	\$130,100	5.2%	0.4%
Sales Managers	\$93,500	5.2%	0.4%
Computer and Information Systems Managers	\$115,600	12.1%	0.9%
Financial Managers	\$98,900	13.1%	0.9%
Architectural and Engineering Managers	\$124,900	4.5%	0.3%
Medical and Health Services Managers	\$101,700	4.6%	0.3%
Property, Real Estate, and Community Association Managers	\$68,700	5.4%	0.4%
Managers, All Other	\$155,900	5.5%	0.4%
All Other Management Occupations (Avg. All Categories)	<u>\$99,200</u>	<u>16.9%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$106,800	100.0%	7.3%
<i>Business and Financial Operations Occupations</i>			
Human Resources Specialists	\$73,800	5.9%	0.6%
Management Analysts	\$70,900	12.0%	1.3%
Market Research Analysts and Marketing Specialists	\$53,200	10.9%	1.2%
Business Operations Specialists, All Other	\$72,200	9.4%	1.0%
Accountants and Auditors	\$64,600	21.9%	2.3%
Financial Analysts	\$127,700	4.9%	0.5%
Loan Officers	\$96,500	7.9%	0.8%
All Other Business and Financial Operations (Avg. All Categories)	<u>\$70,800</u>	<u>27.2%</u>	<u>2.9%</u>
Weighted Mean Annual Wage	\$72,600	100.0%	10.6%
<i>Computer and Mathematical Occupations</i>			
Computer Systems Analysts	\$85,500	13.7%	1.6%
Computer Programmers	\$77,300	8.3%	1.0%
Software Developers, Applications	\$108,700	24.6%	2.8%
Software Developers, Systems Software	\$115,900	11.1%	1.3%
Network and Computer Systems Administrators	\$84,400	7.3%	0.8%
Computer User Support Specialists	\$44,600	12.2%	1.4%
Computer Occupations, All Other	\$88,200	4.1%	0.5%
All Other Computer and Mathematical Occupations (Avg. All Categories)	<u>\$82,300</u>	<u>18.5%</u>	<u>2.1%</u>
Weighted Mean Annual Wage	\$88,300	100.0%	11.4%
<i>Architecture and Engineering Occupations</i>			
Architects, Except Landscape and Naval	\$67,500	9.7%	0.5%
Civil Engineers	\$84,400	17.6%	0.8%
Electrical Engineers	\$111,100	6.6%	0.3%
Electronics Engineers, Except Computer	\$96,600	4.3%	0.2%
Mechanical Engineers	\$80,400	9.1%	0.4%
Architectural and Civil Drafters	\$35,300	8.1%	0.4%
All Other Architecture and Engineering Occupations (Avg. All Categories)	<u>\$87,200</u>	<u>44.5%</u>	<u>2.1%</u>
Weighted Mean Annual Wage	\$81,900	100.0%	4.8%

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Office Workers</u>
Page 2 of 2			
<i>Healthcare Practitioners and Technical Occupations</i>			
Dentists, General	\$233,900	5.9%	0.7%
Physicians and Surgeons, All Other	\$184,600	7.9%	0.9%
Physical Therapists	\$91,900	5.0%	0.6%
Registered Nurses	\$92,500	11.6%	1.3%
Dental Hygienists	\$94,700	11.9%	1.4%
Veterinary Technologists and Technicians	\$33,200	4.5%	0.5%
Licensed Practical and Licensed Vocational Nurses	\$53,600	5.1%	0.6%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Categories)	<u>\$86,600</u>	<u>48.0%</u>	<u>5.5%</u>
Weighted Mean Annual Wage	\$100,900	100.0%	11.5%
<i>Healthcare Support Occupations</i>			
Physical Therapist Assistants	\$33,800	4.4%	0.3%
Dental Assistants	\$42,000	33.5%	2.1%
Medical Assistants	\$34,000	38.4%	2.4%
Veterinary Assistants and Laboratory Animal Caretakers	\$28,600	6.4%	0.4%
All Other Healthcare Support Occupations (Avg. All Categories)	<u>\$32,500</u>	<u>17.3%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$36,100	100.0%	6.3%
<i>Sales and Related Occupations</i>			
First-Line Supervisors of Non-Retail Sales Workers	\$62,900	4.1%	0.3%
Counter and Rental Clerks	\$30,900	6.5%	0.4%
Advertising Sales Agents	\$57,900	6.1%	0.4%
Insurance Sales Agents	\$83,600	13.7%	0.9%
Securities, Commodities, and Financial Services Sales Agents	\$76,800	14.4%	1.0%
Sales Representatives, Services, All Other	\$54,200	19.9%	1.3%
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Pro	\$57,200	5.3%	0.4%
Real Estate Sales Agents	\$75,500	8.3%	0.6%
Telemarketers	\$31,800	5.9%	0.4%
All Other Sales and Related Occupations (Avg. All Categories)	<u>\$35,600</u>	<u>15.7%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$58,200	100.0%	6.7%
<i>Office and Administrative Support Occupations</i>			
First-Line Supervisors of Office and Administrative Support Workers	\$54,700	7.9%	2.2%
Billing and Posting Clerks	\$34,000	4.2%	1.1%
Bookkeeping, Accounting, and Auditing Clerks	\$43,600	6.8%	1.9%
Tellers	\$29,800	7.1%	2.0%
Customer Service Representatives	\$26,100	13.0%	3.6%
Receptionists and Information Clerks	\$30,400	10.1%	2.8%
Medical Secretaries	\$43,400	7.2%	2.0%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	\$37,000	9.3%	2.5%
Office Clerks, General	\$32,700	11.8%	3.2%
All Other Office and Administrative Support Occupations (Avg. All Categories)	<u>\$35,800</u>	<u>22.8%</u>	<u>6.2%</u>
Weighted Mean Annual Wage	\$35,800	100.0%	27.4%
Weighted Average Annual Wage - All Occupations	\$66,000		85.9%

¹ Including occupations representing 4% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

³ Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2015 Occupational Employment Survey data applicable to San Luis Obispo County, updated by the California Employment Development Department to 2016 wage levels.

**APPENDIX B TABLE 3
 2016 NATIONAL RETAIL WORKER DISTRIBUTION BY OCCUPATION
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY**

Working Draft

Major Occupations (2% or more)	2016 National Retail Industry Occupation Distribution	
Management Occupations	676,093	2.4%
Food Preparation and Serving Related Occupations	11,884,497	41.3%
Personal Care and Service Occupations	667,832	2.3%
Sales and Related Occupations	9,108,977	31.7%
Office and Administrative Support Occupations	2,636,955	9.2%
Installation, Maintenance, and Repair Occupations	725,938	2.5%
Transportation and Material Moving Occupations	1,283,913	4.5%
All Other Retail Occupations	<u>1,758,254</u>	<u>6.1%</u>
INDUSTRY TOTAL	28,742,459	100.0%

Note: weighted to reflect San Luis Obispo County retail mix.

APPENDIX B TABLE 4
 AVERAGE ANNUAL COMPENSATION, 2016
 RETAIL WORKER OCCUPATIONS
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY

Working Draft

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Retail Workers</u>
Page 1 of 2			
<i>Management Occupations</i>			
General and Operations Managers	\$105,100	55.5%	1.3%
Sales Managers	\$93,500	10.0%	0.2%
Food Service Managers	\$43,500	26.2%	0.6%
All Other Management Occupations (Avg. All Categories)	<u>\$99,200</u>	<u>8.3%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$87,300	100.0%	2.4%
<i>Food Preparation and Serving Related Occupations</i>			
First-Line Supervisors of Food Preparation and Serving Workers	\$36,800	7.1%	2.9%
Cooks, Fast Food	\$22,500	4.9%	2.0%
Cooks, Restaurant	\$30,300	10.4%	4.3%
Food Preparation Workers	\$24,600	6.0%	2.5%
Combined Food Preparation and Serving Workers, Including Fast Food	\$21,400	29.1%	12.0%
Waiters and Waitresses	\$29,700	21.3%	8.8%
All Other Business and Financial Operations (Avg. All Categories)	<u>\$26,600</u>	<u>21.3%</u>	<u>8.8%</u>
Weighted Mean Annual Wage	\$26,500	100.0%	41.3%
<i>Personal Care and Service Occupations</i>			
First-Line Supervisors of Personal Service Workers	\$45,000	4.6%	0.1%
Nonfarm Animal Caretakers	\$26,200	14.9%	0.3%
Hairdressers, Hairstylists, and Cosmetologists	\$34,600	49.3%	1.1%
Manicurists and Pedicurists	\$21,400	12.7%	0.3%
Skincare Specialists	\$32,400	4.7%	0.1%
All Other Personal Care and Service Occupations (Avg. All Categories)	<u>\$28,600</u>	<u>13.7%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$31,200	100.0%	2.3%
<i>Sales and Related Occupations</i>			
First-Line Supervisors of Retail Sales Workers	\$43,900	11.6%	3.7%
Cashiers	\$24,000	32.5%	10.3%
Retail Salespersons	\$27,800	49.3%	15.6%
All Other Sales and Related Occupations (Avg. All Categories)	<u>\$35,600</u>	<u>6.6%</u>	<u>2.1%</u>
Weighted Mean Annual Wage	\$28,900	100.0%	31.7%

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Retail Workers</u>
Page 2 of 2			
<i>Office and Administrative Support Occupations</i>			
First-Line Supervisors of Office and Administrative Support Workers	\$54,700	5.5%	0.5%
Bookkeeping, Accounting, and Auditing Clerks	\$43,600	7.1%	0.7%
Customer Service Representatives	\$26,100	13.1%	1.2%
Shipping, Receiving, and Traffic Clerks	\$34,100	4.7%	0.4%
Stock Clerks and Order Fillers	\$27,300	46.8%	4.3%
Office Clerks, General	\$32,700	8.5%	0.8%
All Other Office and Administrative Support Occupations (Avg. All Categories)	<u>\$35,800</u>	<u>14.3%</u>	<u>1.3%</u>
Weighted Mean Annual Wage	\$31,800	100.0%	9.2%
<i>Installation, Maintenance, and Repair Occupations</i>			
First-Line Supervisors of Mechanics, Installers, and Repairers	\$74,100	7.7%	0.2%
Automotive Service Technicians and Mechanics	\$43,900	32.4%	0.8%
Bicycle Repairers	\$26,600	4.2%	0.1%
Tire Repairers and Changers	\$25,700	11.3%	0.3%
Maintenance and Repair Workers, General	\$38,700	7.4%	0.2%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	<u>\$47,200</u>	<u>36.9%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$44,300	100.0%	2.5%
<i>Transportation and Material Moving Occupations</i>			
Driver/Sales Workers	\$25,000	19.9%	0.9%
Light Truck or Delivery Services Drivers	\$41,200	20.3%	0.9%
Parking Lot Attendants	\$23,100	6.0%	0.3%
Cleaners of Vehicles and Equipment	\$25,100	5.7%	0.3%
Laborers and Freight, Stock, and Material Movers, Hand	\$31,200	23.1%	1.0%
Packers and Packagers, Hand	\$21,500	12.1%	0.5%
All Other Transportation and Material Moving Occupations (Avg. All Categories)	<u>\$33,100</u>	<u>12.8%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$30,200	100.0%	4.5%
Weighted Average Annual Wage - All Occupations	\$30,000		89.4%

¹ Including occupations representing 4% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

³ Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2015 Occupational Employment Survey data applicable to San Luis Obispo County, updated by the California Employment Development Department to 2016 wage levels.

**APPENDIX B TABLE 5
 2016 NATIONAL HOTEL WORKER DISTRIBUTION BY OCCUPATION
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY**

Working Draft

Major Occupations (2% or more)	2016 National Hotel Industry Occupation Distribution	
Management Occupations	71,590	4.5%
Food Preparation and Serving Related Occupations	395,490	24.9%
Building and Grounds Cleaning and Maintenance Occupations	499,980	31.5%
Personal Care and Service Occupations	63,300	4.0%
Sales and Related Occupations	37,920	2.4%
Office and Administrative Support Occupations	319,910	20.1%
Installation, Maintenance, and Repair Occupations	80,810	5.1%
Production Occupations	36,870	2.3%
All Other Hotel Occupations	<u>82,510</u>	<u>5.2%</u>
INDUSTRY TOTAL	1,588,380	100.0%

Excludes casino hotels.

APPENDIX B TABLE 6
 AVERAGE ANNUAL COMPENSATION, 2016
 HOTEL WORKER OCCUPATIONS
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY

Working Draft

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Hotel Workers</u>
Page 1 of 2			
<i>Management Occupations</i>			
General and Operations Managers	\$105,100	21.8%	1.0%
Sales Managers	\$93,500	8.1%	0.4%
Financial Managers	\$98,900	4.2%	0.2%
Food Service Managers	\$43,500	10.3%	0.5%
Lodging Managers	\$59,400	43.0%	1.9%
All Other Management Occupations (Avg. All Categories)	<u>\$99,200</u>	<u>12.5%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$77,100	100.0%	4.5%
<i>Food Preparation and Serving Related Occupations</i>			
First-Line Supervisors of Food Preparation and Serving Workers	\$36,800	5.6%	1.4%
Cooks, Restaurant	\$30,300	14.6%	3.6%
Bartenders	\$32,800	7.9%	2.0%
Waiters and Waitresses	\$29,700	30.4%	7.6%
Food Servers, Nonrestaurant	\$27,800	7.4%	1.8%
Dining Room and Cafeteria Attendants and Bartender Helpers	\$23,400	11.0%	2.7%
Dishwashers	\$21,200	6.2%	1.5%
All Other Business and Financial Operations (Avg. All Categories)	<u>\$26,600</u>	<u>16.9%</u>	<u>4.2%</u>
Weighted Mean Annual Wage	\$28,500	100.0%	24.9%
<i>Building and Grounds Cleaning and Maintenance Occupations</i>			
First-Line Supervisors of Housekeeping and Janitorial Workers	\$48,000	6.1%	1.9%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$27,800	5.8%	1.8%
Maids and Housekeeping Cleaners	\$22,900	85.3%	26.8%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All C:	<u>\$28,000</u>	<u>2.9%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$24,900	100.0%	31.5%
<i>Personal Care and Service Occupations</i>			
First-Line Supervisors of Personal Service Workers	\$45,000	5.1%	0.2%
Amusement and Recreation Attendants	\$22,500	13.8%	0.5%
Locker Room, Coatroom, and Dressing Room Attendants	\$27,500	4.5%	0.2%
Baggage Porters and Bellhops	\$25,000	33.1%	1.3%
Concierges	\$35,300	18.3%	0.7%
Fitness Trainers and Aerobics Instructors	\$41,500	4.1%	0.2%
Recreation Workers	\$28,000	7.7%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	<u>\$28,600</u>	<u>13.5%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$29,100	100.0%	4.0%

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Hotel Workers</u>
Page 2 of 2			
<i>Sales and Related Occupations</i>			
Cashiers	\$24,000	20.2%	0.5%
Retail Salespersons	\$27,800	12.0%	0.3%
Sales Representatives, Services, All Other	\$54,200	52.9%	1.3%
All Other Sales and Related Occupations (Avg. All Categories)	<u>\$35,600</u>	<u>14.9%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$42,200	100.0%	2.4%
<i>Office and Administrative Support Occupations</i>			
First-Line Supervisors of Office and Administrative Support Workers	\$54,700	7.8%	1.6%
Bookkeeping, Accounting, and Auditing Clerks	\$43,600	5.5%	1.1%
Hotel, Motel, and Resort Desk Clerks	\$24,500	71.1%	14.3%
All Other Office and Administrative Support Occupations (Avg. All Categories)	<u>\$35,800</u>	<u>15.6%</u>	<u>3.1%</u>
Weighted Mean Annual Wage	\$29,700	100.0%	20.1%
<i>Installation, Maintenance, and Repair Occupations</i>			
First-Line Supervisors of Mechanics, Installers, and Repairers	\$74,100	7.7%	0.4%
Maintenance and Repair Workers, General	\$38,700	90.0%	4.6%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	<u>\$47,200</u>	<u>2.3%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$41,600	100.0%	5.1%
<i>Production Occupations</i>			
Bakers	\$28,200	7.4%	0.2%
Laundry and Dry-Cleaning Workers	\$23,500	84.4%	2.0%
All Other Production Occupations (Avg. All Categories)	<u>\$39,200</u>	<u>8.2%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$25,100	100.0%	2.3%
Weighted Average Annual Wage - All Occupations	\$31,000		92.5%

¹ Including occupations representing 4% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

³ Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2015 Occupational Employment Survey data applicable to San Luis Obispo County, updated by the California Employment Development Department to 2016 wage levels.

**APPENDIX B TABLE 7
 2016 NATIONAL INDUSTRIAL WORKER DISTRIBUTION BY OCCUPATION
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY**

Working Draft

Major Occupations (2% or more)	2016 National Industrial Occupation Distribution	
Management Occupations	596,114	6.1%
Business and Financial Operations Occupations	370,683	3.8%
Architecture and Engineering Occupations	353,464	3.6%
Food Preparation and Serving Related Occupations	242,130	2.5%
Sales and Related Occupations	1,054,974	10.9%
Office and Administrative Support Occupations	1,270,446	13.1%
Installation, Maintenance, and Repair Occupations	523,581	5.4%
Production Occupations	3,395,651	35.0%
Transportation and Material Moving Occupations	1,246,663	12.9%
All Other Industrial Occupations	<u>645,834</u>	<u>6.7%</u>
INDUSTRY TOTAL	9,699,540	100.0%

Note: weighted to reflect San Luis Obispo County industries.

APPENDIX B TABLE 8
 AVERAGE ANNUAL COMPENSATION, 2016
 INDUSTRIAL WORKER OCCUPATIONS
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY

Working Draft

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Industrial Workers</u>
Page 1 of 3			
<i>Management Occupations</i>			
General and Operations Managers	\$105,100	38.0%	2.3%
Marketing Managers	\$130,100	4.2%	0.3%
Sales Managers	\$93,500	7.7%	0.5%
Financial Managers	\$98,900	5.5%	0.3%
Industrial Production Managers	\$94,000	12.9%	0.8%
Architectural and Engineering Managers	\$124,900	5.0%	0.3%
Managers, All Other	\$155,900	4.5%	0.3%
All Other Management Occupations (Avg. All Categories)	<u>\$99,200</u>	<u>22.1%</u>	<u>1.4%</u>
Weighted Mean Annual Wage	\$105,500	100.0%	6.1%
<i>Business and Financial Operations Occupations</i>			
Wholesale and Retail Buyers, Except Farm Products	\$52,500	6.0%	0.2%
Purchasing Agents, Except Wholesale, Retail, and Farm Products	\$63,700	15.3%	0.6%
Cost Estimators	\$73,900	4.2%	0.2%
Human Resources Specialists	\$73,800	8.2%	0.3%
Logisticians	\$75,300	5.4%	0.2%
Market Research Analysts and Marketing Specialists	\$53,200	14.5%	0.6%
Business Operations Specialists, All Other	\$72,200	9.6%	0.4%
Accountants and Auditors	\$64,600	19.4%	0.7%
All Other Business and Financial Operations (Avg. All Categories)	<u>\$70,800</u>	<u>17.3%</u>	<u>0.7%</u>
Weighted Mean Annual Wage	\$65,600	100.0%	3.8%
<i>Architecture and Engineering Occupations</i>			
Electrical Engineers	\$111,100	9.3%	0.3%
Electronics Engineers, Except Computer	\$96,600	5.4%	0.2%
Industrial Engineers	\$88,800	22.3%	0.8%
Mechanical Engineers	\$80,400	20.4%	0.7%
Mechanical Drafters	\$68,000	4.8%	0.2%
Electrical and Electronics Engineering Technicians	\$53,900	8.3%	0.3%
All Other Architecture and Engineering Occupations (Avg. All Categories)	<u>\$87,200</u>	<u>29.5%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$85,200	100.0%	3.6%

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Industrial Workers</u>
Page 2 of 3			
<i>Food Preparation and Serving Related Occupations</i>			
First-Line Supervisors of Food Preparation and Serving Workers	\$36,800	6.2%	0.2%
Cooks, Restaurant	\$30,300	5.9%	0.1%
Food Preparation Workers	\$24,600	8.8%	0.2%
Bartenders	\$32,800	22.4%	0.6%
Combined Food Preparation and Serving Workers, Including Fast Food	\$21,400	4.8%	0.1%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	\$24,700	6.4%	0.2%
Waiters and Waitresses	\$29,700	33.5%	0.8%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	<u>\$26,600</u>	<u>12.0%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$29,300	100.0%	2.5%
<i>Sales and Related Occupations</i>			
First-Line Supervisors of Non-Retail Sales Workers	\$62,900	4.5%	0.5%
Cashiers	\$24,000	4.6%	0.5%
Retail Salespersons	\$27,800	15.8%	1.7%
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	\$57,200	7.5%	0.8%
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	\$56,700	48.5%	5.3%
Demonstrators and Product Promoters	\$30,100	8.6%	0.9%
All Other Sales and Related Occupations (Avg. All Categories)	<u>\$35,600</u>	<u>10.5%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$46,400	100.0%	10.9%
<i>Office and Administrative Support Occupations</i>			
First-Line Supervisors of Office and Administrative Support Workers	\$54,700	5.6%	0.7%
Bookkeeping, Accounting, and Auditing Clerks	\$43,600	9.3%	1.2%
Customer Service Representatives	\$26,100	14.1%	1.8%
Production, Planning, and Expediting Clerks	\$55,100	5.2%	0.7%
Shipping, Receiving, and Traffic Clerks	\$34,100	13.4%	1.8%
Stock Clerks and Order Fillers	\$27,300	15.0%	2.0%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	\$37,000	8.2%	1.1%
Office Clerks, General	\$32,700	13.2%	1.7%
All Other Office and Administrative Support Occupations (Avg. All Categories)	<u>\$35,800</u>	<u>16.0%</u>	<u>2.1%</u>
Weighted Mean Annual Wage	\$35,400	100.0%	13.1%
<i>Installation, Maintenance, and Repair Occupations</i>			
First-Line Supervisors of Mechanics, Installers, and Repairers	\$74,100	7.5%	0.4%
Bus and Truck Mechanics and Diesel Engine Specialists	\$51,300	7.5%	0.4%
Industrial Machinery Mechanics	\$54,200	24.6%	1.3%
Maintenance Workers, Machinery	\$35,600	8.1%	0.4%
Maintenance and Repair Workers, General	\$38,700	22.1%	1.2%
Installation, Maintenance, and Repair Workers, All Other	\$43,800	4.3%	0.2%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	<u>\$47,200</u>	<u>25.9%</u>	<u>1.4%</u>
Weighted Mean Annual Wage	\$48,300	100.0%	5.4%

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Industrial Workers</u>
Page 3 of 3			
<i>Production Occupations</i>			
First-Line Supervisors of Production and Operating Workers	\$60,900	7.4%	2.6%
Electrical and Electronic Equipment Assemblers	\$34,000	4.6%	1.6%
Team Assemblers	\$36,200	10.8%	3.8%
Machinists	\$50,700	6.1%	2.1%
Welders, Cutters, Solderers, and Brazers	\$50,500	4.3%	1.5%
Separating, Filtering, Clarifying, Precipitating, and Still Machine Setters, Operators, and Tenders	\$39,400	5.1%	1.8%
Inspectors, Testers, Sorters, Samplers, and Weighers	\$42,600	5.4%	1.9%
Packaging and Filling Machine Operators and Tenders	\$23,300	12.3%	4.3%
All Other Production Occupations (Avg. All Categories)	<u>\$39,200</u>	<u>44.1%</u>	<u>15.5%</u>
Weighted Mean Annual Wage	\$39,700	100.0%	35.0%
<i>Transportation and Material Moving Occupations</i>			
Driver/Sales Workers	\$25,000	10.5%	1.4%
Heavy and Tractor-Trailer Truck Drivers	\$47,500	16.4%	2.1%
Light Truck or Delivery Services Drivers	\$41,200	11.9%	1.5%
Industrial Truck and Tractor Operators	\$32,300	13.9%	1.8%
Laborers and Freight, Stock, and Material Movers, Hand	\$31,200	27.6%	3.6%
Packers and Packagers, Hand	\$21,500	9.3%	1.2%
All Other Transportation and Material Moving Occupations (Avg. All Categories)	<u>\$33,100</u>	<u>10.2%</u>	<u>1.3%</u>
Weighted Mean Annual Wage	\$33,900	100.0%	12.9%
Weighted Average Annual Wage - All Occupations	\$46,000		93.3%

¹ Including occupations representing 4% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

³ Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2015 Occupational Employment Survey data applicable to San Luis Obispo County, updated by the California Employment Development Department to 2016 wage levels.

**APPENDIX B TABLE 9
 2016 NATIONAL WAREHOUSE WORKER DISTRIBUTION BY OCCUPATION
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY**

Working Draft

Major Occupations (2% or more)	2016 National Warehouse Industry Occupation Distribution	
Management Occupations	28,750	3.2%
Business and Financial Operations Occupations	18,020	2.0%
Office and Administrative Support Occupations	202,600	22.3%
Installation, Maintenance, and Repair Occupations	26,160	2.9%
Production Occupations	28,560	3.1%
Transportation and Material Moving Occupations	564,350	62.1%
All Other Warehouse Occupations	<u>40,170</u>	<u>4.4%</u>
INDUSTRY TOTAL	908,610	100.0%

APPENDIX B TABLE 10
 AVERAGE ANNUAL COMPENSATION, 2016
 WAREHOUSE WORKER OCCUPATIONS
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY

Working Draft

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Warehouse Workers</u>
Page 1 of 2			
<i>Management Occupations</i>			
General and Operations Managers	\$105,100	37.7%	1.2%
Sales Managers	\$93,500	4.0%	0.1%
Administrative Services Managers	\$92,000	4.3%	0.1%
Transportation, Storage, and Distribution Managers	\$91,100	35.2%	1.1%
All Other Management Occupations (Avg. All Categories)	<u>\$99,200</u>	<u>18.8%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$98,000	100.0%	3.2%
<i>Business and Financial Operations Occupations</i>			
Wholesale and Retail Buyers, Except Farm Products	\$52,500	8.7%	0.2%
Purchasing Agents, Except Wholesale, Retail, and Farm Products	\$63,700	6.6%	0.1%
Human Resources Specialists	\$73,800	13.8%	0.3%
Logisticians	\$75,300	16.4%	0.3%
Training and Development Specialists	\$107,900	12.8%	0.3%
Market Research Analysts and Marketing Specialists	\$53,200	4.9%	0.1%
Business Operations Specialists, All Other	\$72,200	14.5%	0.3%
Accountants and Auditors	\$64,600	10.3%	0.2%
All Other Business and Financial Operations (Avg. All Categories)	<u>\$70,800</u>	<u>12.2%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$73,300	100.0%	2.0%
<i>Office and Administrative Support Occupations</i>			
First-Line Supervisors of Office and Administrative Support Workers	\$54,700	5.8%	1.3%
Customer Service Representatives	\$26,100	8.5%	1.9%
Production, Planning, and Expediting Clerks	\$55,100	4.4%	1.0%
Shipping, Receiving, and Traffic Clerks	\$34,100	23.9%	5.3%
Stock Clerks and Order Fillers	\$27,300	33.7%	7.5%
Office Clerks, General	\$32,700	5.6%	1.3%
All Other Office and Administrative Support Occupations (Avg. All Categories)	<u>\$35,800</u>	<u>18.1%</u>	<u>4.0%</u>
Weighted Mean Annual Wage	\$33,500	100.0%	22.3%

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Warehouse Workers</u>
<i>Installation, Maintenance, and Repair Occupations</i>			
First-Line Supervisors of Mechanics, Installers, and Repairers	\$74,100	8.8%	0.3%
Bus and Truck Mechanics and Diesel Engine Specialists	\$51,300	7.2%	0.2%
Industrial Machinery Mechanics	\$54,200	4.4%	0.1%
Maintenance and Repair Workers, General	\$38,700	62.0%	1.8%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	<u>\$47,200</u>	<u>17.7%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$44,900	100.0%	2.9%
<i>Production Occupations</i>			
First-Line Supervisors of Production and Operating Workers	\$60,900	8.8%	0.3%
Team Assemblers	\$36,200	12.5%	0.4%
Inspectors, Testers, Sorters, Samplers, and Weighers	\$42,600	26.7%	0.8%
Packaging and Filling Machine Operators and Tenders	\$23,300	18.9%	0.6%
Helpers--Production Workers	\$20,600	4.7%	0.1%
All Other Production Occupations (Avg. All Categories)	<u>\$39,200</u>	<u>28.4%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$37,800	100.0%	3.1%
<i>Transportation and Material Moving Occupations</i>			
First-Line Supervisors of Helpers, Laborers, and Material Movers, Hand	\$53,200	4.8%	3.0%
Heavy and Tractor-Trailer Truck Drivers	\$47,500	7.7%	4.8%
Industrial Truck and Tractor Operators	\$32,300	21.8%	13.6%
Laborers and Freight, Stock, and Material Movers, Hand	\$31,200	44.3%	27.5%
Packers and Packagers, Hand	\$21,500	11.7%	7.3%
All Other Transportation and Material Moving Occupations (Avg. All Categories)	<u>\$33,100</u>	<u>9.7%</u>	<u>6.0%</u>
Weighted Mean Annual Wage	\$32,800	100.0%	62.1%
Weighted Average Annual Wage - All Occupations	\$36,000		95.6%

¹ Including occupations representing 4% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

³ Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2015 Occupational Employment Survey data applicable to San Luis Obispo County, updated by the California Employment Development Department to 2016 wage levels.

**APPENDIX B TABLE 11
 2016 GREENHOUSE WORKER DISTRIBUTION BY OCCUPATION
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY**

Working Draft

Major Occupations (0% or more)	2016 SLO County Greenhouse Occupation Distribution	
Management Occupations	80	2.5%
Life, Physical, and Social Science Occupations	40	1.2%
Farming, Fishing, and Forestry Occupations	3,100	96.3%
INDUSTRY TOTAL	3,220	100.0%

Reflects employment levels for selected greenhouse related occupations in San Luis Obispo County

APPENDIX B TABLE 12
 AVERAGE ANNUAL COMPENSATION, 2016
 GREENHOUSE WORKER OCCUPATIONS
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY

Working Draft

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Greenhouse Workers</u>
<i>Management Occupations</i>			
Farmers, Ranchers, and Other Agricultural Managers	\$73,800	100.0%	2.5%
Weighted Mean Annual Wage	\$73,800	100.0%	2.5%
<i>Life, Physical, and Social Science Occupations</i>			
Agricultural and Food Science Technicians	\$43,400	100.0%	1.2%
Weighted Mean Annual Wage	\$43,400	100.0%	1.2%
<i>Farming, Fishing, and Forestry Occupations</i>			
First-Line Supervisors of Farming, Fishing, and Forestry Workers	\$43,900	4.8%	4.7%
Agricultural Equipment Operators	\$27,800	4.8%	4.7%
Farmworkers and Laborers, Crop, Nursery, and Greenhouse	\$23,400	84.8%	81.7%
Farmworkers, Farm, Ranch, and Aquacultural Animals	\$28,700	2.3%	2.2%
All Other Farming, Fishing, and Forestry Occupations (Avg. All Categories)	<u>\$24,800</u>	<u>3.2%</u>	<u>3.1%</u>
Weighted Mean Annual Wage	\$24,800	100.0%	96.3%
Weighted Average Annual Wage - All Occupations	\$26,000		100.0%

¹ Including occupations representing 0% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

³ Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2015 Occupational Employment Survey data applicable to San Luis Obispo County, updated by the California Employment Development Department to 2016 wage levels.

**APPENDIX B TABLE 13
 2016 NATIONAL OTHER NON-RESIDENTIAL WORKER DISTRIBUTION BY OCCUPATION
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY**

Working Draft

Major Occupations (2% or more)	2016 National Other Non-Residential Occupation Distribution	
Management Occupations	658,281	3.9%
Community and Social Service Occupations	1,461,109	8.7%
Healthcare Practitioners and Technical Occupations	3,365,653	20.1%
Healthcare Support Occupations	2,194,140	13.1%
Food Preparation and Serving Related Occupations	832,617	5.0%
Building and Grounds Cleaning and Maintenance Occupations	599,980	3.6%
Personal Care and Service Occupations	2,942,922	17.5%
Office and Administrative Support Occupations	1,523,619	9.1%
Installation, Maintenance, and Repair Occupations	862,232	5.1%
All Other Other Non-Residential Occupations	<u>2,340,171</u>	<u>13.9%</u>
INDUSTRY TOTAL	16,780,724	100.0%

Note: weighted to reflect San Luis Obispo County employment base.

APPENDIX B TABLE 14
 AVERAGE ANNUAL COMPENSATION, 2016
 OTHER NON-RESIDENTIAL WORKER OCCUPATIONS
 JOBS HOUSING NEXUS ANALYSIS
 SAN LUIS OBISPO COUNTY

Working Draft

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Other Non-Residential Workers</u>
Page 1 of 3			
<i>Management Occupations</i>			
General and Operations Managers	\$105,100	28.7%	1.1%
Administrative Services Managers	\$92,000	4.8%	0.2%
Education Administrators, Preschool and Childcare Center/Program	\$62,000	4.0%	0.2%
Medical and Health Services Managers	\$101,700	24.2%	0.9%
Social and Community Service Managers	\$59,300	16.5%	0.6%
All Other Management Occupations (Avg. All Categories)	<u>\$99,200</u>	<u>21.8%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$93,100	100.0%	3.9%
Substance Abuse and Behavioral Disorder Counselors	\$58,500	7.5%	0.6%
Mental Health Counselors	\$55,100	12.7%	1.1%
Rehabilitation Counselors	\$33,600	6.4%	0.6%
Child, Family, and School Social Workers	\$42,200	13.4%	1.2%
Healthcare Social Workers	\$71,700	8.0%	0.7%
Mental Health and Substance Abuse Social Workers	\$69,300	12.0%	1.0%
Social and Human Service Assistants	\$35,000	23.8%	2.1%
All Other Business and Financial Operations (Avg. All Categories)	<u>\$51,200</u>	<u>16.1%</u>	<u>1.4%</u>
Weighted Mean Annual Wage	\$49,900	100.0%	8.7%
<i>Healthcare Practitioners and Technical Occupations</i>			
Registered Nurses	\$92,500	46.7%	9.4%
Psychiatric Technicians	\$58,700	8.5%	1.7%
Licensed Practical and Licensed Vocational Nurses	\$53,600	12.9%	2.6%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Categories)	<u>\$86,600</u>	<u>31.9%</u>	<u>6.4%</u>
Weighted Mean Annual Wage	\$82,700	100.0%	20.1%

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Other Non-Residential Workers</u>
Page 2 of 3			
<i>Healthcare Support Occupations</i>			
Home Health Aides	\$29,000	23.6%	3.1%
Psychiatric Aides	\$30,800	14.1%	1.8%
Nursing Assistants	\$29,200	49.1%	6.4%
Medical Assistants	\$34,000	4.6%	0.6%
All Other Healthcare Support Occupations (Avg. All Categories)	<u>\$32,500</u>	<u>8.7%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$29,900	100.0%	13.1%
<i>Food Preparation and Serving Related Occupations</i>			
First-Line Supervisors of Food Preparation and Serving Workers	\$36,800	5.8%	0.3%
Cooks, Institution and Cafeteria	\$30,100	19.8%	1.0%
Cooks, Restaurant	\$30,300	4.1%	0.2%
Food Preparation Workers	\$24,600	9.1%	0.5%
Bartenders	\$32,800	5.1%	0.3%
Combined Food Preparation and Serving Workers, Including Fast Food	\$21,400	9.5%	0.5%
Waiters and Waitresses	\$29,700	13.7%	0.7%
Food Servers, Nonrestaurant	\$27,800	15.6%	0.8%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	<u>\$26,600</u>	<u>17.2%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$28,300	100.0%	5.0%
<i>Building and Grounds Cleaning and Maintenance Occupations</i>			
First-Line Supervisors of Housekeeping and Janitorial Workers	\$48,000	4.2%	0.1%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$27,800	33.7%	1.2%
Maids and Housekeeping Cleaners	\$22,900	36.0%	1.3%
Landscaping and Groundskeeping Workers	\$28,700	23.0%	0.8%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All C	<u>\$28,000</u>	<u>3.1%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$27,100	100.0%	3.6%
<i>Personal Care and Service Occupations</i>			
Amusement and Recreation Attendants	\$22,500	6.6%	1.2%
Childcare Workers	\$25,300	10.1%	1.8%
Personal Care Aides	\$23,600	59.8%	10.5%
Fitness Trainers and Aerobics Instructors	\$41,500	8.2%	1.4%
Recreation Workers	\$28,000	5.9%	1.0%
All Other Personal Care and Service Occupations (Avg. All Categories)	<u>\$28,600</u>	<u>9.4%</u>	<u>1.6%</u>
Weighted Mean Annual Wage	\$25,900	100.0%	17.5%

<u>Occupation</u> ¹	<u>2016 Avg. Compensation</u> ²	<u>% of Total Occupation Group</u> ³	<u>% of Total Other Non-Residential Workers</u>
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<i>Office and Administrative Support Occupations</i>			
First-Line Supervisors of Office and Administrative Support Workers	\$54,700	6.7%	0.6%
Bookkeeping, Accounting, and Auditing Clerks	\$43,600	7.7%	0.7%
Customer Service Representatives	\$26,100	6.4%	0.6%
Interviewers, Except Eligibility and Loan	\$41,900	4.1%	0.4%
Receptionists and Information Clerks	\$30,400	10.8%	1.0%
Medical Secretaries	\$43,400	8.0%	0.7%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	\$37,000	15.9%	1.4%
Office Clerks, General	\$32,700	19.5%	1.8%
All Other Office and Administrative Support Occupations (Avg. All Categories)	<u>\$35,800</u>	<u>20.8%</u>	<u>1.9%</u>
Weighted Mean Annual Wage	\$36,900	100.0%	9.1%
<i>Installation, Maintenance, and Repair Occupations</i>			
First-Line Supervisors of Mechanics, Installers, and Repairers	\$74,100	9.0%	0.5%
Automotive Body and Related Repairers	\$52,300	15.5%	0.8%
Automotive Service Technicians and Mechanics	\$43,900	35.7%	1.8%
Maintenance and Repair Workers, General	\$38,700	18.9%	1.0%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	<u>\$47,200</u>	<u>20.9%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$47,600	100.0%	5.1%
Weighted Average Annual Wage - All Occupations	\$48,000		86.1%

¹ Including occupations representing 4% or more of the major occupation group.

² The methodology utilized by the California Employment Development Department (EDD) assumes that 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.

³ Occupation percentages are based on the 2016 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2015 Occupational Employment Survey data applicable to San Luis Obispo County, updated by the California Employment Development Department to 2016 wage levels.

**APPENDIX C: NON-DUPLICATION BETWEEN POTENTIAL
RESIDENTIAL AND NON-RESIDENTIAL IMPACT FEE PROGRAMS**

The County of San Luis Obispo has impact fees in place on non-residential projects to help mitigate the impacts of the new buildings on the demand for affordable housing in the County. The County also has in-lieu fees that apply to certain residential construction. KMA conducted both a Non-Residential Nexus Analysis and a Residential Nexus to enable consideration of updated affordable housing impact fees³; in this appendix, KMA conducts an 'overlap analysis' to determine whether any double-counting of impacts is possible.

To briefly summarize the Non-Residential Nexus Analysis (which is a jobs-housing nexus analysis), the logic begins with jobs located in new workplace buildings including office buildings, retail spaces and hotels. The nexus analysis then identifies the compensation structure of the new jobs depending on the building type, the income of the new worker households, and the housing affordability level of the new worker households, concluding with the number of new worker households in the lower income affordability levels.

In the Residential Nexus Analysis, the logic begins with the households purchasing new market rate units. The purchasing power of those households generates new jobs in the local economy. The nexus analysis quantifies the jobs created by the spending of the new households and then identifies the compensation structure of the new jobs, the income of the new worker households, and the housing affordability level of the new worker households, concluding with the number of new worker households in the lower income affordability levels.

Some of the jobs that are counted in the Non-Residential Nexus Analysis are also counted in the Residential Nexus Analysis. The overlap potential exists in jobs generated by the expenditures of County residents, such as expenditures for food, personal services, restaurant meals and entertainment. However, many jobs counted in the jobs housing nexus are not addressed in the residential nexus analysis at all. Firms in office, industrial, warehouse and hotel buildings often serve a much broader, sometimes international, market and are generally not focused on providing services to local residents at all. These non-local serving jobs are not counted in the residential nexus analysis. Retail, which typically is primarily local-serving, is the building type that has the greatest potential for overlap between the jobs counted in the residential and non-residential nexus analyses.

Theoretically, there is a set of conditions in which 100% of the jobs counted for purposes of the Non-Residential Nexus are also counted for purposes of the Residential Nexus Analysis. For example, a small retail store or restaurant might be located adjacent to a new residential development and entirely dependent upon customers from the nearby residential units. The commercial space pays the non-residential fee and the residential units would pay the residential fee. In this special case, the two programs mitigate the affordable housing demand of the very same workers. The combined requirements of the two programs to fund construction of

³ The nexus supporting residential in-lieu fees is a secondary support measure recommended because fees apply to smaller projects where on-site compliance with inclusionary requirements may not be practical.

affordable units must not exceed 100% of the demand for affordable units generated by employees in the new commercial space.

Complete overlap between jobs counted in the Non-Residential Nexus Analysis and jobs counted in the Residential Nexus Analysis could occur only in a very narrow set of theoretical circumstances. The following analysis demonstrates that the combined mitigation requirements do not exceed the nexus even if every job counted in the Residential Nexus Analysis is also counted in the Non-Residential Nexus Analysis. As discussed, the theoretical possibility of 100% overlap exists mainly with retail jobs that serve residents of new housing in the County of San Luis Obispo; therefore, the overlap analysis is focused on the retail land use.

Recommended Non-Residential Fee as a Percent of Maximum Fee

The Non-Residential Nexus Analysis calculates the maximum mitigation amount supported by the analysis. KMA recommended adoption of retail fees within the range of \$2 - \$3 per square foot. The overlap analysis is conducted on the high end of this range; if the County ultimately selects a higher fee level, the overlap analysis should be revised to the higher fee level.

Building Type	Maximum Nexus Amount	Maximum Recommended Fee Level	Percent of Maximum
Retail	\$95.30	\$3.00	3%

Source: Keyser Marston Associates Summary, Context Materials and Recommendations Report.

The conclusion is that the maximum recommended fee level for the County of San Luis Obispo represents 3% of the nexus cost. So, at most, the Non-Residential fee would mitigate approximately 3% of the demand for affordable units generated by new non-residential space.

Recommended Residential Impact Fee as a Percent of Maximum Fee

KMA has recommended that the County consider a residential affordable housing impact fee which varies based upon unit size and with higher rates applicable in the Coastal Zone. The table below compares the maximum supported fee amounts to the applicable recommended fee levels for each prototype. Again, if the County ultimately selects a higher fee level, this overlap analysis should be revised.

Maximum Recommended Fees as Percent of Maximum Fee						
	Inland				Coastal Zone	
	Single Family Detached	Small Lot Single Family	San Miguel Single Family	Attached Townhomes	Coastal Single Family	Coastal Attached Townhomes
Maximum Nexus Amount	\$7.50	\$7.80	\$7.10	\$9.40	\$13.30	\$25.30
Max. Recommended Fee	\$1.45	\$0.44	\$0.00	\$0.00	\$12.00	\$24.00
Max. Rec. Fee as Percent of Nexus	19%	6%	0%	0%	90%	95%

Source: Keyser Marston Associates Summary, Context Materials and Recommendations Report.

The conclusion is that the maximum recommended affordable housing fee level represents 0% to 95% of the maximum supported by the Residential Nexus analysis.

Combined Requirements within Nexus Maximums

The highest non-residential fee level recommended mitigates 3% of the maximum supported impact fee amount. The maximum recommended impact fee level for residential development represents up to 95% of the maximum supported impact fee amount. Therefore, the combined affordable housing mitigations would not exceed the nexus even if there were 100% overlap in the jobs counted in the two nexus analyses.

Maximum Percent of Housing Demand Mitigated	
Max Residential Fee as Percent of Residential Nexus	95%
Max Non-Res. Fee as Percent of Non-Residential Nexus for Retail	3%
Maximum Percent of Demand Mitigated	98%