KEYSER MARSTON ASSOCIATES

AFFORDABLE HOUSING NEXUS ANALYSIS

Prepared for:
City of Encinitas

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1.0 INTRODUCTION AND SUMMARY OF FINDINGS

This report presents the findings of an affordable housing nexus analysis which analyzes the linkages between new development and the need for additional affordable housing in the City of Encinitas (City). Two types of development are addressed:

(1) New market rate residential units; and

(2) New residential care facilities.

Residential care facilities are defined in Chapter 30.04 of the City's municipal code and encompass a range of shared living facilities including assisted living, skilled nursing, memory care, and residential treatment centers which provide services, supervision, or assistance to sustain the activities of daily living.

The report has been prepared by Keyser Marston Associates, Inc. (KMA) pursuant to a contract with the City.

1.1 City of Encinitas Affordable Housing Ordinance

The City's inclusionary requirements for new residential development are established in the City's Zoning Code, Section 30.41 on Affordable Housing (referred to for purposes of this report as the Affordable Housing Ordinance or "AHO"). Prior to August 2018, the AHO required subdivisions of at least 10 units to set aside one unit at Very Low Income for every 10 units or pay an equivalent in-lieu fee. On August 8, 2018, the City Council amended the AHO to:

(1) Increase the City's inclusionary requirement to 10% for Very Low Income households or 15% for Low Income households for both rental and for-sale units;

(2) Authorize the use of accessory dwelling units to meet the inclusionary requirement (up to five units); and

(3) Require affordability restrictions to be maintained in perpetuity.

The City is currently considering additional changes to the AHO that would:

(1) Modify the percentage of affordable units required;

(2) Expand requirements to apply to projects under the current seven-unit minimum size threshold;

(3) Establish an in-lieu fee schedule; and

(4) Implement a new affordable housing fee for residential care facilities.

1.2 Purpose of Study and Nexus Concept

This nexus study has been prepared for the limited purpose of determining nexus support for a potential new affordable housing fee applicable to residential care facilities and as a secondary support measure for in-lieu fees applicable to residential development projects. The analysis determines the maximum fees that could be imposed in a manner that is consistent with the requirements of Government Code Section 66000 (Mitigation Fee Act).

This analysis has not been prepared as a document to guide policy design in the broader context. We caution against the use of this study, or any impact study for that matter, for purposes beyond the intended use. All nexus studies are limited and imperfect but can be helpful for addressing narrow concerns. Findings presented in this report represent the results of an impact analysis only and **are not** policy recommendations regarding potential fee levels.

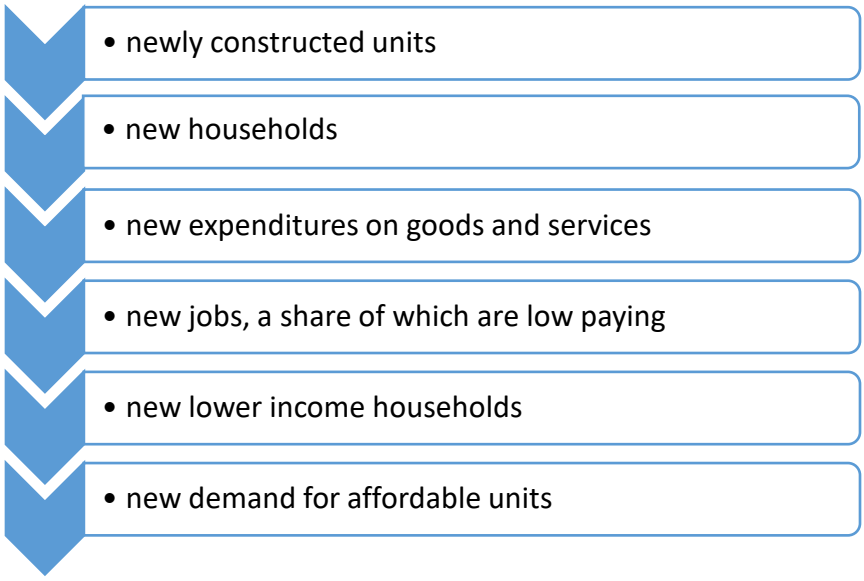
Residential Nexus Analysis

The residential nexus analysis addresses various types of new residential units subject to the City's AHO at this time and potentially in the future. The nexus analysis quantifies linkages between new market rate units and increased demand for affordable housing.

Inclusionary housing requirements, including fees paid in-lieu of providing onsite units, are not required to be supported by a nexus analysis based on the decision 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. Enactment of AB 1505, effective January 1, 2018, restored the ability of California cities to apply inclusionary requirements to rental developments. While not a requirement to implement an inclusionary policy, a nexus analysis is sometimes recommended as a secondary support measure for in-lieu fees, particularly in cases where fees apply to smaller projects where providing on-site affordable units may not be practical. For Encinitas, a nexus analysis was prepared as a secondary support measure because of the proposed application of in-lieu fees to small projects, potentially down to single unit developments.

The underlying concept of the residential nexus analysis is that newly constructed market rate units represent net new households in Encinitas. These households represent new income in Encinitas 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 Encinitas and therefore need affordable housing.

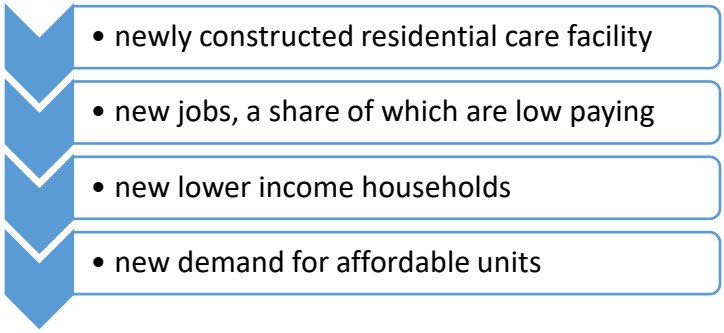
Residential Nexus Analysis Concept



Residential Care Nexus

The Residential Care Facility Nexus Analysis quantifies the linkages between new residential care facilities, the employees who work in them, and their demand for affordable housing, and calculates maximum supported fee levels consistent with the requirements of Government Code Section 66000 (Mitigation Fee Act) based on the cost of mitigating the increased demand for affordable housing. The analysis has been prepared to support a potential affordable housing impact fee applicable to development of new residential care facilities. The conclusions represent maximum supportable or legally defensible impact fee levels based on the impact of new residential care facility development on the need for affordable housing. Findings are not recommended fee levels. Fees may be set anywhere up to the maximums identified in this study.

Residential Care Nexus Analysis Concept



1.3 Nexus Maximum Fee Level Findings

The analysis calculates maximum affordable housing fees based on the cost of delivering housing affordable to new lower and moderate-income workers in residential care facilities and workers in retail, restaurants, and other services to residents of newly developed residential units. The maximum fee level conclusions of the analysis are summarized in Table 1-1.

Table 1-1. Nexus Analysis Maximum Fee Level Findings

Development Type	*Maximum Fee Per Unit or Bed*	*Maximum Fee Per Net Square Foot*
Residential		
Single-Family Large Lot	$128,000 /Unit	$32.00 /SF
Single-Family Medium Lot	$110,900 /Unit	$34.00 /SF
Single-Family Small Lot (R-8)	$84,800 /Unit	$38.30 /SF
Single-Family Small Lot (RS/R-11)	$76,300 /Unit	$38.20 /SF
Mixed Use Development	$87,000 /Unit	$58.00 /SF
Townhomes	$63,700 /Unit	$42.30 /SF
Apartments	$54,600 /Unit	$66.10 /SF
Residential Care Facilities	$44,300 /Bed	$48.70 /SF

Note: nexus findings are not recommended fee levels.
For residential projects, per square foot findings reflect net rentable or net sellable square feet excluding parking areas, external corridors and other common areas. For Residential Care Facilities, per square foot findings reflect livable floor area excluding parking and unfinished basement and utility areas.

Nexus findings for residential care facilities represent a maximum or ceiling for a potential new impact fee. Findings presented in this report represent the results of an impact analysis only and **are not** recommended fee levels.

Nexus findings for residential development provide a secondary support measure for in-lieu fees that apply to small residential projects. KMA recommends that the City seek advice from its legal counsel regarding potential circumstances where in-lieu fees should be limited to the maximums identified in Table 1-1.

1.4 Affordability Levels Addressed

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

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

Households are categorized by income tier based on income limits published by the California Department of Housing and Community Development (HCD). For reference, the 2019 median

income for a family of four in San Diego County is $86,300. Table 2-8 identifies income limits for all applicable income categories and household sizes.

1.5 Report Organization

The report is organized into the following sections:

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

1.6 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.

2.0 RESIDENTIAL NEXUS ANALYSIS

The residential nexus analysis establishes the link between new market rate residential development in Encinitas and the need for affordable housing and concludes with a determination of maximum affordable fee levels that reflect the cost of mitigating the increased affordable housing need.

2.1 Overview of Methodology

The residential nexus analysis methodology starts with the sales price or rental rate of a new market rate residential unit, and moves through a series of linkages to the gross income of the household that purchased or rented 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 doings those jobs 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 IMPLAN, a widely used economic analysis tool used for quantifying the impacts of changes in a local economy, including employment impacts from changes in personal income. The analysis includes jobs at establishments that serve new residents directly (e.g., supermarkets, banks 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. From job generation by industry, KMA used its jobs housing nexus analysis methodology 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 and moderate-income households who cannot afford market rate housing in Encinitas.

Net New Underlying Assumption

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

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

In summary, the KMA residential nexus analysis quantifies all the job impacts occurring within San Diego County and related housing needs. Job impacts, like most types of impacts, occur irrespective of jurisdictional boundaries. And like other types of impact analyses, such as traffic, impacts beyond city boundaries are experienced, are relevant, and are important. See Appendix B for further discussion.

2.2 Market Rate Units

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

KMA worked with City staff to select seven representative residential development prototype units envisioned to be developed in Encinitas in the future. Prototype units are based on projects proposed, recently built in the City and are defined based on the residential zoning classifications in Encinitas. KMA then undertook a market survey of residential projects to estimate current sale prices and rent levels for the seven residential project types. Estimated sales prices and rent levels are summarized in Table 2-1. Market data supporting these estimates is presented in Appendix A.

Table 2-1. Encinitas Residential Prototypes				
	Typical Density	*Average Unit Size*	*Average Price/Rent*	*Price/Rent $/SF*
For-Sale Prototypes				
Single Family Detached Large Lot (R-3)	3 du/acre	4,000 sq. ft.	$1,900,000	$475/SF
Single Family Detached Medium Lot (R-5)	5 du/acre	3,250 sq. ft.	$1,625,000	$500/SF
Single Family Detached Small Lot (R-8)	8 du/acre	2,217 sq. ft.	$1,053,000	$475/SF
Single Family Detached Small Lot (RS-11 / R-11)	11 du/acre	2,000 sq. ft.	$950,000	$475/SF
Mixed Use Development	10 du/acre	1,500 sq. ft.	$1,125,000	$750/SF
Townhomes (R-15)	15 du/acre	1,510 sq. ft.	$755,000	$500/SF
Rental Prototype				
Apartments	20 du/acre	825 sq. ft.	$2,970	$3.60/SF

Source: KMA market study; see Appendix A.

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

2.3 Estimated Household Income

After the prototypes are established, the next step in the analysis is to determine the income of the purchasing or renting households in the prototypical units.

Household Income – Purchasers of Ownership Units

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

- Down-payment of 20%, which is representative of new purchase loans originated locally.[1] For larger and medium lot single family prototypes, a 25% down payment is estimated based on the median for homes in the applicable price range that carry a mortgage[2].
- 30-year fixed rate mortgage.
- Interest rate of 4.15% based on the average for 30-year fixed rate mortgages issued over the prior one-year period.[3]

[1] Reflects the median down payment for new purchase loans originated in zip codes corresponding to San Diego County derived from Freddie Mac dataset for loans issued in the second quarter of 2017.

[2] Reflects the median down payment for homes sold within the City of Encinitas from February 2018 through February 2019 with sales prices ranging between $1.6 and $3 million and that carry a mortgage calculated from CoreLogic data for the City of Encinitas.

[3] Based on Freddie Mac Primary Mortgage Market Survey. Reflects weekly average rates for 30 year fixed rate mortgages during the period from 10/25/2018 through 10/17/2019.

In addition to the mortgage, housing costs include homeowners' insurance, homeowner association dues and property taxes. Estimates for each are identified in Table 2-2. These additional costs are considered 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 total housing costs represent, on average, approximately 35% of gross income. The assumption that housing expenses represent 35% of gross income is reflective of the local average for new purchase loans[5] and is consistent with criteria used by lenders to determine mortgage eligibility.[6]

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

[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.

[5] Freddie Mac data on new purchase loans originated in zip codes corresponding to San Diego County for the 2nd Quarter of 2017 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.

Table 2-2. Estimated Household Income for Purchasers of Ownership Housing Types						
	Single-Family Large Lot	*Single-Family Medium Lot*	*Single-Family Small Lot (R-8)*	*Single-Family Small Lot (RS/R-11)*	*Condo / Mixed Use*	*Townhomes*
Unit Size	4,000 SF	3,250 SF	2,217 SF	2,000 SF	1,500 SF	1,510 SF
Sales Price	$1,900,000	$1,625,000	$1,053,000	$950,000	$1,125,000	$755,000
Per Sq. Ft.	$475 /SF	$500 /SF	$475 /SF	$475 /SF	$750 /SF	$500 /SF
Mortgage						
Percent Down	25%	25%	20%	20%	20%	20%
Loan Amount	$1,425,000	$1,219,000	$842,000	$760,000	$900,000	$604,000
Interest Rate	4.15%	4.15%	4.15%	4.15%	4.15%	4.15%
Monthly Payment	$6,900	$5,900	$4,100	$3,700	$4,400	$2,900
Annual Payment	$83,100	$71,100	$49,100	$44,300	$52,500	$35,200
Property Taxes(1)	$20,900	$17,900	$11,600	$10,500	$12,400	$8,300
HOA Dues (2)						
Monthly	$300	$200	$150	$150	$400	$330
Annual	$3,600	$2,400	$1,800	$1,800	$4,800	$3,960
Hazard Insurance (3)	$1,500	$1,300	$1,100	$1,000	$1,100	$800
Annual Housing Cost	$109,100	$92,700	$63,600	$57,600	$70,800	$48,260
% of Income Spent on Housing	35%	35%	35%	35%	35%	35%
Annual Household Income Required	**$312,000**	**$265,000**	**$182,000**	**$165,000**	**$202,000**	**$138,000**

(1) Property tax rate is inclusive of ad valorem taxes and applicable voter approved rates, fixed charges, and assessments estimated based on average tax rates for recently constructed homes in Encinitas derived from real estate data provider Real Quest.

(2) HOA dues estimated based on Redfin data identifying HOA dues for recently sold or listed units in Encinitas.

(3) Estimate based on a quote obtained from progressive insurance.

Apartment Units

Household income for renter households is estimated based on the assumption that housing costs, including rent and utilities, represents on average 30% of gross household income. The 30% factor was selected for consistency with the California Health and Safety Code standard for relating income to affordable rent levels.[7] The estimate is summarized in Table 2-3.

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

Table 2-3. Estimated Household Income Renters of New Market Rate Apartments	
	Apartment
Unit Size	825 SF
Monthly Rent	$2,970
Per Sq. Ft.	$3.60
Monthly Utilities (1)	$99
Total Monthly housing cost	$3,073
Annual housing cost	$36,871
% of Income Spent on Rent (2)	30%
Annual Household Income Required	**$123,000**

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

(2) While landlords may permit rental payments to represent a slightly higher share of total income in some cases, 30% is assumed based on the California Health and Safety Code and used throughout housing policy to relate income to affordable rental housing costs.

Household Income Available for Expenditures

The input into the IMPLAN model used in this analysis is the net income available for expenditures. To arrive at income available for expenditures, gross income must be adjusted for Federal and State income taxes, contributions to Social Security and Medicare, savings, and payments on household debt. Per KMA correspondence with the producers of the IMPLAN model (IMPLAN Group LLC), other taxes including sales tax, gas tax, and property tax are handled internally within the model as part of the analysis of expenditures. Payroll deduction for medical benefits and pre-tax medical expenditures are also handled internally within the model. Housing costs are addressed separately, as described below, and so are not deducted as part of this adjustment step. Table 2-4 shows the calculation of income available for expenditures.

Table 2-4. Percent of Income Available for Expenditure

	Single-Family Large Lot	Single-Family Medium Lot	Single-Family Small Lot (R-8)	Single-Family Small Lot (RS/R-11)	Condo / Mixed Use	Townhomes	Apartment
Gross Income	100%	100%	100%	100%	100%	100%	100%
Less:							
Federal Income Taxes	18.9%	18.9%	12.3%	12.3%	18.9%	12.3%	13.9%
State Income Taxes	6.2%	5.9%	4.6%	4.4%	5.5%	4.0%	3.9%
FICA Tax Rate	6.02%	6.83%	7.65%	7.65%	7.65%	7.65%	7.65%
Savings & other deductions	12%	10%	8%	8%	8%	8%	8%
Subtotal Deductions	43%	42%	32%	32%	40%	32%	33%
Percent of Income Available for Expenditures	***57%***	***58%***	***68%***	***68%***	***60%***	***68%***	***67%***

Income available for expenditures is estimated at approximately 57% to 68% 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 $200,000 and $500,000 per year who itemize deductions on their tax returns will pay an average of 18.9% of gross income for federal taxes. Households earning between $100,000 and $200,000 per year who itemize deductions on their tax returns will pay an average of 12.3% of gross income for federal taxes. Residents of the market rate rental units are estimated to pay an average of 13.9% of gross income in federal income taxes, the average for households in the $100,000 to $200,000 income range not itemizing deductions on their taxes. State taxes are estimated to range from 3.9% to 6.2% of gross income, based on tax rates per the California Franchise Tax Board. The employee share of FICA payroll taxes for Social Security and Medicare is 7.65% of gross income. A ceiling of $132,900 per employee applies to the 6.2% Social Security portion of this tax rate, resulting in lower payroll tax rates at the higher income levels.

Savings and repayment of household debt represent another necessary adjustment to gross income. Savings includes various IRA and 401 K type programs as well as non-retirement household savings and investments. Debt repayment includes auto loans, credit cards, and all other non-mortgage debt. Overall, savings and repayment of debt are estimated to represent a combined 8% of gross income based on a 20-year average derived from United States Bureau of Economic Analysis data.

Data suggests that savings rate varies by income, however, with high income households saving a larger percentage of their gross income than the average. Data published by the National Bureau of Economic Research indicate that the average savings rate for households varies by income percentile, with households in the top 10% of income nationwide saving, on

average, 20% of their income annually (the average for 2000-2012)[8]. Due to the high cost of housing and other living expenses in San Diego County, however, it is likely that savings rates do not approach the national average until households are at a much higher income level. For the purposes of the nexus analysis, therefore, we assume that households purchasing the large lot single family unit are saving 12% of their income and purchasers of the medium lot single family unit are saving 10% of their income. Purchasers of the small lot single family, mixed use and townhome units and apartment renters are assumed to have an average level of savings of 8%.[9]

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

After deducting income taxes, Social Security, Medicare, savings, and repayment of debt, for purchasers of one of the new ownership prototypes, the estimated income available for expenditures is 57% - 68%. 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.

Adjustments for Vacancy and Seasonal Use

Spending for occupants of rental units is adjusted downward by 5% to account for standard operational vacancy of the rental units, a level of vacancy considered average for rental units in a healthy market. Spending by households in the ownership units is adjusted down by 3.5% to account for a share of units used on a seasonable or occasional basis[10].

Estimates of household income available for expenditures are presented in Table 2-5:

[8] Emmanuel Saez and Gabriel Zucman. "Wealth Inequality in the United States Since 1913: Evidence from Capitalized Income Tax Data." National Bureau of Economic Research, Working Paper 20625. October 2014.
[9] The nexus methodology calculates the minimum household income required to purchase the market rate units, by assuming households spend 35% of income on housing. These households, therefore, are not likely to be saving 20% of their gross income in addition to their housing expense. However, they are still high income households and therefore are likely to be saving more than the national average of 8%. The higher savings rates of 10% and 12% were selected to make the analysis more conservative than assuming an 8% savings rate.
[10] 3.5% seasonal use adjustment was estimated based upon 2012 to 2016 American Community Survey Data indicating approximately 5% of housing units in Encinitas are occupied on a seasonal or occasional basis and assuming that seasonal units are occupied for approximately three months of the year, resulting in an adjustment of 3.5%. An additional vacancy adjustment is not reflected as newly built ownership units are anticipated to have only a nominal level of vacancy, except for units in seasonal use.

Table 2-5. Income Available for Expenditures					
	Gross Household Income	*Percent Income available for Expenditure*	*Spending Adjustment / Rental Vacancy & Seasonal Use*	*Household Income Available for Expenditure(1) [IMPLAN Model Input]*	
				One Unit	*Ten Units*
Single-Family Large Lot	$312,000	57%	96.5%	$172,000	$1,720,000
Single-Family Medium Lot	$265,000	58%	96.5%	$149,000	$1,490,000
Single-Family Small Lot (R-8)	$182,000	68%	96.5%	$120,000	$1,200,000
Single-Family Small Lot (RS/R-11)	$165,000	68%	96.5%	$108,000	$1,080,000
Condo / Mixed Use	$202,000	60%	96.5%	$117,000	$1,170,000
Townhomes	$138,000	68%	96.5%	$91,000	$910,000
Apartment	$123,000	67%	95%	$78,000	$780,000

(1) Calculated as gross household income multiplied by the percent available for expenditures multiplied by the spending adjustment for rental vacancy and seasonal use.

The nexus analysis is conducted on 10-unit building modules for ease of presentation, and to avoid awkward fractions. The spending associated with 10 market rate residential units is the input into the IMPLAN model.

2.4 Jobs Generated by Household Expenditures

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 Diego County. As will be discussed, much of the employment impact is in local-serving sectors, such as retail, eating and drinking establishments, and medical services. A significant portion of these jobs will be located in Encinitas or nearby. In addition, the employment impacts will extend throughout the county and beyond based on where jobs are located that serve Encinitas residents. In fact, impacts will likely extend outside of the county and throughout the greater region. However, consistent with the conservative approach taken in the nexus analysis, only the impacts that occur within San Diego 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 10 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 in Table 2-6.

Table 2-6. Jobs Generated Per 10 Units

	Annual Household Expenditures (10 Units)	Total Jobs Generated (10 Units)
Single-Family Large Lot	$1,720,000	14.8
Single-Family Medium Lot	$1,490,000	12.8
Single-Family Small Lot (R-8)	$1,200,000	9.9
Single-Family Small Lot (RS/R-11)	$1,080,000	8.9
Condo / Mixed Use	$1,170,000	10.0
Townhomes	$910,000	7.4
Apartment	$780,000	6.4

Table 2-7 provides a detailed summary of employment generated by industry. The table shows industries sorted by projected employment. The Consumer Expenditure Survey published by the Bureau of Labor Statistics tracks expenditure patterns by income level. IMPLAN 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 2-7
IMPLAN MODEL OUTPUT
EMPLOYMENT GENERATED
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Per 10 Market Rate Units	*Prototype 1*	*Prototype 2*	*Prototype 3*	*Prototype 4*	*Prototype 5*	*Prototype 6*	*Prototype 7*	
	Single-Family Large Lot	**Single-Family Medium Lot**	**Single-Family Small Lot (R-8)**	**Single-Family Small Lot (RS/R-11)**	**Condo / Mixed Use**	**Townhomes**	**Apartment**	**% of Jobs**
Household Expenditures *(10 Market Rate Units)*	$1,720,000	$1,490,000	$1,200,000	$1,080,000	$1,170,000	$910,000	$780,000	
Jobs Generated by Industry [1]								
Full-service restaurants	0.8	0.7	0.6	0.5	0.5	0.4	0.3	5%
Limited-service restaurants	0.7	0.6	0.5	0.5	0.5	0.4	0.3	5%
All other food and drinking places	0.4	0.3	0.3	0.3	0.3	0.2	0.2	3%
Subtotal Restaurant	1.9	1.6	1.4	1.2	1.3	1.0	0.8	13%
Retail - Food and beverage stores	0.4	0.4	0.3	0.3	0.3	0.2	0.2	3%
Retail - General merchandise stores	0.4	0.4	0.3	0.3	0.3	0.2	0.2	3%
Personal care services	0.3	0.3	0.2	0.2	0.2	0.2	0.1	2%
Retail - Health and personal care stor	0.2	0.1	0.1	0.1	0.1	0.1	0.1	1%
Retail - Miscellaneous store retailers	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1%
Retail - Building material and garden	0.2	0.1	0.1	0.1	0.1	0.1	0.1	1%
Other personal services	0.3	0.2	0.2	0.2	0.2	0.1	0.1	2%
Retail - Clothing and accessories	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1%
Retail - Motor vehicle and parts deale	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1%
Retail - Nonstore retailers	0.3	0.2	0.2	0.2	0.2	0.1	0.1	2%
Subtotal Retail and Service	2.6	2.3	1.8	1.6	1.8	1.3	1.1	18%
Hospitals	0.2	0.2	0.3	0.2	0.1	0.2	0.1	2%
Nursing and community care facilities	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1%
Home health care services	0.2	0.2	0.1	0.1	0.2	0.1	0.1	1%
Offices of physicians	0.4	0.4	0.3	0.3	0.3	0.3	0.2	3%
Offices of dentists	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1%
Offices of other health practitioners	0.3	0.2	0.2	0.2	0.2	0.1	0.1	2%
Subtotal Healthcare	1.5	1.3	1.1	1.0	1.0	0.9	0.7	11%
Other educational services	0.4	0.3	0.2	0.1	0.3	0.1	0.1	2%
Colleges and universities	0.4	0.3	0.3	0.2	0.3	0.1	0.1	3%
Elementary and secondary schools	0.2	0.2	0.1	0.1	0.2	0.1	0.1	1%
Subtotal Education	1.0	0.9	0.5	0.5	0.7	0.3	0.3	6%
Real estate	0.5	0.4	0.3	0.3	0.3	0.3	0.2	3%
Insurance	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1%
Legal services	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1%
Individual and family services	0.6	0.5	0.3	0.3	0.4	0.2	0.2	4%
Religious organizations	0.2	0.2	0.2	0.1	0.2	0.1	0.1	2%
Employment services	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1%
Wholesale trade	0.4	0.3	0.3	0.2	0.3	0.2	0.2	3%
Other financial investment activities	0.2	0.2	0.2	0.2	0.1	0.2	0.2	2%
Services to buildings	0.3	0.3	0.2	0.2	0.2	0.1	0.1	2%
Services to private households	0.3	0.2	0.2	0.1	0.2	0.1	0.1	2%
Automotive repair and maintenance	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1%
Depository credit (banking)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1%
Child day care services	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1%
Landscape and horticultural services	0.2	0.1	0.1	0.1	0.1	0.1	0.1	1%
Nondepository credit	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1%
Outpatient care centers	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1%
Other local government enterprises	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1%
All Other	3.7	3.2	2.4	2.2	2.5	1.9	1.6	25%
Total Number of Jobs Generated	14.8	12.8	9.9	8.9	10.0	7.4	6.4	100%

[1] Estimated employment generated by expenditures of households within 10 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 Diego, CA (uses 2016 IMPLAN data set, the most recent available as of October 2018). Includes both full- and part-time jobs.

2.5 Housing Demand by Income Level

This section presents a summary of the analysis linking the employment growth associated with residential development, or the output of the IMPLAN model (see Section B), to the estimated number of lower income housing units required in each of three income categories for the seven 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 10-unit residential project 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 10 market rate units.

The table below shows the 2019 Area Median Income (AMI) for San Diego County, as well as the income limits for the three income categories evaluated: Very Low (50% of AMI), Low (80% of AMI), and Moderate (120% of AMI). The income definitions used in the analysis are those published by the California Department of Housing and Community Development (HCD).

Table 2-8. 2019 Income Limits for San Diego County

	Household Size (Persons)					
	1	2	3	4	5	6 +
Very Low (0%-50% AMI)	$37,450	$42,800	$48,150	$53,500	$57,800	$62,100
Low (50%-80% AMI)	$59,950	$68,500	$77,050	$85,600	$92,450	$99,300
Moderate (80%-120% AMI)	$72,500	$82,850	$93,200	$103,550	$111,850	$120,100
Median (100% of Median)	$60,400	$69,050	$77,650	$86,300	$93,200	$100,100

Source: California Department of Housing and Community Development.

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

Analysis Steps

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

Step 1 – Estimate of Total New Employees

The estimated number of jobs generated by the household expenditures of residents who live in new market rate units is established in Section 2-4 and summarized in Table 2-6.

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 manufacturing, publishing, and telecommunications sectors of the local economy have declined in employment. Jobs lost in these declining sectors were replaced by job growth in other industry sectors.

Step 2 makes an adjustment to take ongoing changes in the economy into account recognizing that jobs added are not 100% net new in all cases. A 6% adjustment is 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. The analysis makes the assumption that existing workers downsized from declining industries are available to fill a portion of jobs in new residential care facilities built in Encinitas.

The 6% downward adjustment used for purposes of the analysis was derived from California Employment Development Department data on employment by industry in San Diego County over a twenty-year period from 1998 through 2017, inclusive. Over this period, approximately 19,800 jobs were lost in declining industry sectors while growing and stable industries added a total of 355,900 jobs over the same period. The figures are used to establish a ratio between jobs lost in declining industries to jobs gained in growing and stable industries at 6%[11]. Effectively assuming 6% of new jobs are filled by a worker downsized from a declining industry and who already lives locally. The discount for changing industries represents a conservative assumption because displaced workers may exit the workforce entirely by retiring.

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.

The estimated number of new jobs before and after this changing industry adjustment is summarized in Table 2-9.

[11] The 6% ratio is calculated as 19,800 jobs lost in declining sectors excluding defense divided by 355,900 jobs gained in growing and stable sectors = 5.6% (rounded to 6%).

Step 3 – Adjustment from Employees to Employee Households

This step (Table 2-9) converts the number of employees to the number of employee households, recognizing that there is, on average, more than one worker per household, and thus the number of housing units in demand for new workers is reduced. The workers-per-worker-household ratio eliminates from the equation all non-working households, such as retired persons and students. The County average of 1.81 workers per worker household (from the U. S. Census Bureau 2012-2016 American Community Survey) is used for this step in the analysis. The 1.81 ratio covers all workers, full and part time. This ratio is distinguished from the overall number of workers per household in that the denominator includes only households that have at least one worker. If the overall average number of workers per household in the County were used, it would have produced a greater demand for housing units. The number of jobs is divided by 1.81 to determine the number of worker households.

Table 2-9. Estimated Number New Workers and Worker Households (Steps 1 - 3)

	Total Jobs Generated (10 Units)	Net New Jobs After Changing Industries Adjustment	Number of Worker Households
			at 1.81 workers per worker household
Single-Family Large Lot	14.8	13.9	7.7
Single-Family Medium Lot	12.8	12.0	6.7
Single-Family Small Lot (R-8)	9.9	9.3	5.2
Single-Family Small Lot (RS/R-11)	8.9	8.4	4.6
Condo / Mixed Use	10.0	9.4	5.2
Townhomes	7.4	7.0	3.9
Apartment	6.4	6.0	3.3

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 2-7. The IMPLAN output is paired with data from the Department of Labor, Bureau of Labor Statistics May 2017 Occupational Employment Survey (OES) to estimate the occupational composition of employees within each industry sector.

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

The output of the IMPLAN model is jobs by industry sector using IMPLAN's own industry classification system, which consists of 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 from the OES.

Table 2-10 illustrates analysis Step 4a in which employment estimates by IMPLAN Code are translated to NAICS codes and then aggregated at the four and five digit NAICS code level. The examples used are Child Day Care Centers and Hospitals. The process is applied to all the industry sectors.

Table 2-10. Illustration of Model Step 4a.

A. IMPLAN Output by IMPLAN Industry Sector		B. Link to Corresponding NAICS Code		C. Aggregate at 4-Digit NAICS Code Level		
Jobs	IMPLAN Sector	Jobs	NAICS Code	Jobs	% Total	4-Digit NAICS
0.2	487 - Child day care services	0.2	6244 Child day care services	0.2	100%	6244 Child day care services
0.19	482 - Hospitals	0.19	622 Hospitals	0.17	92%	6221 General Medical and Surgical Hospitals
				0.01	4%	6222 Psychiatric and Substance Abuse Hospitals
				0.01	4%	6223 Specialty (except Psychiatric and Substance Abuse) Hospitals

Source: KMA, Bureau of Labor Statistics May 2017 Occupational Employment Survey.

Step 4b – Apply OES Data to Estimate Occupational Distribution

Employment estimates by four and five-digit NAICS code from step 4a are paired with data on occupational composition within each industry from the OES to generate an estimate of employment by detailed occupational category. Table 2-17 at the end of this section identifies the breakdown by major occupation category. Information on detailed occupational categories is provided in Appendix C. The three largest occupational categories are office and administrative support (16%), food preparation and serving (13 - 14%), and sales and related (13%). Step 4 of

Table 2-17 indicates the percentage and number of employee households by occupation associated with 10 market rate units.

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

In this step, occupations are translated to incomes based on recent San Diego County wage and salary information from the California Employment Development Department (EDD). The wage and salary information summarized in Appendix C provided the income inputs to the analysis.

For each occupational category shown in Table 2-17, the OES data provides a distribution of specific occupations within the category. For example, within the Food Preparation and Serving Category, there are Supervisors, Cooks, Bartenders, Waiters and Waitresses, Dishwashers, etc. In total there are over 100 detailed occupation categories included in the analysis as shown in the Appendix C 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 Diego County as of 2019.

Household incomes are estimated from employee incomes based upon ratios between individual employee income and household income derived from U.S. Census data shown in Table 2-11. The ratios adjust employee incomes upward even for households with only one worker in consideration of non-wage/salary income sources such as child support, disability, social security, investment income and others.

Table 2-11. Ratio of Household Income to Individual Worker Income

Individual Worker Income	One Worker Households	Two Worker Households	Three or More Workers
$0 to $15,000	2.79	11.54	15.38
$15,000 to $25,000	1.47	3.30	4.43
$25,000 to $50,000	1.19	2.31	2.90
$50,000 to $75,000	1.12	1.90	2.11
$75,000 to $100,000	1.07	1.69	1.80
$100,000 to $150,000	1.05	1.55	1.59
$150,000 to $200,000	1.04	1.38	1.40
$200,000 to $250,000	1.04	1.37	1.35
$250,000 to $300,000	1.04	1.31	1.22
$300,000 to $500,000	1.05	1.24	1.15
$500,000 and above	1.01	1.19	1.13

Source: KMA analysis of 2012 to 2016 American Community Survey PUMS data for San Diego County.

For each detailed occupational category, the estimated household incomes are compared to the HCD income criteria summarized in Table 2-8 to calculate the percent of worker households that would fall into each income category for each of the possible combinations of household size and number of workers in the household.

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

Step 6 – Household Size Distribution

In this step, the household size distribution of workers is estimated using U.S. Census 2012-2016 ACS data for San Diego County. Data for the County is used since workers are more representative of the larger area in which workers live (the County) than the City of Encinitas. In addition to the distribution in household sizes, the data also accounts for a range in the number of workers in households of various sizes. Table 2-12 indicates the percentage distribution utilized in the analysis. Application of these percentage factors accounts for the following:

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

Table 2-12. Percent of Households by Size and No. of Workers

No. of Persons in Household	No. of Workers in Household	Percent of Total Households
1	1	16.8%
2	1	14.7%
	2	16.3%
3	1	8.1%
	2	9.0%
	3+	2.7%
4	1	5.9%
	2	6.9%
	3+	3.9%
5	1	3.0%
	2	3.5%
	3+	2.0%
6	1	2.5%
	2	3.0%
	3+	1.7%
Total		100.0%

Source: 2012-2016 American Community Survey data for San Diego County.

The result of Step 6 is a distribution of San Diego 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 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 household having a given household size / number of workers combination. The result is the percent of households that fall into each affordability tier. The percentages are then multiplied by the number of households from Step 3 to arrive at the number of households in each affordability tier.

Table 2-18A, B and C show the result after completing Steps 5, 6, and 7 for the Very Low, Low, and Moderate-Income tiers, respectively.

2.6 Summary Findings

Table 2-13 indicates the results of the analysis for all the affordability tiers. The table presents the number of households generated in each affordability category per 10 market rate units and the total number over 120% of Area Median Income.

Table 2-13. New Worker Households per 10 Market Rate Units

	Single-Family Large Lot	*Single-Family Medium Lot*	*Single-Family Small Lot (R-8)*	*Single-Family Small Lot (RS/R-11)*	*Condo / Mixed Use*	*Townhomes*	*Apartment*
Very Low (30%-50% AMI)	1.9	1.6	1.2	1.1	1.3	0.9	0.8
Low (50%-80% AMI)	2.1	1.9	1.4	1.3	1.5	1.1	0.9
Moderate (80%-120% AMI)	1.1	1.0	0.7	0.7	0.8	0.6	0.5
Total, Less than 120% AMI	**5.1**	**4.4**	**3.4**	**3.1**	**3.5**	**2.5**	**2.2**
Greater than 120% AMI	2.6	2.2	1.8	1.6	1.7	1.3	1.1
Total, New Households	**7.7**	**6.7**	**5.2**	**4.6**	**5.2**	**3.9**	**3.3**

Housing demand for new worker households earning less than 120% of AMI ranges from 5.1 units per 10 larger lot single family detached units to 2.2 per 10 market rate apartments units. Approximately two thirds of total housing demand is within one of the income categories from zero to 120% of AMI. 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.

2.7 Mitigation Costs

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

A key component of the analysis is the affordability gap, which represents the subsidy required to create each unit of affordable housing within each of the three categories of Area Median

Income (AMI): Very Low (0% to 50%), Low (50% to 80%), and Moderate (80% to 120%). For Very Low and Low Income units, the affordability gap assumes the City would assist affordable rental units financed with 4% tax credits. Moderate income units are also assumed to be assisted in an affordable rental unit, but these units do not qualify for tax credits. See Section 4 for additional discussion and supporting calculations for the affordability gaps shown in Table 2-14, below.

Table 2-14. Affordability Gap	
Very Low (0% to 50% AMI)	$271,000
Low (50% to 80% AMI)	$242,000
Moderate (80% to 120% AMI)	$230,000

AMI = Area Median Income

2.8 Total Nexus Cost / Maximum Fee Levels

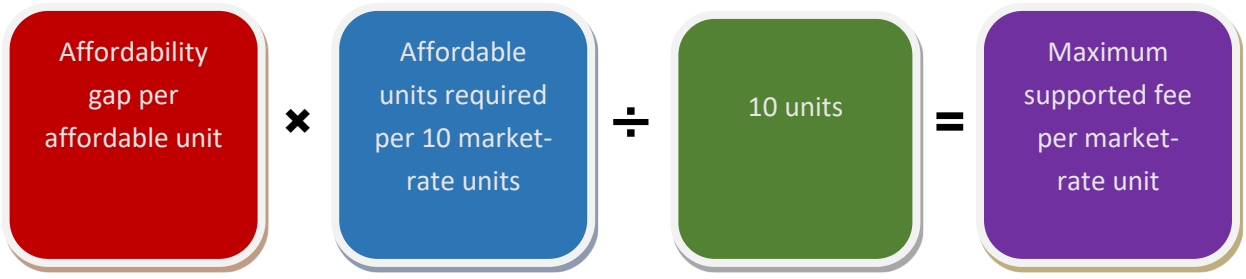
The last step in the nexus analysis marries the findings on the numbers of households in each of the lower income ranges associated with the seven prototypes to the affordability gaps, or the costs of delivering affordable housing in Encinitas. Table 2-15 summarizes the resulting total nexus costs, or maximum supported fee per market rate unit, for each of the prototypes.

Table 2-15. Total Nexus Cost Per Market Rate Unit

Income Category	*Single-Family Large Lot*	*Single-Family Medium Lot*	*Single-Family Small Lot (R-8)*	*Single-Family Small Lot (RS/R-11)*	*Condo / Mixed Use*	*Townhomes*	*Apartment*
Very Low (30%-50% AMI)	$50,400	$43,700	$33,300	$30,000	$34,300	$25,000	$21,400
Low (50%-80% AMI)	$51,900	$45,000	$34,500	$31,000	$35,300	$25,900	$22,200
Moderate (80%-120% AMI)	$25,700	$22,200	$17,000	$15,300	$17,400	$12,800	$11,000
Total Nexus Cost Per Market Rate Unit	**$128,000**	**$110,900**	**$84,800**	**$76,300**	**$87,000**	**$63,700**	**$54,600**

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

Calculation of Total Nexus Cost (Maximum Supported Fee) Per Market-Rate Unit



The Total Nexus Costs indicated above, may also be expressed on a per square foot level. The square foot area of the prototype unit used throughout the analysis becomes the basis for the calculation (the per unit findings from above are divided by unit size to get the per square foot findings). The results per square foot of building area (based on net rentable or sellable square feet excluding parking areas, external corridors and other common areas) are presented in Table 2-16.

Table 2-16. Total Nexus Cost (Maximum Supported Fee) Per Square Foot

	Single-Family Large Lot	*Single-Family Medium Lot*	*Single-Family Small Lot (R-8)*	*Single-Family Small Lot (RS/R-11)*	*Condo / Mixed Use*	*Townhomes*	*Apartment*
Unit Size (Sq Ft)	*4,000 SF*	*3,250 SF*	*2,217 SF*	*2,000 SF*	*1,500 SF*	*1,510 SF*	*825 SF*
Very Low (30%-50% AMI)	$12.60	$13.40	$15.00	$15.00	$22.90	$16.60	$25.90
Low (50%-80% AMI)	$13.00	$13.80	$15.60	$15.50	$23.50	$17.20	$26.90
Moderate (80%-120% AMI)	$6.40	$6.80	$7.70	$7.70	$11.60	$8.50	$13.30
Total Nexus Costs	**$32.00**	**$34.00**	**$38.30**	**$38.20**	**$58.00**	**$42.30**	**$66.10**

These costs express the total linkage or nexus costs for the seven prototype residential developments in the City of Encinitas. **The totals are not recommended levels for fees; they represent only the maximums established by the analysis, below which fees may be set.**

TABLE 2-17
NET NEW HOUSEHOLDS AND OCCUPATION DISTRIBUTION
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

	Prototype 1	*Prototype 2*	*Prototype 3*	*Prototype 4*	*Prototype 5*	*Prototype 6*	*Prototype 7*
	Single-Family Large Lot	**Single-Family Medium Lot**	**Single-Family Small Lot (R-8)**	**Single-Family Small Lot (RS/R-11)**	**Condo / Mixed Use**	**Townhomes**	**Apartment**
Step 1 - Employees [1]	14.8	12.8	9.9	8.9	10.0	7.4	6.4
Step 2 - Adjustment for Changing Industries (6%) [2]	13.9	12.0	9.3	8.4	9.4	7.0	6.0
Step 3 - Adjustment for No. of Households (1.81) [3]	7.7	6.7	5.2	4.6	5.2	3.9	3.3
Step 4 - Occupation Distribution [4]							
Management Occupations	4.4%	4.4%	4.4%	4.4%	4.4%	4.5%	4.5%
Business and Financial Operations	4.7%	4.7%	4.8%	4.8%	4.7%	5.3%	5.3%
Computer and Mathematical	1.4%	1.4%	1.5%	1.5%	1.4%	1.5%	1.5%
Architecture and Engineering	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Life, Physical, and Social Science	0.3%	0.3%	0.4%	0.4%	0.3%	0.3%	0.3%
Community and Social Services	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Legal	0.9%	0.9%	1.0%	1.0%	0.9%	0.7%	0.7%
Education, Training, and Library	4.8%	4.8%	3.7%	3.7%	4.8%	3.1%	3.1%
Arts, Design, Entertainment, Sports, and Medi	2.1%	2.1%	1.8%	1.8%	2.1%	1.8%	1.8%
Healthcare Practitioners and Technical	5.8%	5.8%	6.8%	6.8%	5.8%	6.6%	6.6%
Healthcare Support	3.6%	3.6%	3.8%	3.8%	3.6%	3.9%	3.9%
Protective Service	1.3%	1.3%	1.2%	1.2%	1.3%	1.3%	1.3%
Food Preparation and Serving Related	13.2%	13.2%	14.1%	14.1%	13.2%	13.8%	13.8%
Building and Grounds Cleaning and Maint.	5.7%	5.7%	5.3%	5.3%	5.7%	5.1%	5.1%
Personal Care and Service	8.3%	8.3%	7.5%	7.5%	8.3%	7.6%	7.6%
Sales and Related	13.0%	13.0%	13.0%	13.0%	13.0%	13.3%	13.3%
Office and Administrative Support	15.8%	15.8%	16.1%	16.1%	15.8%	16.4%	16.4%
Farming, Fishing, and Forestry	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Construction and Extraction	1.1%	1.1%	1.0%	1.0%	1.1%	1.2%	1.2%
Installation, Maintenance, and Repair	3.5%	3.5%	3.6%	3.6%	3.5%	3.8%	3.8%
Production	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Transportation and Material Moving	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Management Occupations	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Business and Financial Operations	0.4	0.3	0.2	0.2	0.2	0.2	0.2
Computer and Mathematical	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Architecture and Engineering	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Life, Physical, and Social Science	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community and Social Services	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Legal	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Education, Training, and Library	0.4	0.3	0.2	0.2	0.3	0.1	0.1
Arts, Design, Entertainment, Sports, and Medi	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Healthcare Practitioners and Technical	0.4	0.4	0.4	0.3	0.3	0.3	0.2
Healthcare Support	0.3	0.2	0.2	0.2	0.2	0.1	0.1
Protective Service	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Food Preparation and Serving Related	1.0	0.9	0.7	0.7	0.7	0.5	0.5
Building and Grounds Cleaning and Maint.	0.4	0.4	0.3	0.2	0.3	0.2	0.2
Personal Care and Service	0.6	0.6	0.4	0.3	0.4	0.3	0.3
Sales and Related	1.0	0.9	0.7	0.6	0.7	0.5	0.4
Office and Administrative Support	1.2	1.0	0.8	0.7	0.8	0.6	0.5
Farming, Fishing, and Forestry	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction and Extraction	0.1	0.1	0.1	0.0	0.1	0.0	0.0
Installation, Maintenance, and Repair	0.3	0.2	0.2	0.2	0.2	0.1	0.1
Production	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Transportation and Material Moving	0.4	0.4	0.3	0.3	0.3	0.2	0.2
Totals	7.7	6.7	5.2	4.6	5.2	3.9	3.3

Notes:

[1] Estimated employment generated by expenditures of households within 10 prototypical market rate units from Table 2-7.

[2] The 6% adjustment is based upon job losses in declining sectors of the local economy over the most recent 10 year period. “Downsized” workers from declining sectors are assumed to fill a portion of new jobs in sectors serving residents. 6% adjustment calculated as 19,800 jobs lost in declining sectors divided by 355,900 jobs gained in growing and stable sectors = 6%.

[3] Adjustment from number of workers to households using county average of 1.81 workers per worker household derived from the U.S. Census American Community Survey 2012 to 2016.

[4] See Appendix C for additional information on Major Occupation Categories.

TABLE 2-18A
EXTREMELY LOW AND VERY LOW-INCOME EMPLOYEE HOUSEHOLDS[1] BY OCCUPATION
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Per 10 Market Rate Units

	Prototype 1	*Prototype 2*	*Prototype 3*	*Prototype 4*	*Prototype 5*	*Prototype 6*	*Prototype 7*
	Single-Family Large Lot	**Single-Family Medium Lot**	**Single-Family Small Lot (R-8)**	**Single-Family Small Lot (RS/R-11)**	**Condo / Mixed Use**	**Townhomes**	**Apartment**
Step 5 & 6 - Extremely Low and Very Low Income Households (under 50% AMI) within Major Occupation Categories [2]							
Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Business and Financial Operations	0.01	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	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-
Education Training and Library	0.05	0.05	0.03	0.02	0.04	0.02	0.01
Arts, Design, Entertainment, Sports, & Mec	-	-	-	-	-	-	-
Healthcare Practitioners and Technical	0.01	0.01	0.01	0.01	0.01	0.01	0.00
Healthcare Support	0.08	0.07	0.05	0.05	0.05	0.04	0.04
Protective Service	-	-	-	-	-	-	-
Food Preparation and Serving Related	0.33	0.28	0.24	0.21	0.22	0.17	0.15
Building Grounds and Maintenance	0.16	0.14	0.10	0.09	0.11	0.07	0.06
Personal Care and Service	0.20	0.18	0.12	0.11	0.14	0.09	0.08
Sales and Related	0.31	0.27	0.21	0.19	0.21	0.16	0.14
Office and Admin	0.27	0.24	0.19	0.17	0.19	0.14	0.12
Farm, Fishing, and Forestry	-	-	-	-	-	-	-
Construction and Extraction	-	-	-	-	-	-	-
Installation Maintenance and Repair	0.04	0.03	0.03	0.02	0.03	0.02	0.02
Production	-	-	-	-	-	-	-
Transportation and Material Moving	0.13	0.11	0.09	0.08	0.09	0.07	0.06
ELI/VLI Households - Major Occupations	1.60	1.39	1.06	0.96	1.09	0.79	0.68
ELI/VLI Households[1] - all other occupations	0.26	0.22	0.17	0.15	0.18	0.13	0.11
Total ELI/VLI Households[1]	**1.86**	**1.61**	**1.23**	**1.11**	**1.26**	**0.92**	**0.79**

(1) Includes households earning from zero through 50% of San Diego, CA Area Median Income.
(2) See Appendix C 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 the Appendix Tables. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

TABLE 2-18B

LOW-INCOME EMPLOYEE HOUSEHOLDS[1] BY OCCUPATION
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Per 10 Market Rate Units

	Prototype 1	*Prototype 2*	*Prototype 3*	*Prototype 4*	*Prototype 5*	*Prototype 6*	*Prototype 7*
	Single-Family Large Lot	**Single-Family Medium Lot**	**Single-Family Small Lot (R-8)**	**Single-Family Small Lot (RS/R-11)**	**Condo / Mixed Use**	**Townhomes**	**Apartment**
Step 5 & 6 - Low Income Households (50%-80% AMI) within Major Occupation Categories [2]							
Management	0.03	0.02	0.02	0.02	0.02	0.01	0.01
Business and Financial Operations	0.06	0.05	0.04	0.04	0.04	0.03	0.03
Computer and Mathematical	-	-	-	-	-	-	-
Architecture and Engineering	-	-	-	-	-	-	-
Life, Physical and Social Science	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-
Education Training and Library	0.10	0.09	0.05	0.05	0.07	0.03	0.03
Arts, Design, Entertainment, Sports, & Media	-	-	-	-	-	-	-
Healthcare Practitioners and Technical	0.04	0.03	0.03	0.03	0.03	0.02	0.02
Healthcare Support	0.11	0.09	0.07	0.07	0.07	0.06	0.05
Protective Service	-	-	-	-	-	-	-
Food Preparation and Serving Related	0.27	0.23	0.19	0.17	0.18	0.14	0.12
Building Grounds and Maintenance	0.17	0.15	0.11	0.09	0.12	0.08	0.07
Personal Care and Service	0.17	0.14	0.10	0.09	0.11	0.08	0.07
Sales and Related	0.23	0.20	0.15	0.14	0.16	0.12	0.10
Office and Admin	0.44	0.38	0.30	0.27	0.30	0.23	0.20
Farm, Fishing, and Forestry	-	-	-	-	-	-	-
Construction and Extraction	-	-	-	-	-	-	-
Installation Maintenance and Repair	0.09	0.08	0.06	0.06	0.06	0.05	0.04
Production	-	-	-	-	-	-	-
Transportation and Material Moving	0.16	0.14	0.10	0.09	0.11	0.08	0.07
Low Income Households - Major Occupations	1.85	1.60	1.23	1.11	1.26	0.92	0.79
Low Income Households[1] - all other occupations	0.30	0.26	0.19	0.18	0.20	0.15	0.13
Total Low Inc. Households[1]	**2.15**	**1.86**	**1.42**	**1.28**	**1.46**	**1.07**	**0.92**

(1) Includes households earning from 50% through 80% of San Diego, CA Area Median Income.

(2) See Appendix C 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 the Appendix Tables. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

TABLE 2-18C

MODERATE-INCOME EMPLOYEE HOUSEHOLDS[1] BY OCCUPATION
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Per 10 Market Rate Units

	Prototype 1	*Prototype 2*	*Prototype 3*	*Prototype 4*	*Prototype 5*	*Prototype 6*	*Prototype 7*
	Single-Family Large Lot	**Single-Family Medium Lot**	**Single-Family Small Lot (R-8)**	**Single-Family Small Lot (RS/R-11)**	**Condo / Mixed Use**	**Townhomes**	**Apartment**
Step 5 & 6 - Moderate Income Households (80% to 120% AMI) within Major Occupation Categories [2]							
Management	0.03	0.02	0.02	0.02	0.02	0.01	0.01
Business and Financial Operations	0.05	0.04	0.03	0.03	0.03	0.03	0.02
Computer and Mathematical	-	-	-	-	-	-	-
Architecture and Engineering	-	-	-	-	-	-	-
Life, Physical and Social Science	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-
Education Training and Library	0.06	0.06	0.03	0.03	0.04	0.02	0.02
Arts, Design, Entertainment, Sports, & Medi	-	-	-	-	-	-	-
Healthcare Practitioners and Technical	0.04	0.04	0.03	0.03	0.03	0.02	0.02
Healthcare Support	0.04	0.03	0.03	0.03	0.03	0.02	0.02
Protective Service	-	-	-	-	-	-	-
Food Preparation and Serving Related	0.16	0.13	0.11	0.10	0.11	0.08	0.07
Building Grounds and Maintenance	0.05	0.04	0.03	0.03	0.04	0.02	0.02
Personal Care and Service	0.09	0.08	0.06	0.05	0.06	0.04	0.04
Sales and Related	0.15	0.13	0.10	0.09	0.10	0.08	0.07
Office and Admin	0.18	0.15	0.12	0.11	0.12	0.09	0.08
Farm, Fishing, and Forestry	-	-	-	-	-	-	-
Construction and Extraction	-	-	-	-	-	-	-
Installation Maintenance and Repair	0.05	0.04	0.04	0.03	0.03	0.03	0.02
Production	-	-	-	-	-	-	-
Transportation and Material Moving	0.06	0.05	0.04	0.04	0.04	0.03	0.03
Moderate Households - Major Occupations	0.96	0.83	0.64	0.58	0.65	0.48	0.41
Moderate Households[1] - all other occupations	0.15	0.13	0.10	0.09	0.11	0.08	0.07
Moderate Inc. Households[1]	**1.12**	**0.97**	**0.74**	**0.67**	**0.76**	**0.56**	**0.48**

(1) Includes households earning from 80% through 120% of San Diego, CA Area Median Income.

(2) See Appendix C 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 the Appendix Tables. The distribution of the number of workers per worker household and the distribution of household size are based on American Community Survey data.

3.0 RESIDENTIAL CARE NEXUS ANALYSIS

This section presents the nexus analysis to establish the maximum affordable housing impact fee for residential care facilities. Residential care facilities provide housing and care for seniors and other persons in need of assistance with the activities of daily living. These facilities typically provide housekeeping, supervision, personal care assistance, as well as food service.

The residential care nexus analysis quantifies the number of jobs added by development of new residential care facilities, housing needs by income level for workers who hold these jobs and the net cost per square foot of building area to mitigate the increased affordable housing need. The conclusions of the analysis are maximum supportable or legally defensible impact fee levels based on the impact of new residential care facilities on the need for affordable housing. Findings are not recommended fee levels. The City is free to take a range of policy considerations into account in setting fees anywhere below the maximum identified in this report.

3.1 Methodology Overview

The methodology for the residential care nexus analysis is similar to the residential nexus analysis, except that the analysis begins with the estimated number of on-site employees. While additional jobs may also be generated through the household expenditures of those living in or visiting residential care facilities, it is likely that off-site spending varies to a significant degree depending on the specific type of facility and factors such as the mobility level of residents, which makes the level of off-site spending more of a challenge to estimate. Given expected variability and challenges in estimating off-site spending, the analysis is focused on affordable housing demands associated with on-site workers only.

The residential care nexus analysis uses the following general steps:

- **Number of jobs** – The number of employees working in residential care facility buildings is estimated based on average employment density data and the assumption of a 100,000 square foot building size, for ease of presentation.
- **Number of Households** – Census data on the average number of workers per working household is used to translate the estimated number of jobs into the estimated number of households.
- **Household income** – Household income is estimated using a combination of three data sources including occupation data derived from Bureau of Labor Statistics, compensation data from the California Employment Development Department (EDD) specific to San Diego County as of 2019, and Census data on relationships between individual worker income and overall household income specific to San Diego County.
- **Housing Need by Income** – Household income is compared to published income limits from HCD to determine the housing need by income category.

- **Mitigation Costs** – Maximum supported fees are calculated based on the number of Very Low, Low, and Moderate-Income households and the estimated cost to deliver housing affordable to each income category.

3.2 Step-by-Step Narrative of Residential Care Nexus Methodology

The residential care nexus analysis is conducted using a methodology that KMA developed for application in many jurisdictions for which the firm has conducted similar nexus analyses in support of commercial linkage fee programs. The model inputs are all local data to the extent possible and are fully documented.

KMA conducted the analysis assuming 100,000 square foot buildings. Selection of this building size enables the number of jobs and housing units to be presented in whole numbers that can be more readily understood. At the conclusion of the analysis, the findings are divided by building size to express the linkages per square foot so that findings can be applied to buildings of any size.

Following is a description of each step of the analysis:

Step 1 – Estimate of Total New Employees

The number of employees is estimated based on an employment density factor of one employee per 2,000 square feet of building area, resulting in an estimate of 50 employees based an assumed 100,000 square foot building size.

The employment density estimate is based on six planned residential care facilities, including Belmont Village / Greystar and Westmont projects in Encinitas as well as four additional examples from other cities. The example projects reflect a mix of assisted living and memory care units. Employment levels vary to some degree as a function of the level of care provided.

Table 3-1. Residential Care Facility Employment Density Data

Name	City	Beds	Units	Square Footage	Employees	Square Feet Per Employee	Square Feet Per Bed
Belmont Village / Greystar	Encinitas		200	216,000	100	2,160	n/a
Westmont	Encinitas	101	93	85,879	48	1,789	850
Oakmont	Concord	76	76	100,000	38	2,632	1,316
South Bascom Ave	San Jose	192	165	156,002	85	1,835	813
Oakmont Emerald Isle	Santa Rosa	71	49	68,114	50	1,362	959
Oakmont Evergreen	San Jose	109	94	91,714	55	1,668	841
Average						**1,908**	914

Sources: City of Encinitas, staff reports for applicable jurisdictions, EIRs.

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 6% downward adjustment is utilized to recognize long-term employment shifts and the likelihood of continuing changes in the local economy. This is the same adjustment factor that is applied in the residential nexus analysis. See Section 2.5 for additional discussion of this adjustment factor.

Step 3 – Adjustment from Employees to Employee Households

This step (Table 3-2) converts the number of employees to the number of employee households, recognizing that that there is, on average, more than one worker per household, and thus the number of housing units needed for new workers is less than the number of new workers. The workers-per-worker-household ratio eliminates from the equation all non-working households, such as retired persons and students. According to the 2012-2016 ACS, the number of workers per worker household in San Diego County was 1.81, including full- and part-time workers. The total number of jobs created is divided by 1.81 to determine the number of new households.

Steps one through three are illustrated in Table 3-2.

Table 3-2. Steps 1-3 Number of Employees and Households

Step 1 – Estimate of Number of Employees	
Assumed Building Size (square feet)	100,000
Employment Density (square feet per employee)	2,000
Number of Employees	50
Step 2 - Net New Employees after 6% Declining Industries Adjustment	47
Step 3 - Adjustment for Number of Households (1.81)	26

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 individual industry categories. The industry category applicable to residential care facilities is NAICS Code 623300, “Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly.” The May 2017 National Industry-Specific Occupational Estimates, published by the Bureau of Labor Statistics (BLS), are used to translate industries to occupations. The estimated occupational distribution of Residential Care Facility employee households is summarized in Table 3-3. Occupations include a mix of healthcare support, personal care and service, food preparation and serving, and others.

Table 3-3. Occupational Distribution, Worker Households		
	Number	Percent
Management Occupations	0.8	3.2%
Business and Financial Operations	0.2	0.9%
Computer and Mathematical	0.0	0.1%
Architecture and Engineering	0.0	0.0%
Life, Physical, and Social Science	0.0	0.0%
Community and Social Services	0.2	0.9%
Legal	0.0	0.0%
Education, Training, and Library	0.0	0.0%
Arts, Design, Entertainment, Sports, and Media	0.0	0.1%
Healthcare Practitioners and Technical	2.8	10.8%
Healthcare Support	7.4	28.4%
Protective Service	0.2	0.6%
Food Preparation and Serving Related	4.6	17.8%
Building and Grounds Cleaning and Maint.	1.6	6.2%
Personal Care and Service	5.6	21.4%
Sales and Related	0.1	0.5%
Office and Administrative Support	1.4	5.3%
Farming, Fishing, and Forestry	0.0	0.0%
Construction and Extraction	0.0	0.1%
Installation, Maintenance, and Repair	0.6	2.3%
Production	0.1	0.6%
Transportation and Material Moving	0.3	1.0%
Total	**26.0**	**100.0%**

Appendix C provides additional information regarding worker occupation categories.

Step 5 – Estimate of Employee Household Incomes

The employee wage and salary distribution is based on the occupational distribution from Step 4 in combination with recent San Diego County wage and salary information for each occupation from the California Employment Development Department (EDD) for the first quarter of 2019.

For each occupational category shown in Table 3-3, 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, Servers, Dishwashers, etc. Each of these individual categories has a different distribution of wages which was obtained from EDD and is specific to workers in San Diego County as of 2019. The detailed occupation and salary data is provided in Appendix C. Worker compensations used in the analysis assumes full time employment (40 hours per week) based on EDD's convention for reporting annual compensation.

Worker household incomes are estimated based upon ratios between individual employee income and household income derived from U.S. Census data for San Diego County as shown in Table 2-10. The ratios adjust employee incomes upward even for households with only one worker in consideration of non-wage/salary income sources such as child support, disability, social security, investment income and others.

Estimated household incomes are compared to HCD income criteria shown in Table 2-8 to determine the percentage that qualify within each income category. The comparison is made for each potential household size/number of workers combination. The result is a matrix indicating the percentages of households that would qualify in the affordable income tiers for every detailed occupational category and every potential combination of household size and number of workers in the household.

Step 6 – Household Size Distribution

In this step, the model examines the demographics of San Diego County in order to identify the percentage of households applicable to each potential combination of household size and number of workers. Percentages are calculated using data from the 2012-2016 American Community Survey. This data enables the analysis to account 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 percentage factors used in Section 3 are the same as are applied in Section 2 and summarized in Table 2-11.

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

This step in the analysis calculates the number of employee households that fall into each income category for each size household. This calculation is based on combining the household income distribution (Step 5) with the worker household size distribution (Step 6) to arrive at a distribution of worker household by income tier. Table 3-4 presents the resulting estimate of the number of households in each income tier by worker occupation category.

Table 3-4. Worker Households by Income Category (Step 7)

	Very Low	Low	Moderate	Above 120% AMI	Total
Major Occupations (>=2% of employment)					
Management Occupations	0.0	0.1	0.1	0.7	0.8
Healthcare Practitioners and Technical	0.0	0.6	0.4	1.8	2.8
Healthcare Support	2.5	3.0	1.0	0.8	7.4
Food Preparation and Serving Related	1.6	1.3	0.7	1.0	4.6
Building and Grounds Cleaning and Maint.	0.7	0.7	0.2	0.0	1.6
Personal Care and Service	1.9	1.3	0.9	1.5	5.6
Office and Administrative Support	0.3	0.5	0.2	0.3	1.4
Installation, Maintenance, and Repair	0.1	0.2	0.1	0.2	0.6
Subtotal	7.2	7.6	3.6	6.3	24.8
Other Occupations	0.4	0.4	0.2	0.3	1.2
Totals	**7.6**	**8.0**	**3.8**	**6.6**	**26.0**

3.3 Summary by Income Level

Table 3-5 summarizes the analysis of the number of households in each affordability category, the total number up to 120% of median, and the remaining households earning over 120% of median associated with a 100,000 square foot building. An estimated 75% of all workers have household incomes within one of the lower income categories, a finding that reflects the generally lower compensation levels for jobs in residential care facilities.

Table 3-5. Summary of Worker Households by Income Level per 100,000 square feet of Building Area

	number of households	percentage
Very Low Income (0%-50% AMI)	7.6	29%
Low Income (50%-80% AMI)	8.0	31%
Moderate Income (80%-120% AMI)	3.8	15%
Subtotal through 120% AMI	**19.4**	75%
Above Moderate (over 120% AMI)	6.6	25%
Total	**26.0**	100%

3.4 Housing Unit Demand Per Square Foot of Building Area

The analysis thus far has used 100,000 square foot buildings. In this step, the conclusions are translated to households per square foot by income level by dividing the findings in Table 3-5 by 100,000. The result is shown in Table 3-6.

Table 3-6. New Worker Households Per Square Foot of New Residential Care Facility

Very Low Income (0%-50% AMI)	0.00007551
Low Income (50%-80% AMI)	0.00008013
Moderate Income (80%-120% AMI)	0.00003824
Total up to 120% AMI	0.00019388

This is the summary of the housing nexus analysis, or the linkage from new residential care 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 this building type.

3.5 Mitigation Costs and Maximum Supported Fee Levels

This section takes the conclusions of the previous section on the number of households in the Very Low, Low and Moderate Income categories associated with residential care facilities, and identifies the total cost of assistance required to make housing affordable.

The calculation of the affordability gaps is described in Section 4. The gaps are as follows:

Table 3-7. Affordability Gap	
Very Low (0% to 50% AMI)	$271,000
Low (50% to 80% AMI)	$242,000
Moderate (80% to 120% AMI)	$230,000

AMI = Area Median Income

The last step in the nexus analysis calculates the cost to deliver affordable housing to workers in new residential care facilities. The results are shown in Table 3-8.

The demand for affordable units in each income range that is generated per square foot of building area is drawn from Table 3-6. The "Maximum Fee per Square Foot" represents the results of the following calculation:

Affordability Gap (Table 3-7)	X	No. affordable units generated per square foot of building area. (from Table 3-6)	=	Maximum Fee Per Square Foot of Building Area

The maximum fee per square foot of building area is translated into a maximum fee per bed based on an average of 910 square feet per bed drawn from data summarized in Table 3-1.

The maximum impact fee for residential care facilities in Encinitas based on the cost of mitigating the affordable housing impacts of these facilities is summarized in Table 3-8:

Table 3-8. Maximum Affordable Housing Impact Fee Supported by the Nexus (Mitigation Cost)		
	Maximum Fee Per Square Foot	Maximum Fee Per Bed
Maximum Affordable Housing Impact Fee for Residential Care Facilities	$48.70	$44,300

Note: Nexus findings are not recommended fee levels.

Per square foot finding reflects livable floor area excluding parking and unfinished basement or utility areas.

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

3.6 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 understated. These conservative assumptions include:

- Only direct employees are counted in the analysis. Many indirect employees are also associated with new residential care facilities, such as landscaping services, laundry, and others. In addition, employment may be generated by off-site spending of residents and visitors. Although it would be appropriate to include affordable housing impacts associated with off-site jobs, for simplicity and to provide a conservative analysis, only direct employees are included.

- A downward adjustment of 6% 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 residential care facilities. This is a conservative assumption because many displaced workers may exit the workforce by retiring.

- Annual incomes for workers reflect full time employment based upon EDD's convention for reporting the compensation information. In fact, many workers work less than full time; therefore, annual compensations for these workers is likely overstated.

- Affordability gaps are based upon the assumption that 4% Low Income Housing Tax Credit financing will be available; however, recently, the applicable statewide cap for these credits has been approached, suggesting that these funds could become more competitive in the future.

In summary, less conservative assumptions could be made that would justify a higher maximum affordable housing impact for residential care facilities.

4.0 AFFORDABILITY GAP ANALYSIS

A key component of an impact analysis is the mitigation cost. In an affordable housing nexus analysis, the mitigation cost is the "affordability gap" - the financial gap between what lower income households can afford to pay and the cost of producing new housing. For Very Low and Low Income units, the affordability gap analysis is based on the remaining financial gap after assistance available through Federal Low Income Housing Tax Credits (LIHTC). Moderate income units over 80% AMI are not eligible for LIHTC funding.

4.1 City Assisted Affordable Unit Prototypes

When estimating the affordability gap, there is a need to match the household at each income level with a unit type and size according to governmental regulations and City practices and policies. The analysis assumes the City will utilize impact fee revenues to assist in the development of multi-family rental units at a density of 17.5 units per acre and an average unit size of 800 square feet. This represents the approximate density range of affordable housing projects the City would likely subsidize.

4.2 Development Costs

KMA prepared an estimate of the total development cost for the affordable housing prototype described above (inclusive of land acquisition costs, direct construction costs, indirect costs of development, and financing) based on a review of development pro formas for recent affordable projects and comparable affordability gap analyses recently conducted by KMA.

Land acquisition costs are estimated based on a survey of residential land sales in the cities of Encinitas, Carlsbad, and Solana Beach, KMA estimated the land value at $50 per square foot. For the apartment units, this translates to $125,000 per unit based on the assumed density.

Direct construction costs from comparable projects were adjusted to account for such factors as time, unit size, housing type, and project density to appropriately reflect the multi-family prototype assumed in this analysis. Other costs, such as land acquisition costs, are more site and area specific than direct construction costs and therefore the inputs for those costs were derived from other sources, as discussed above.

Total development costs are estimated at $450,000 for the rental with 4% tax credits and $410,000 without tax credits. Costs for the Very Low and Low Income units financed with tax credits are somewhat higher due to a higher up front developer fee and higher financing costs.

Table 4-1. Affordable Unit Development Costs (1)			
	Density	*Unit Size*	*Development Cost*
Rental with 4% Tax Credits	17.5 du/ac	800 SF	$450,000
Rental without Tax Credits	17.5 du/ac	800 SF	$410,000

(1) Includes prevailing wages.

4.3 Unit Values (Debt and Tax Credit Equity Investment Supported)

For the Very Low (50%), Low (60%), and Moderate (110%) - Income rental units, unit values are based upon the funding sources assumed to be available for the project. For the Very Low (50%) and Low (60%) -Income rental units, the funding sources include tax-exempt permanent debt financing supported by the project's operating income, and equity generated by 4% Federal Low Income Housing Tax Credits. The highly competitive 9% Federal tax credits are not assumed because of the limited number of projects that receive an allocation of 9% tax credits in any given year per geographic region. Other affordable housing subsidy sources such as CDBG, HOME, AHP, Section 8, and various Federal and State funding programs are also limited and difficult to obtain. Therefore, they are not assumed in this analysis. For the Moderate-Income rental units, KMA assumed funding from a conventional permanent loan and private equity investment. The unit values are summarized below.

Table 4-2. Unit Values for Affordable Units		
Income Group	*Unit Tenure / Type*	*Unit Value*
50% AMI	Rental	$180,000
60% AMI	Rental	$208,000
110% AMI	Rental	$180,000

AMI = Area Median Income

4.4 Affordability Gap

The affordability gap is the difference between the cost of developing the affordable units and the unit value based on the restricted affordable rent or sales price. The resulting affordability gaps are as follows:

Table 4-3. Affordability Gap Calculation			
	Unit Value	*Development Cost* (1)	*Affordability Gap*
Very Low (50% AMI)	$180,000	($450,000)	($271,000)
Low (60% AMI)	$208,000	($450,000)	($242,000)
Moderate (110% AMI)	$180,000	($410,000)	($230,000)

(1) Includes prevailing wages.
AMI = Area Median Income

Detailed analysis tables supporting the affordability gap calculations are provided in Table 4-4 to 4-8.

TABLE 4-4
PROJECT DESCRIPTION - AFFORDABLE RENTAL UNIT
AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF ENCINITAS

I.	**Product Type**	Garden Apartments		
	Construction Type	Type V		
	Tenure	Rental		
II.	**Site Area**	87,120	SF	
		2.0	Acres	
III.	**Number of Stories**	2 - 3	Stories	
IV.	**Unit Mix**			
		# of Units	Unit Size	
	Two Bedroom	35 Units	800 SF	
V.	**Density**	17.5	Units/Acre	
VI.	**Gross Building Area**			
	Residential Net Building Area	28,000	SF	95%
	Building Efficiency (1)	1,500	SF	5%
	Total Gross Building Area (GBA)	29,500	SF	100%
VII.	**Floor Area Ratio (FAR)**	0.34		
VIII.	**Parking**			
	Type	Surface / Carports		
	Number of Parking Spaces	70	Spaces	
	Parking Ratio (Space/Unit) (2)	2.00	Spaces/Unit	

(1) Includes leasing office and community amenities.
(2) Reflects City of Encinitas off-street parking requirements for two bedroom units. Per City of Encinitas Municipal Code, §30.54.030.

TABLE 4-5
ESTIMATED DEVELOPMENT COSTS - WITH TAX CREDITS - AFFORDABLE RENTAL UNIT
AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF ENCINITAS

		with 4% Tax Credits			
		Totals	**Per Unit**		**Comments**
I.	**Direct Costs** (1)				
	Off-Site Improvements (2)	$218,000	$6,229	$2.50	Per SF Site
	On-Sites/Landscaping	$871,000	$24,886	$10	Per SF Site
	Shell Construction	$4,720,000	$134,857	$160	Per SF GBA
	Parking	$175,000	$5,000	$2,500	/Space
	Amenities/FF&E	$88,000	$2,500		Allowance
	Subtotal	$6,072,000	$173,486	$206	Per SF GBA
	Add: Prevailing Wages	$1,214,000	$34,686	20.0%	of Directs
	Contingency	$364,000	$10,400	5.0%	of Directs
	Total Direct Costs	$7,650,000	$218,571	$259	Per SF GBA
II.	**Indirect Costs**				
	Architecture & Engineering	$319,000	$9,114	5.0%	of Directs-excl prevailing wages
	Permits & Fees (1)	$700,000	$20,000		Allowance
	Legal & Accounting	$77,000	$2,200	1.0%	of Directs
	Taxes & Insurance	$77,000	$2,200	1.0%	of Directs
	Developer Fee	$1,351,000	$38,600	17.7%	of Directs
	Marketing/Lease-Up	$88,000	$2,500		Allowance
	Contingency	$131,000	$3,743	5.0%	of Indirects
	Total Indirect Costs	$2,743,000	$78,371	35.9%	of Directs
III.	**Financing Costs**				
	Loan Fees	$486,000	$13,886	6.4%	of Directs
	Interest During Construction	$182,000	$5,200	2.4%	of Directs
	Interest During Lease-Up	$135,000	$3,857	1.8%	of Directs
	TCAC/Syndication Fees	$109,000	$3,114	1.4%	of Directs
	Operating Lease-Up/Reserves	$100,000	$2,857	1.3%	of Directs
	Total Financing Costs	$1,012,000	$28,914	13.2%	of Directs
IV.	**Total Development Costs excl. Acquisition**	**$11,405,000**	**$325,857**	**$387**	**Per SF GBA**
V.	**Acquisition Costs**	$4,356,000	$124,457	$50	Per SF Site
VI.	**Total Development Costs with Acquisition**	**$15,761,000**	**$450,000**	**$534**	**Per SF GBA**

(1) Assumes payment of prevailing wages.
(2) Estimate. Not verified by KMA or the City.

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TABLE 4-6
ESTIMATED DEVELOPMENT COSTS - WITHOUT TAX CREDITS - AFFORRDABLE RENTAL UNIT
AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF ENCINITAS

		without Tax Credits			
		Totals	**Per Unit**		**Comments**
I.	**Direct Costs** (1)				
	Off-Site Improvements (2)	$218,000	$6,229	$2.50	Per SF Site
	On-Sites/Landscaping	$871,000	$24,886	$10	Per SF Site
	Shell Construction	$4,720,000	$134,857	$160	Per SF GBA
	Parking	$175,000	$5,000	$2,500	/Space
	Amenities/FF&E	$88,000	$2,500		Allowance
	Subtotal	$6,072,000	$173,486	$206	Per SF GBA
	Add: Prevailing Wages	$1,214,000	$34,686	20.0%	of Directs
	Contingency	$364,000	$10,400	5.0%	of Directs
	Total Direct Costs	$7,650,000	$218,571	$259	Per SF GBA
II.	**Indirect Costs**				
	Architecture & Engineering	$319,000	$9,114	5.0%	of Directs-excl prevailing wages
	Permits & Fees (1)	$700,000	$20,000		Allowance
	Legal & Accounting	$77,000	$2,200	1.0%	of Directs
	Taxes & Insurance	$77,000	$2,200	1.0%	of Directs
	Developer Fee	$306,000	$8,743	4.0%	of Directs
	Marketing/Lease-Up	$88,000	$2,500		Allowance
	Contingency	$78,000	$2,229	5.0%	of Indirects
	Total Indirect Costs	$1,645,000	$47,000	21.5%	of Directs
III.	**Financing Costs**				
	Loan Fees	$160,000	$4,571	2.1%	of Directs
	Interest During Construction	$234,000	$6,686	3.1%	of Directs
	Interest During Lease-Up	$135,000	$3,857	1.8%	of Directs
	TCAC/Syndication Fees	$0	$0	0.0%	of Directs
	Operating Lease-Up/Reserves	$168,000	$4,800	2.2%	of Directs
	Total Financing Costs	$697,000	$19,914	9.1%	of Directs
IV.	**Total Development Costs excl. Acquisition**	**$9,992,000**	**$285,486**	**$339**	**Per SF GBA**
V.	**Acquisition Costs**	$4,356,000	$124,457	$50	Per SF Site
VI.	**Total Development Costs with Acquisition**	**$14,348,000**	**$410,000**	**$486**	**Per SF GBA**

(1) Assumes payment of prevailing wages.
(2) Estimate. Not verified by KMA or the City.

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TABLE 4-7
AFFORDABLE RENTS AND STABILIZED NET OPERATING INCOME
AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF ENCINITAS

		with 4% Tax Credits		without 4% Tax Credits
		Very Low Income 50% of AMI	Low Income 60% of AMI	Moderate Income 110% of AMI
I. Affordable Rent - Per Unit				
A. Family Size		3.0	3.0	3.0
Number of Bedrooms		2	2	2
Household Income (1)		$38,825	$46,590	$85,415
B. Income Allocation to Housing		30%	30%	30%
Monthly Housing Cost		$971	$1,165	$2,135
(Less) Utility Allowance (2)		($99)	($99)	($99)
C. **Maximum Monthly Rent**		**$872**	**$1,066**	**$2,036**
II. Stabilized Net Operating Income (NOI)		**Total / Per Unit**	**Total / Per Unit**	**Total / Per Unit**
A. Units		35 / 1	35 / 1	35 / 1
B. Gross Scheduled Income (GSI)				
Monthly		$30,507 / $872	$37,301 / $1,066	$71,273 / $2,036
Annual		$366,000 / $10,457	$448,000 / $12,800	$855,000 / $24,429
C. Other Income	$25	$10,500 / $300	$10,500 / $300	$10,500 / $300
(Less) Vacancy	5.0%	($18,000) / ($514)	($22,000) / ($629)	($43,000) / ($1,229)
Effective Gross Income (EGI)		$358,500 / $10,243	$436,500 / $12,471	$822,500 / $23,500
D. (Less) Operating Expenses (3)		($208,000) / ($5,950)	($208,000) / ($5,950)	($208,000) / ($5,950)
(Less) Property Taxes (4)		$0 / $0	$0 / $0	($120,000) / ($3,429)
III. Net Operating Income (NOI)		**$150,500 / $4,293**	**$228,500 / $6,521**	**$494,500 / $14,121**

(1) Reflects the lesser of California Department of Housing Community Development (HCD) or California Tax Credit Allocation Committee 2019 Income Limits.
(2) Source: City of Encinitas, Housing Authority utility allowances issued July 1, 2019. Assumed utility allowance profile for a two bedroom unit is as follows:

Gas Heat	$5
Gas Cooking	$3
Gas Water Heater	$11
Other Electric	$30
Water & Sewer	$40
Trash	$10
Total Utilities	$99

(3) Includes operating expenses ($5,500/per unit), replacement reserves ($300/per unit), and monitoring fee ($150/per unit).
(4) Units at Very Low and Low Income assumed to be tax-exempt based on a partnership with a non-profit developer. Property taxes for Moderate Income units based on capitalized income approach; assumes a 4.5% capitalization rate and 1.09% tax rate.

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TABLE 4-8
ESTIMATED AFFORDABILITY GAP
AFFORDABLE HOUSING NEXUS ANALYSIS
CITY OF ENCINITAS

	with 4% Tax Credits				without 4% Tax Credits	
	Very Low Income 50% of AMI		Low Income 60% of AMI		Moderate Income 110% of AMI	
	Total	**Per Unit**	**Total**	**Per Unit**	**Total**	**Per Unit**
I. Sources of Funds						
Supportable Permanent Loan	$1,920,000 (1)	$55,000	$2,916,000 (1)	$83,000	$5,669,000 (2)	$162,000
Tax Credit Equity Investment	$4,373,000	$125,000	$4,373,000	$125,000	$0	$0
Developer Equity Investment	$0	$0	$0	$0	$645,000 (3)	$18,000
Deferred Developer Fee	$0	$0	$0	$0	$0	$0
Total Sources of Funds	$6,293,000	$180,000	$7,289,000	$208,000	$6,314,000	$180,000
II. (Less) Total Development Costs	($15,761,000)	($450,000)	($15,761,000)	($450,000)	($14,348,000)	($410,000)
III. Affordability Gap	**($9,468,000)**	**($271,000)**	**($8,472,000)**	**($242,000)**	**($8,034,000)**	**($230,000)**

(1) Assumes tax-exempt financing at 5.5% interest, 30 years, with 1.15 debt service coverage.
(2) Assumes a conventional private loan at 6.5% interest, 30 years, with 1.15 debt service coverage.
(3) Assume a target return on equity (ROE) of 10.0%.

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APPENDIX A: RESIDENTIAL MARKET SURVEY

One of the underlying components of the Residential Nexus Study is the identification of residential building prototypes that are expected to be developed in Encinitas both today and in the future, and what the market prices and rents for those prototypes will be. These market prices and rents are then used to estimate the incomes of the new households that will live in the new units and quantify the number and types of jobs created as a result of their demand for goods and services. 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 and rent conclusions drawn therefrom.

A. Residential Development Prototypes

KMA worked with City staff to select representative development prototypes envisioned to be developed in Encinitas in the future. These development types have also formed the basis for extensive financial feasibility analysis and testing presented in a parallel KMA study designed to inform updates to the City's AHO. Table A-1 summarizes the basic characteristics of these prototypes.

Table A-1. Residential Development Prototypes

	Typical Density	*Average Unit Size*
For-Sale Prototypes		
Single Family Detached Large Lot (R-3)	3 du/acre	4,000 sq. ft.
Single Family Detached Medium Lot (R-5)	5 du/acre	3,250 sq. ft.
Single Family Detached Small Lot (R-8)	8 du/acre	2,217 sq. ft.
Single Family Detached Small Lot (RS-11 / R-11)	11 du/acre	2,000 sq. ft.
Mixed Use Development	10 du/acre	1,500 sq. ft.
Townhomes (R-15)	15 du/acre	1,510 sq. ft.
Rental Prototype		
Apartments	20 du/acre	825 sq. ft.

Source: Prototype densities and unit sizes by KMA in collaboration with City of Encinitas; prices and sale prices estimated by KMA.

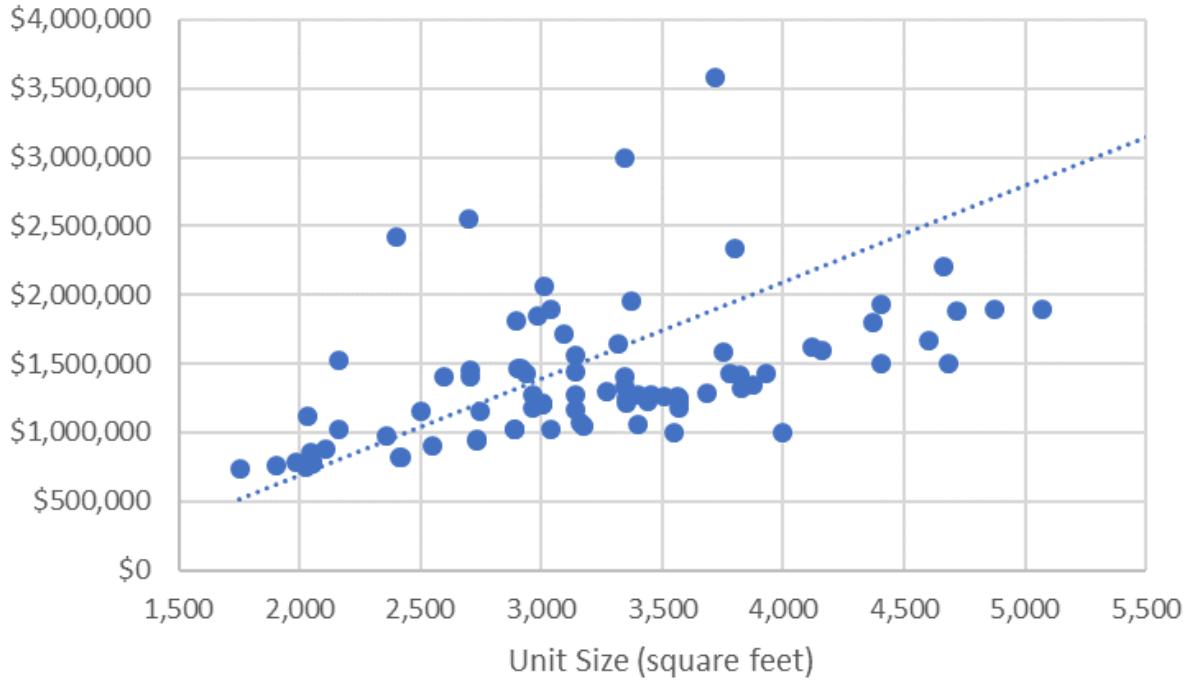
B. Estimated Market Rate Home Prices

Home price estimates reflect market sales data for new and newer units available as of June 2019. KMA reviewed data on re-sales of newer single family detached and detached units. For single family units, the data reflects homes built since 2010. For attached townhomes, the data includes all homes built since 2000 in order to capture a broader set of sales. Sales data reflects sales occurring from January 2019 to June 2019. Sales in neighboring Carlsbad are included to expand the base of market sales informing the analysis.

Chart 1 summarizes the sales data for single family detached units and Chart 2 summarizes sales data for attached townhome units. See Tables A-3 and A-4 for the underlying data.

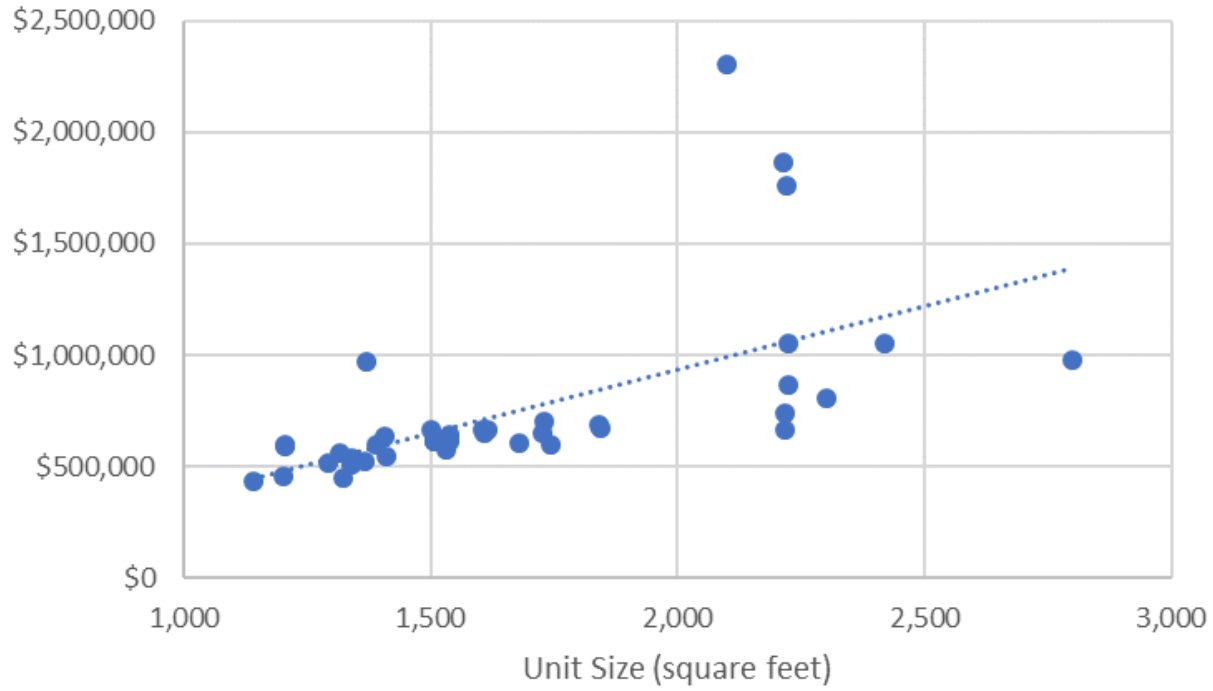
Chart 1 – Sales Prices for Single Family Detached Homes

Units Built Since 2010 and Sold January to June 2019



Source: Redfin

Chart 2 – Sales Prices for Attached Townhomes
Units Built Since 2000 and Sold January to June 2019



Source: Redfin

The sales data formed the basis for KMA's price estimates. It is noted that there were no comparable units on the market for the mixed-use development prototype. Pricing for this prototype is estimated by KMA based on the sales data for other project types adjusted for unit size, density and location as well as KMA experience with this product type in other local communities. The table below summarizes the estimated for-sale prototype unit sizes and pricing based on this market data.

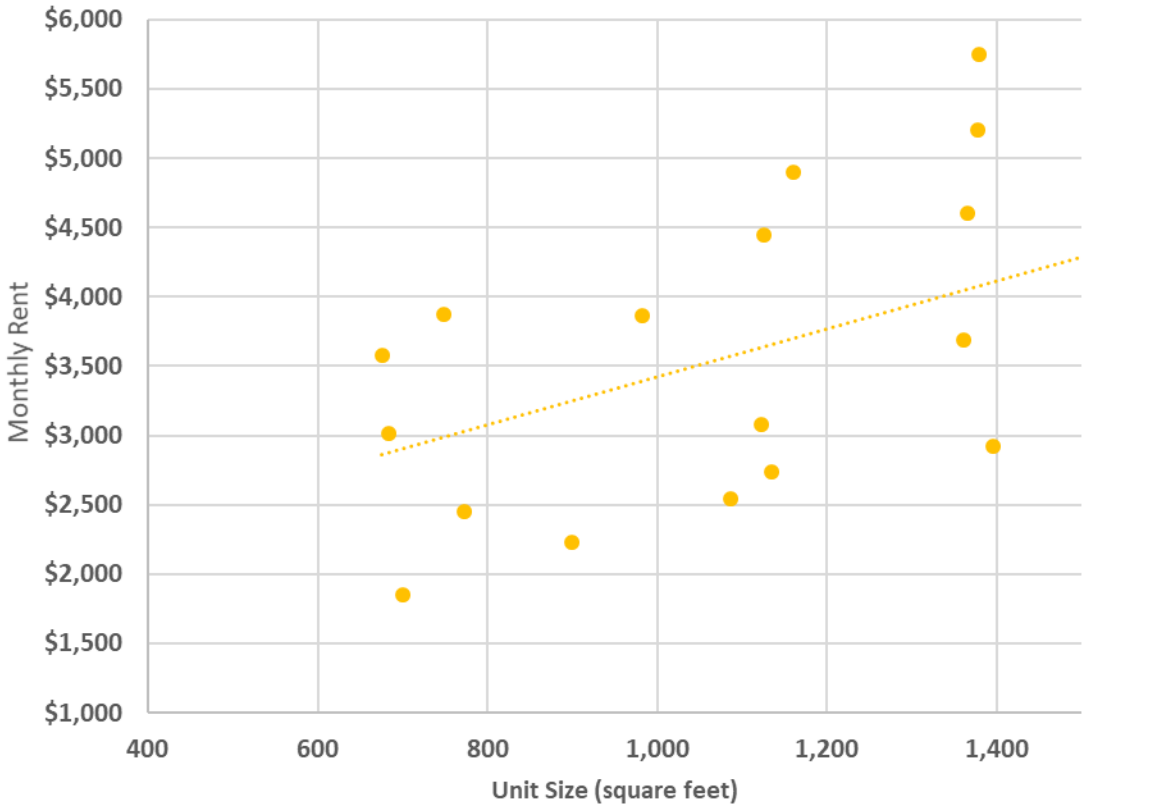
Table A-2 For-Sale Prototype Price Estimates

	Average Unit Size	*Average Price/Rent*	*Price/Rent $/SF*
Single Family Detached Large Lot (R-3)	4,000 sq. ft.	$1,900,000	$475/SF
Single Family Detached Medium Lot (R-5)	3,250 sq. ft.	$1,625,000	$500/SF
Single Family Detached Small Lot (R-8)	2,217 sq. ft.	$1,053,000	$475/SF
Single Family Detached Small Lot (RS-11 / R-11)	2,000 sq. ft.	$950,000	$475/SF
Mixed Use Development	1,500 sq. ft.	$1,125,000	$750/SF
Townhomes (R-15)	1,510 sq. ft.	$755,000	$500/SF

C. Estimated Market Rate Rents

Current average market rents for apartments built since 1999 are shown in Chart 3, below. The data includes apartments in neighboring Carlsbad in addition to Encinitas to expand the base of market data considered. Based on these rent comps, KMA estimates the average monthly rent for the apartment prototype (new construction) would be in the range of $2,970 for an apartment project with an average unit size of 825 square feet, or approximately $3.60 per square foot per month. Additional rental market data supporting this estimate is presented in tables A-5 to A-9.

Chart 3 – Average Monthly Rent vs. Unit Size
Apartments Built Since 1999



Source: Apartments.com

TABLE A-3
COMPARABLE DETACHED HOME SALES, CARLSBAD AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
04/08/19	929 Neptune Ave.	$5,350,000	3,463	$1,545	4	3	2013
03/21/19	316 S Rios	$8,250,000	5,436	$1,518	4	4	2019
04/04/19	237 La Mesa Ave	$2,420,000	2,400	$1,008	4	4	2019
03/05/19	363 Andrew Avenue	$3,575,000	3,717	$962	5	3	2018
04/08/19	2028 Edinburg Ave	$2,555,435	2,701	$946	4	3	2019
04/02/19	1332 Rubenstein Avenue	$5,900,000	6,300	$937	6	6	2019
03/15/19	1114 Crest Drive	$3,000,000	3,346	$897	4	4	2018
03/26/19	698 Calypso Pl	$1,530,000	2,162	$708	3	2	2012
05/28/19	356 Fulvia St	$2,063,366	3,013	$685	3	3	2019
06/18/19	199 Stonesteps Way	$1,900,000	3,041	$625	5	5	2015
05/17/19	1520 Halia Court	$1,810,000	2,898	$625	4	3	2013
06/13/19	1505 Halia Ct	$1,845,000	2,983	$619	4	3	2012
06/14/19	374 Fulvia St	$2,342,000	3,798	$617	5	4	2019
02/28/19	1516 Halia Ct	$1,950,000	3,372	$578	4	4	2013
03/07/19	810 Hygeia	$1,720,000	3,091	$556	4	4	2018
03/27/19	1133 Laurel Cove Ln	$1,122,023	2,030	$553	3	3	2019
02/15/19	746 Devonshire	$1,410,000	2,600	$542	4	3	2018
03/13/19	1131 Laurel Cove Ln	$1,454,462	2,705	$538	4	3	2019
05/24/19	1129 Laurel Cove Ln	$1,409,000	2,705	$521	5	3	2019
03/13/19	1117 Laurel Cove Ln	$1,467,000	2,905	$505	5	3	2019
06/21/19	1125 Laurel Cove Ln	$1,470,000	2,920	$503	5	4	2019
02/28/19	6682 Peregrine Place	$1,560,000	3,142	$496	5	4	2018
02/20/19	185 Pacific View Lane	$1,642,000	3,319	$495	5	4	2018
01/03/19	3111 Afton Way	$1,434,060	2,934	$489	4	3	2018
04/29/19	3840 Rancho Summit	$2,200,000	4,666	$471	4	4	2018
06/27/19	3461 Trailblazer	$1,020,000	2,165	$471	3	3	2016
04/12/19	1440 MacKinnon Ave	$1,150,000	2,499	$460	5	3	2019
04/08/19	6603 Peregrine Place 6	$1,435,153	3,142	$457	5	4	2018
03/01/19	4718 Chase Court	$1,925,000	4,407	$437	5	5	2016
04/19/19	4730 Chase Court	$1,278,873	2,961	$432	3	3	2018
04/22/19	3635 Summit Trail Ct	$741,000	1,753	$423	3	2	2010
04/25/19	748 Rancho Santa Fe Rd	$1,585,000	3,751	$423	5	4	2017
04/03/19	6625 Peregrine Place 5	$1,406,112	3,348	$420	5	4	2018
04/25/19	6640 Hollyleaf Ct	$859,000	2,046	$420	3	2	2012
06/18/19	6856 Estrella De Mar Rd	$1,150,000	2,745	$419	4	3	2010
05/24/19	6420 Cinnabar Way	$875,000	2,105	$416	4	3	2010
05/20/19	4818 Nelson Ct	$976,000	2,357	$414	3	3	2017
04/30/19	6920 Corte Langosta	$1,805,000	4,374	$413	5	4	2010
01/09/19	3612 Alander Ct	$1,215,000	3,003	$405	4	4	2015
03/18/19	6659 Peregrine Place	$1,269,665	3,142	$404	5	4	2018
06/26/19	3617 Buck Ridge Ave	$1,199,888	3,003	$400	5	4	2014
03/18/19	6671 Peregrine Place	$1,336,451	3,348	$399	5	4	2018
06/07/19	3671 Glen Ave	$760,000	1,904	$399	4	2	2011
05/06/19	7491 Esfera Street	$1,880,000	4,720	$398	6	4	2015
04/17/19	2887 Crest Drive	$1,301,419	3,272	$398	4	4	2018
04/19/19	4835 La Paz Ct	$1,175,000	2,965	$396	5	4	2016
01/15/19	2402 Trona Way	$787,000	1,989	$396	3	3	2011
01/16/19	3849 Rancho Summit	$1,615,000	4,120	$392	4	4	2018
04/10/19	6925 Corte Langosta	$1,900,000	4,873	$390	5	5	2010

Source: Redfin.com

TABLE A-3
COMPARABLE DETACHED HOME SALES, CARLSBAD AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
04/25/19	7481 Esfera	$1,600,000	4,163	$384	6	5	2015
03/29/19	3446 Filoli Circle	$775,000	2,028	$382	3	3	2011
04/22/19	3581 Summit Trail Court	$782,500	2,052	$381	4	3	2012
05/17/19	3644 Summit Trail Ct	$775,000	2,053	$377	4	3	2010
04/08/19	1880 McCauley Lane	$1,424,969	3,782	$377	5	5	2018
04/08/19	1429 Enclave Court	$1,893,900	5,068	$374	4	4	2018
02/22/19	7137 Sitio Corazon	$1,250,000	3,352	$373	5	5	2012
06/03/19	7152 Sitio Corazon	$1,170,000	3,139	$373	5	4	2012
01/07/19	3622 Glen Ave	$1,268,000	3,402	$373	4	4	2013
06/10/19	7314 Calle Pera	$1,420,000	3,822	$372	5	5	2014
04/12/19	7013 Sitio Frontera	$1,275,000	3,454	$369	5	3	2013
02/14/19	3430 Filoli Cir	$745,000	2,025	$368	3	3	2011
01/04/19	7326 Calle Pera	$1,430,000	3,926	$364	6	5	2014
03/22/19	2319 Kyanite Pl	$1,665,000	4,601	$362	7	4	2010
06/05/19	7161 Sitio Corazon	$1,210,000	3,352	$361	4	5	2012
06/14/19	3363 Corte Panorama	$1,260,000	3,511	$359	5	4	2010
05/24/19	3453 Corte Altura	$1,229,000	3,438	$357	5	4	2010
04/30/19	3423 Corte Panorama	$1,025,000	2,889	$355	5	3	2011
01/31/19	7063 Sitio Caliente	$1,260,000	3,563	$354	5	4	2012
06/20/19	1089 Primrose Lane	$901,000	2,552	$353	5	3	2014
06/20/19	3445 Corte Panorama	$1,019,000	2,889	$353	5	3	2011
01/07/19	3242 Sitio Avellana	$1,249,900	3,571	$350	4	3	2010
04/09/19	4744 Kentner Court	$1,350,000	3,878	$348	4	4	2019
06/10/19	3781 Glen Ave	$949,995	2,730	$348	4	3	2012
02/14/19	3433 Corte Altura	$1,280,000	3,688	$347	5	4	2010
03/06/19	3760 Bergen Peak Pl	$943,000	2,730	$345	4	3	2013
05/30/19	3103 Afton Way	$1,318,466	3,826	$345	7	4	2019
05/29/19	3235 Sitio Avellana	$1,220,000	3,571	$342	4	4	2010
05/10/19	3418 Filoli Cir	$822,500	2,411	$341	4	3	2010
05/08/19	3084 Marron Road Lot 29	$824,557	2,420	$341	4	3	2019
03/18/19	4725 Kentner Court	$1,500,000	4,407	$340	5	5	2018
05/23/19	3737 Bergen Peak Pl	$1,075,000	3,160	$340	5	3	2013
01/04/19	3517 Buck Ridge Ave	$1,020,000	3,036	$336	5	2	2012
01/16/19	6645 Brookite Ct	$1,050,000	3,175	$331	5	4	2011
03/12/19	3252 Sitio Tortuga	$1,180,000	3,571	$330	5	3	2011
04/15/19	4711 Chase Court	$1,498,848	4,686	$320	5	5	2018
01/31/19	3614 Buck Ridge Ave	$1,060,000	3,402	$312	5	4	2014
02/12/19	4394 Yuki Lane	$1,000,000	3,552	$282	4	3	2018
01/31/19	4916 Park Court	$995,000	4,000	$249	5	3	2016
	Minimum	$741,000	1,753	$249	3	2	2010
	Maximum	$8,250,000	6,300	$1,545	7	6	2019
	Median	$1,290,710	3,151	$398	5	4	2015
	Average	$1,565,233	3,256	$473	4	4	2015

(1) Survey reflects sales from January 2019 to present.

(2) Excludes detached homes built before 2010.

Source: Redfin.com

TABLE A-4
COMPARABLE TOWNHOME SALES, CARLSBAD AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
03/08/19	3722 Carlsbad	$2,300,000	2,101	$1,095	4	2	2009
05/28/19	2331 Cambridge Ave	$1,866,969	2,214	$843	3	4	2019
03/15/19	2319 Cambridge Ave	$1,759,939	2,220	$793	3	4	2018
01/08/19	175 Maple Avenue #4	$970,000	1,370	$708	2	2	2000
04/02/19	1334 Statice Ct.	$600,000	1,207	$497	3	2	2000
03/22/19	1306 Statice Ct	$590,000	1,207	$489	3	2	2000
01/11/19	7465 Mermaid	$1,055,000	2,225	$474	3	2	2002
04/12/19	3083 Via Maximo	$635,000	1,406	$452	3	2	2002
05/07/19	1611 Fairlead Ave	$668,000	1,500	$445	3	2	2014
03/12/19	7612 Camino Abierto	$1,050,000	2,419	$434	4	2	2010
04/15/19	3677 Jetty Pt	$600,000	1,390	$432	3	2	2005
04/22/19	6444 Alexandri	$560,000	1,316	$426	2	2	2002
01/29/19	3065 Via Maximo	$642,000	1,538	$417	3	2	2002
01/07/19	6336 Alexandri Circle	$665,000	1,604	$415	3	3	2001
04/02/19	4029 Peninsula Drive	$623,000	1,509	$413	3	2	2005
01/04/19	6932 Tourmaline Place	$665,000	1,615	$412	2	2	2011
02/21/19	3110 Simba Way	$653,990	1,610	$406	3	2	2018
03/08/19	6944 Brass Pl	$700,000	1,730	$405	3	2	2010
04/15/19	4109 Peninsula	$610,000	1,509	$404	3	2	2006
04/22/19	4030 Backshore	$610,000	1,509	$404	3	2	2005
06/13/19	4115 Peninsula Drive	$539,000	1,341	$402	2	2	2006
04/11/19	6476 Corte La Luz	$617,000	1,538	$401	3	2	2002
03/25/19	6232 Via Trato	$518,000	1,292	$401	4	3	2002
03/22/19	4092 Karst Rd	$525,000	1,341	$391	3	2	2006
01/25/19	4023 Peninsula	$523,000	1,341	$390	3	2	2005
03/26/19	7570 Gibraltar St 102	$865,000	2,223	$389	4	3	2017
06/17/19	4078 Karst Road	$519,900	1,341	$388	2	2	2006
04/12/19	4117 Peninsula Drive	$546,000	1,411	$387	3	2	2006
01/03/19	6295 Citracado Circle	$527,500	1,367	$386	3	2	2002
05/06/19	6227 Via Trato	$459,000	1,201	$382	3	2	2002
01/02/19	4026 Peninsula Dr	$512,500	1,341	$382	3	2	2005
01/04/19	6136 Paseo Granito	$435,000	1,140	$382	3	2	2002
03/29/19	3121 Nala Way	$578,357	1,533	$377	3	2	2018
01/25/19	6611 Santa Isabel street 105	$649,000	1,727	$376	3	2	2002
05/10/19	7558 Romeria St.	$690,000	1,841	$375	3	2	2003
02/04/19	3102 Simba Way	$676,207	1,843	$367	4	2	2018
06/21/19	3131 Asto Place	$605,000	1,681	$360	3	2	2017
03/20/19	3178 Via Iris	$805,000	2,300	$350	3	2	2011
03/20/19	4073 Aidan Circle	$975,000	2,800	$348	4	2	2008
01/24/19	6575 Daylily Drive	$600,000	1,743	$344	4	2	2000
05/02/19	6080 Citracado Cir	$450,000	1,322	$340	2	2	2001
05/16/19	6982 Mercury Pl	$740,000	2,216	$334	4	3	2012
05/16/19	6905 Tourmaline Place	$665,000	2,216	$300	4	2	2010
	Minimum	$435,000	1,140	$300	2	2	2000
	Maximum	$2,300,000	2,800	$1,095	4	4	2019
	Median	$623,000	1,533	$401	3	2	2005
	Average	$740,567	1,658	$440	3	2	2007

(1) Survey reflects sales from January 2019 to present.

(2) Excludes townhomes built before 2000.

Source: Redfin.com

TABLE A-5
SURVEY OF APARTMENT MARKET RENTS, ENCINITAS, JUNE 2019 - ONE BEDROOM
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Apartment Complex	Address	Zip Code	# Units	SF	Rent	Rent/SF	Year Built
Elan Playa Mar	116 Quail Garden Dr	92024	50	540	$1,995	$3.69	1989
Ritz Colony	1190 Encinitas Blvd	92024	144	660	$1,850	$2.80	1985
-	1749 N. Vulcan Ave	92024	-	600	$1,680	$2.80	-
Mission Ridge Apartments	1320 Via Terrassa	92024	196	929	$2,489	$2.68	1984
Elan Quail Pointe	924 Encinitas Blvd	92024	120	700	$1,850	$2.64	2006
Essex Heights Apartments	404 Encinitas Blvd	92024	262	700	$1,800	$2.57	1988
Elan Pacifico Encinitas	1100 Garden View Rd	92024	121	1,086	$2,545	$2.34	2002
Elan Seacrest Encinitas	117 Rosebay Dr	92024	48	800	$1,825	$2.28	1980
-	1201 N Vulcan Ave	92024	-	750	$1,600	$2.13	-
		Minimum	48	540	$1,600	$2.13	1980
		Maximum	262	1,086	$2,545	$3.69	2006
		Median	121	700	$1,850	$2.64	1988
		Average	134	752	$1,959	$2.66	1991

Source: apartments.com

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/residential market data appendix 10-27-19;10/29/2019;sjx

TABLE A-6
SURVEY OF APARTMENT MARKET RENTS, ENCINITAS, JUNE 2019 - TWO BEDROOM
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Apartment Complex	Address	Zip Code	# Units	SF	Rent	Rent/SF	Year Built
Mission Ridge Apartments	1320 Via Terrassa	92024	196	1,203	$3,036	$2.52	1984
Elan Quail Pointe	924 Encinitas Blvd	92024	120	900	$2,225	$2.47	2006
Ritz Colony	1190 Encinitas Blvd	92024	144	938	$2,300	$2.45	1985
Elan Playa Mar	116 Quail Garden Dr	92024	50	1,025	$2,500	$2.44	1989
Essex Heights Apartments	404 Encinitas Blvd	92024	262	900	$2,150	$2.39	1988
Elan Seacrest Encinitas	117 Rosebay Dr	92024	48	1,000	$2,225	$2.23	1980
-	125 Hillcrest Dr	92024	-	1,100	$2,400	$2.18	-
Elan Pacifico Encinitas	1100 Garden View Rd	92024	121	1,396	$2,920	$2.09	2002
		Minimum	48	900	$2,150	$2.09	1980
		Maximum	262	1,396	$3,036	$2.52	2006
		Median	121	1,013	$2,350	$2.41	1988
		Average	134	1,058	$2,470	$2.35	1991

Source: apartments.com

TABLE A-7
SURVEY OF APARTMENT MARKET RENTS, CARLSBAD, JUNE 2019 - ONE BEDROOM
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Apartment Complex	Address	Zip Code	# Units	SF	Rent	Rent/SF	Year Built
Rising Glen	2300 Rising Glen Way	92008	195	678	$3,954	$5.83	1988
The Reserve	2262 Avenida Magnifica	92008	450	557	$2,990	$5.37	1984
Pacific View	5162 Whitman Way	92008	451	676	3,575	$5.29	2004
Montecito Apartments	2510 W Ranch St	92010	266	748	$3,874	$5.18	2018
Seascape	6938 Seascape Dr	92011	208	670	3,380	$5.04	1986
Windsor at Aviara	6610 Ambrosia Ln	92011	290	684	3,010	$4.40	1999
Santa Fe Ranch	3402 Calle Odessa	92009	320	679	$2,657	$3.91	1986
The Bluffs	2701-2707 Avenida de Anita	92010	163	451	$1,730	$3.84	1978
Marisol Carlsbad	3251 Marisol Pl	92010	278	772	$2,452	$3.18	2018
The Village	3642 Village Cir	92008	98	683	$2,134	$3.12	1962
San Katrina	336 Pine Ave	92008	50	650	$2,000	$3.08	1988
Elan Beachpointe	1000 Chinquapin Ave	92008	44	775	1,825	$2.35	1979
		Minimum	44	451	$1,730	$2.35	1962
		Maximum	451	775	$3,954	$5.83	2018
		Median	237	679	$2,824	$4.16	1987
		Average	234	669	$2,798	$4.22	1991

Source: apartments.com

TABLE A-8
SURVEY OF APARTMENT MARKET RENTS, CARLSBAD, JUNE 2019 - TWO BEDROOM
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Apartment Complex	Address	Zip Code	# Units	SF	Rent	Rent/SF	Year Built
Rising Glen	2300 Rising Glen Way	92008	195	907	$4,030	$4.44	1988
Seascape	6938 Seascape Dr	92011	208	950	$4,220	$4.44	1986
The Reserve	2262 Avenida Magnifica	92008	450	858	3,745	$4.36	1984
Montecito Apartments	2510 W Ranch St	92010	266	1,160	$4,900	$4.22	2018
Pacific View	5162 Whitman Way	92008	451	1,126	$4,450	$3.95	2004
Windsor at Aviara	6610 Ambrosia Ln	92011	290	983	$3,865	$3.93	1999
Santa Fe Ranch	3402 Calle Odessa	92009	320	924	$2,987	$3.23	1986
San Katrina	336 Pine Ave	92008	50	900	2,800	$3.11	1988
Seagate Condominium	6555 Sea Gate Rd	92011	272	1,094	$3,400	$3.11	1986
Tradition	1901 Cassia Rd	92011	157	1,123	$3,075	$2.74	2005
Villas	2600-2695 Kremeyer Cir	92008	102	987	$2,660	$2.70	1966
The Bluffs	2701-2707 Avenida de Anita	92010	163	670	$1,770	$2.64	1978
Elan Sandcastle Shores	315-395 Walnut Ave	92008	64	900	$2,275	$2.53	1986
Carlsbad Coast	357 Chestnut Ave	92008	72	900	2,198	$2.44	1974
Marisol Carlsbad	3251 Marisol Pl	92010	278	1,135	$2,735	$2.41	2018
Sommerset La Costa	2937-2949 Unicornio St	92009	48	1,100	$2,495	$2.27	1986
Elan Beachpointe	1000 Chinquapin Ave	92008	44	1,000	$2,125	$2.13	1979
		Minimum	44	670	$1,770	$2.13	1966
		Maximum	451	1,160	$4,900	$4.44	2018
		Median	195	983	$2,987	$3.11	1986
		Average	202	983	$3,161	$3.22	1990

Source: apartments.com

TABLE A-9
SURVEY OF APARTMENT MARKET RENTS, CARLSBAD, JUNE 2019 - THREE BEDROOM
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Apartment Complex	Address	Zip Code	# Units	SF	Rent	Rent/SF	Year Built
Rising Glen	2300 Rising Glen Way	92008	195	1,182	$5,464	$4.62	1988
Montecito Apartments	2510 W Ranch St	92010	266	1,379	$5,752	$4.17	2018
Pacific View	5162 Whitman Way	92008	451	1,378	5,200	$3.77	2004
Windsor at Aviara	6610 Ambrosia Ln	92011	290	1,365	4,600	$3.37	1999
Villas	2600-2695 Kremeyer Cir	92008	102	1,250	3,405	$2.72	1966
Tradition	1901 Cassia Rd	92011	157	1,361	3,685	$2.71	2005
Marisol Carlsbad	3251 Marisol Pl	92010	278	1,877	4,129	$2.20	2018
		Minimum	102	1,182	$3,405	$2.20	1966
		Maximum	451	1,877	$5,752	$4.62	2018
		Median	266	1,365	$4,600	$3.37	2004
		Average	248	1,399	$4,605	$3.37	2000

Source: apartments.com

APPENDIX B: ADDITIONAL BACKGROUND AND NOTES ON SPECIFIC ASSUMPTIONS

A. No Excess Supply of Affordable Housing

An assumption of this residential nexus analysis is that there is no excess supply of affordable housing available to absorb or offset new demand; therefore, new affordable units are needed to mitigate the new affordable housing demand generated by development of new market rate residential units. Based on a review of the current Census information for Encinitas, conditions are consistent with this underlying assumption. According to the Census (2013 to 2017 ACS), approximately 37% of all households in the City were paying thirty percent or more of their income on housing. In addition, housing vacancy is minimal.

B. Geographic Area of Impact

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

In summary, the nexus analysis quantifies all the job impacts occurring within the county and related worker households. Job impacts, like most types of impacts, occur irrespective of political boundaries. And like other types of impact analyses, such as traffic, impacts beyond city boundaries may be mitigated by the city.

For clarification, counting all impacts associated with new housing units does not result in double counting, even if all jurisdictions were to adopt similar programs. The impact of a new housing unit is only counted once, in the jurisdiction in which it occurs. Obviously, within a metropolitan region such as San Diego, there is much commuting among jurisdictions, and cities house each other's workers in a very complex web of relationships. The important point is that impacts of residential development are only counted once.

C. Affordability Gap

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

The units assisted by the public sector for affordable households are usually small in square foot area (for the number of bedrooms) and modest in finishes and amenities. As a result, in some communities these units are similar in physical configuration to what the market is delivering at market rate, in other communities they may be smaller and more modest than what

the market is delivering. Parking, for example, is usually the minimum permitted by the code. Where there is a wide range in land cost per acre or per unit, it may be assumed that affordable units are built on land parcels in the lower portion of the cost range. KMA tries to develop a total development cost summary that represents the lower half of the average range, but not so low as to be unrealistic.

D. The Burden of Paying for Affordable Housing

Encinitas's inclusionary housing program does not place all burden for the creation of affordable housing on new residential construction or new residential care facilities. The burden of affordable housing is also borne by many sectors of the economy and society. A most important source of funding for affordable housing development comes from the federal government in the form of tax credits (which result in reduced income tax payment by tax credit investors in exchange for equity funding). Additionally, there are other federal grant and loan programs administered by the Department of Housing and Urban Development and other federal agencies. The State of California also plays a major role with 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 City of Encinitas.

APPENDIX C: WORKER OCCUPATIONS AND COMPENSATION LEVELS

APPENDIX TABLE C-1
WORKER OCCUPATION DISTRIBUTION, 2017
SERVICES TO HOUSEHOLDS EARNING $100 - $150K, RESIDENT SERVICES
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Major Occupations (2% or more)	Worker Occupation Distribution[1] Services to Households Earning $100,000 to $150,000
Management Occupations	*4.4%*
Business and Financial Operations Occupations	*5.1%*
Education, Training, and Library Occupations	*3.0%*
Healthcare Practitioners and Technical Occupations	*6.4%*
Healthcare Support Occupations	*3.7%*
Food Preparation and Serving Related Occupations	*13.4%*
Building and Grounds Cleaning and Maintenance Occupations	*4.9%*
Personal Care and Service Occupations	*7.3%*
Sales and Related Occupations	*12.9%*
Office and Administrative Support Occupations	*15.8%*
Installation, Maintenance, and Repair Occupations	*3.6%*
Transportation and Material Moving Occupations	*5.6%*
All Other Worker Occupations - Services to Households Earning $100,000 to $150,000	*13.8%*
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.

Source: Bureau of Labor Statistics, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX TABLE C-2
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $100,000 TO $150,000
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 1 of 4			
Management Occupations			
General and Operations Managers	$136,400	35.3%	1.6%
Sales Managers	$128,800	4.8%	0.2%
Administrative Services Managers	$107,200	3.4%	0.1%
Computer and Information Systems Managers	$160,600	3.0%	0.1%
Financial Managers	$145,400	9.7%	0.4%
Food Service Managers	$69,700	4.7%	0.2%
Medical and Health Services Managers	$128,000	5.4%	0.2%
Property, Real Estate, and Community Association Managers	$76,700	8.1%	0.4%
Managers, All Other	$137,600	4.0%	0.2%
All other Management Occupations (Avg. All Categories)	$126,100	21.6%	0.9%
Weighted Mean Annual Wage	***$126,100***	**100.0%**	**4.4%**
Business and Financial Operations Occupations			
Claims Adjusters, Examiners, and Investigators	$69,300	4.2%	0.2%
Human Resources Specialists	$68,600	5.1%	0.3%
Management Analysts	$85,100	6.1%	0.3%
Training and Development Specialists	$71,200	3.3%	0.2%
Market Research Analysts and Marketing Specialists	$68,000	7.7%	0.4%
Business Operations Specialists, All Other	$84,900	8.9%	0.5%
Accountants and Auditors	$88,800	16.5%	0.8%
Financial Analysts	$90,000	8.0%	0.4%
Personal Financial Advisors	$139,700	10.6%	0.5%
Loan Officers	$80,700	5.6%	0.3%
All Other Business and Financial Operations Occupations (Avg. All Categ	$89,400	24.1%	1.2%
Weighted Mean Annual Wage	***$89,400***	**100.0%**	**5.1%**
Education, Training, and Library Occupations			
Health Specialties Teachers, Postsecondary	$127,700	3.3%	0.1%
Vocational Education Teachers, Postsecondary	$75,800	3.8%	0.1%
Postsecondary Teachers, All Other	$75,800	3.2%	0.1%
Preschool Teachers, Except Special Education	$36,100	13.2%	0.4%
Elementary School Teachers, Except Special Education	$73,200	5.4%	0.2%
Secondary School Teachers, Except Special and Career/Technical Educa	$79,000	4.0%	0.1%
Self-Enrichment Education Teachers	$52,000	12.6%	0.4%
Teachers and Instructors, All Other, Except Substitute Teachers	$57,700	7.3%	0.2%
Substitute Teachers	$40,500	3.3%	0.1%
Teacher Assistants	$35,400	12.2%	0.4%
All Other Education, Training, and Library Occupations (Avg. All Categorie	$55,300	31.6%	0.9%
Weighted Mean Annual Wage	***$55,300***	**100.0%**	**3.0%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
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APPENDIX TABLE C-2
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $100,000 TO $150,000
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 2 of 4			
Healthcare Practitioners and Technical Occupations			
Pharmacists	$127,800	4.1%	0.3%
Physicians and Surgeons, All Other	$220,600	4.8%	0.3%
Physical Therapists	$94,200	3.6%	0.2%
Registered Nurses	$100,200	24.1%	1.5%
Clinical Laboratory Technologists and Technicians	$58,700	3.4%	0.2%
Dental Hygienists	$97,600	4.3%	0.3%
Pharmacy Technicians	$39,700	5.8%	0.4%
Licensed Practical and Licensed Vocational Nurses	$57,800	7.5%	0.5%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Ca	$97,600	42.3%	2.7%
Weighted Mean Annual Wage	***$97,600***	**100.0%**	**6.4%**
Healthcare Support Occupations			
Home Health Aides	$31,800	22.1%	0.8%
Nursing Assistants	$35,800	21.3%	0.8%
Massage Therapists	$35,500	6.2%	0.2%
Dental Assistants	$41,400	11.6%	0.4%
Medical Assistants	$39,700	19.8%	0.7%
Veterinary Assistants and Laboratory Animal Caretakers	$34,000	3.9%	0.1%
All Other Healthcare Support Occupations (Avg. All Categories)	$36,300	15.1%	0.6%
Weighted Mean Annual Wage	***$36,300***	**100.0%**	**3.7%**
Food Preparation and Serving Related Occupations			
First-Line Supervisors of Food Preparation and Serving Workers	$40,100	6.9%	0.9%
Cooks, Fast Food	$26,900	3.8%	0.5%
Cooks, Restaurant	$31,100	9.3%	1.2%
Food Preparation Workers	$28,500	6.1%	0.8%
Bartenders	$31,800	6.9%	0.9%
Combined Food Preparation and Serving Workers, Including Fast Food	$27,100	26.8%	3.6%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	$28,300	3.4%	0.4%
Waiters and Waitresses	$32,700	19.3%	2.6%
Dishwashers	$26,100	3.9%	0.5%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	$27,000	3.1%	0.4%
All Other Food Preparation and Serving Related Occupations (Avg. All Ca	$30,200	10.6%	1.4%
Weighted Mean Annual Wage	***$30,200***	**100.0%**	**13.4%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
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APPENDIX TABLE C-2
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $100,000 TO $150,000
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 3 of 4			
Building and Grounds Cleaning and Maintenance Occupations			
First-Line Supervisors of Landscaping, Lawn Service, and Groundskeepir	$59,700	3.8%	0.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$33,400	43.6%	2.2%
Maids and Housekeeping Cleaners	$29,200	8.4%	0.4%
Pest Control Workers	$36,000	4.3%	0.2%
Landscaping and Groundskeeping Workers	$33,500	34.2%	1.7%
All Other Building and Grounds Cleaning and Maintenance Occupations (	$34,200	5.7%	0.3%
Weighted Mean Annual Wage	***$34,200***	**100.0%**	**4.9%**
Personal Care and Service Occupations			
First-Line Supervisors of Personal Service Workers	$47,800	4.0%	0.3%
Nonfarm Animal Caretakers	$34,700	8.8%	0.6%
Amusement and Recreation Attendants	$27,100	3.4%	0.2%
Hairdressers, Hairstylists, and Cosmetologists	$36,400	14.3%	1.0%
Manicurists and Pedicurists	$25,800	4.5%	0.3%
Childcare Workers	$29,000	7.2%	0.5%
Personal Care Aides	$28,500	36.5%	2.7%
Fitness Trainers and Aerobics Instructors	$43,100	6.3%	0.5%
Recreation Workers	$30,400	3.6%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	$32,200	11.5%	0.8%
Weighted Mean Annual Wage	***$32,200***	**100.0%**	**7.3%**
Sales and Related Occupations			
First-Line Supervisors of Retail Sales Workers	$49,300	8.6%	1.1%
Cashiers	$27,600	25.1%	3.2%
Counter and Rental Clerks	$35,400	4.5%	0.6%
Retail Salespersons	$31,800	33.6%	4.3%
Insurance Sales Agents	$84,400	3.1%	0.4%
Securities, Commodities, and Financial Services Sales Agents	$67,600	5.9%	0.8%
Sales Representatives, Services, All Other	$60,400	5.2%	0.7%
Sales Representatives, Wholesale and Manufacturing, Except Technical a	$71,800	4.4%	0.6%
All Other Sales and Related Occupations (Avg. All Categories)	$40,200	9.7%	1.3%
Weighted Mean Annual Wage	***$40,200***	**100.0%**	**12.9%**
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$62,000	6.7%	1.1%
Bookkeeping, Accounting, and Auditing Clerks	$47,500	7.2%	1.1%
Customer Service Representatives	$39,700	12.6%	2.0%
Receptionists and Information Clerks	$34,500	8.3%	1.3%
Stock Clerks and Order Fillers	$31,300	10.0%	1.6%
Medical Secretaries	$45,000	3.8%	0.6%
Secretaries and Administrative Assistants, Except Legal, Medical, and Ex	$44,100	11.1%	1.8%
Office Clerks, General	$36,000	14.1%	2.2%
All Other Office and Administrative Support Occupations (Avg. All Catego	$41,000	26.3%	4.2%
Weighted Mean Annual Wage	***$41,000***	**100.0%**	**15.8%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
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APPENDIX TABLE C-2
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $100,000 TO $150,000
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 4 of 4			
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$71,700	7.9%	0.3%
Automotive Body and Related Repairers	$47,200	6.5%	0.2%
Automotive Service Technicians and Mechanics	$48,100	19.8%	0.7%
Bus and Truck Mechanics and Diesel Engine Specialists	$57,900	4.0%	0.1%
Maintenance and Repair Workers, General	$43,900	31.1%	1.1%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Cat	$49,400	30.6%	1.1%
Weighted Mean Annual Wage	***$49,400***	**100.0%**	**3.6%**
Transportation and Material Moving Occupations			
First-Line Supervisors of Transportation and Material Moving Workers, Ex	$57,400	4.3%	0.2%
Bus Drivers, School or Special Client	$42,300	6.1%	0.3%
Driver/Sales Workers	$39,100	6.7%	0.4%
Heavy and Tractor-Trailer Truck Drivers	$47,800	11.4%	0.6%
Light Truck or Delivery Services Drivers	$40,900	9.7%	0.5%
Taxi Drivers and Chauffeurs	$30,400	4.2%	0.2%
Parking Lot Attendants	$26,900	9.7%	0.5%
Cleaners of Vehicles and Equipment	$27,700	7.8%	0.4%
Laborers and Freight, Stock, and Material Movers, Hand	$32,100	19.8%	1.1%
Packers and Packagers, Hand	$28,200	6.1%	0.3%
All Other Transportation and Material Moving Occupations (Avg. All Categ	$36,400	14.2%	0.8%
Weighted Mean Annual Wage	***$36,400***	**100.0%**	**5.6%**
			86.2%

[1] The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

[2] Occupation percentages are based on the 2017 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Diego as of 2018 and are adjusted by EDD to the first quarter of 2019.

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

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX TABLE C-3
WORKER OCCUPATION DISTRIBUTION, 2017
SERVICES TO HOUSEHOLDS EARNING $150K - $200K, RESIDENT SERVICES
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Major Occupations (2% or more)	Worker Occupation Distribution[1] Services to Households Earning $150k - $200k
Management Occupations	*4.3%*
Business and Financial Operations Occupations	*4.6%*
Education, Training, and Library Occupations	*3.6%*
Healthcare Practitioners and Technical Occupations	*6.6%*
Healthcare Support Occupations	*3.7%*
Food Preparation and Serving Related Occupations	*13.7%*
Building and Grounds Cleaning and Maintenance Occupations	*5.1%*
Personal Care and Service Occupations	*7.3%*
Sales and Related Occupations	*12.6%*
Office and Administrative Support Occupations	*15.6%*
Installation, Maintenance, and Repair Occupations	*3.5%*
Transportation and Material Moving Occupations	*5.6%*
All Other Worker Occupations - Services to Households Earning $150k - $200k	*13.7%*
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.

Source: Bureau of Labor Statistics, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX TABLE C-4
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $150K - $200K
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 1 of 4			
Management Occupations			
General and Operations Managers	$136,400	35.4%	1.5%
Sales Managers	$128,800	4.7%	0.2%
Administrative Services Managers	$107,200	3.5%	0.1%
Computer and Information Systems Managers	$160,600	3.0%	0.1%
Financial Managers	$145,400	8.6%	0.4%
Food Service Managers	$69,700	4.9%	0.2%
Medical and Health Services Managers	$128,000	5.7%	0.2%
Property, Real Estate, and Community Association Managers	$76,700	7.8%	0.3%
Social and Community Service Managers	$69,800	3.0%	0.1%
Managers, All Other	$137,600	4.0%	0.2%
All other Management Occupations (Avg. All Categories)	$123,700	19.4%	0.8%
Weighted Mean Annual Wage	***$123,700***	**100.0%**	**4.3%**
Business and Financial Operations Occupations			
Buyers and Purchasing Agents	$73,100	3.2%	0.2%
Claims Adjusters, Examiners, and Investigators	$69,300	4.4%	0.2%
Human Resources Specialists	$68,600	5.5%	0.3%
Management Analysts	$85,100	6.3%	0.3%
Training and Development Specialists	$71,200	3.7%	0.2%
Market Research Analysts and Marketing Specialists	$68,000	8.1%	0.4%
Business Operations Specialists, All Other	$84,900	9.8%	0.5%
Accountants and Auditors	$88,800	16.9%	0.8%
Financial Analysts	$90,000	6.8%	0.3%
Personal Financial Advisors	$139,700	8.4%	0.4%
Loan Officers	$80,700	5.3%	0.2%
All Other Business and Financial Operations Occupations (Avg. All Categ	$86,900	21.6%	1.0%
Weighted Mean Annual Wage	***$86,900***	**100.0%**	**4.6%**
Education, Training, and Library Occupations			
Health Specialties Teachers, Postsecondary	$127,700	4.0%	0.1%
Vocational Education Teachers, Postsecondary	$75,800	3.8%	0.1%
Postsecondary Teachers, All Other	$75,800	3.9%	0.1%
Preschool Teachers, Except Special Education	$36,100	11.4%	0.4%
Elementary School Teachers, Except Special Education	$73,200	5.2%	0.2%
Secondary School Teachers, Except Special and Career/Technical Educa	$79,000	3.8%	0.1%
Self-Enrichment Education Teachers	$52,000	11.5%	0.4%
Teachers and Instructors, All Other, Except Substitute Teachers	$57,700	7.1%	0.3%
Substitute Teachers	$40,500	3.1%	0.1%
Teacher Assistants	$35,400	11.2%	0.4%
All Other Education, Training, and Library Occupations (Avg. All Categorie	$57,100	34.9%	1.3%
Weighted Mean Annual Wage	***$57,100***	**100.0%**	**3.6%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX TABLE C-4
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $150K - $200K
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 2 of 4			
Healthcare Practitioners and Technical Occupations			
Pharmacists	$127,800	4.1%	0.3%
Physicians and Surgeons, All Other	$220,600	4.7%	0.3%
Physical Therapists	$94,200	3.8%	0.2%
Registered Nurses	$100,200	24.4%	1.6%
Clinical Laboratory Technologists and Technicians	$58,700	3.9%	0.3%
Dental Hygienists	$97,600	4.2%	0.3%
Pharmacy Technicians	$39,700	5.6%	0.4%
Licensed Practical and Licensed Vocational Nurses	$57,800	6.9%	0.5%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Ca	$97,600	42.4%	2.8%
Weighted Mean Annual Wage	***$97,600***	**100.0%**	**6.6%**
Healthcare Support Occupations			
Home Health Aides	$31,800	21.2%	0.8%
Nursing Assistants	$35,800	20.2%	0.8%
Physical Therapist Assistants	$62,100	3.0%	0.1%
Massage Therapists	$35,500	6.5%	0.2%
Dental Assistants	$41,400	11.8%	0.4%
Medical Assistants	$39,700	19.8%	0.7%
Veterinary Assistants and Laboratory Animal Caretakers	$34,000	3.9%	0.1%
Phlebotomists	$48,900	3.5%	0.1%
All Other Healthcare Support Occupations (Avg. All Categories)	$37,700	10.0%	0.4%
Weighted Mean Annual Wage	***$37,700***	**100.0%**	**3.7%**
Food Preparation and Serving Related Occupations			
First-Line Supervisors of Food Preparation and Serving Workers	$40,100	7.0%	1.0%
Cooks, Fast Food	$26,900	3.8%	0.5%
Cooks, Restaurant	$31,100	9.4%	1.3%
Food Preparation Workers	$28,500	6.0%	0.8%
Bartenders	$31,800	6.8%	0.9%
Combined Food Preparation and Serving Workers, Including Fast Food	$27,100	27.0%	3.7%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	$28,300	3.4%	0.5%
Waiters and Waitresses	$32,700	19.5%	2.7%
Dishwashers	$26,100	3.9%	0.5%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	$27,000	3.1%	0.4%
All Other Food Preparation and Serving Related Occupations (Avg. All Ca	$30,200	10.2%	1.4%
Weighted Mean Annual Wage	***$30,200***	**100.0%**	**13.7%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
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APPENDIX TABLE C-4
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $150K - $200K
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 3 of 4			
Building and Grounds Cleaning and Maintenance Occupations			
First-Line Supervisors of Landscaping, Lawn Service, and Groundskeepir	$59,700	3.8%	0.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$33,400	43.5%	2.2%
Maids and Housekeeping Cleaners	$29,200	8.2%	0.4%
Pest Control Workers	$36,000	4.4%	0.2%
Landscaping and Groundskeeping Workers	$33,500	34.0%	1.7%
All Other Building and Grounds Cleaning and Maintenance Occupations (.	$34,200	6.1%	0.3%
Weighted Mean Annual Wage	***$34,200***	**100.0%**	**5.1%**
Personal Care and Service Occupations			
First-Line Supervisors of Personal Service Workers	$47,800	4.0%	0.3%
Nonfarm Animal Caretakers	$34,700	8.8%	0.6%
Amusement and Recreation Attendants	$27,100	3.7%	0.3%
Hairdressers, Hairstylists, and Cosmetologists	$36,400	14.5%	1.1%
Manicurists and Pedicurists	$25,800	4.6%	0.3%
Childcare Workers	$29,000	7.7%	0.6%
Personal Care Aides	$28,500	36.3%	2.6%
Fitness Trainers and Aerobics Instructors	$43,100	6.9%	0.5%
Recreation Workers	$30,400	3.6%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	$32,300	9.9%	0.7%
Weighted Mean Annual Wage	***$32,300***	**100.0%**	**7.3%**
Sales and Related Occupations			
First-Line Supervisors of Retail Sales Workers	$49,300	8.8%	1.1%
Cashiers	$27,600	25.6%	3.2%
Counter and Rental Clerks	$35,400	4.5%	0.6%
Retail Salespersons	$31,800	34.2%	4.3%
Insurance Sales Agents	$84,400	3.1%	0.4%
Securities, Commodities, and Financial Services Sales Agents	$67,600	4.4%	0.6%
Sales Representatives, Services, All Other	$60,400	5.3%	0.7%
Sales Representatives, Wholesale and Manufacturing, Except Technical a	$71,800	4.4%	0.6%
All Other Sales and Related Occupations (Avg. All Categories)	$39,600	9.8%	1.2%
Weighted Mean Annual Wage	***$39,600***	**100.0%**	**12.6%**
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$62,000	6.6%	1.0%
Bookkeeping, Accounting, and Auditing Clerks	$47,500	7.1%	1.1%
Customer Service Representatives	$39,700	12.3%	1.9%
Receptionists and Information Clerks	$34,500	8.5%	1.3%
Stock Clerks and Order Fillers	$31,300	10.1%	1.6%
Medical Secretaries	$45,000	3.9%	0.6%
Secretaries and Administrative Assistants, Except Legal, Medical, and Ex	$44,100	11.2%	1.7%
Office Clerks, General	$36,000	14.3%	2.2%
All Other Office and Administrative Support Occupations (Avg. All Catego	$40,900	26.0%	4.1%
Weighted Mean Annual Wage	***$40,900***	**100.0%**	**15.6%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
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APPENDIX TABLE C-4
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $150K - $200K
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 4 of 4			
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$71,700	7.9%	0.3%
Automotive Body and Related Repairers	$47,200	6.3%	0.2%
Automotive Service Technicians and Mechanics	$48,100	19.6%	0.7%
Bus and Truck Mechanics and Diesel Engine Specialists	$57,900	4.1%	0.1%
Maintenance and Repair Workers, General	$43,900	31.3%	1.1%
Installation, Maintenance, and Repair Workers, All Other	$48,700	3.1%	0.1%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Cat	$49,400	27.7%	1.0%
Weighted Mean Annual Wage	***$49,400***	**100.0%**	**3.5%**
Transportation and Material Moving Occupations			
First-Line Supervisors of Transportation and Material Moving Workers, Ex	$57,400	4.2%	0.2%
Bus Drivers, School or Special Client	$42,300	6.7%	0.4%
Driver/Sales Workers	$39,100	6.8%	0.4%
Heavy and Tractor-Trailer Truck Drivers	$47,800	11.4%	0.6%
Light Truck or Delivery Services Drivers	$40,900	9.7%	0.5%
Taxi Drivers and Chauffeurs	$30,400	4.4%	0.2%
Parking Lot Attendants	$26,900	9.6%	0.5%
Cleaners of Vehicles and Equipment	$27,700	7.4%	0.4%
Laborers and Freight, Stock, and Material Movers, Hand	$32,100	19.7%	1.1%
Packers and Packagers, Hand	$28,200	6.1%	0.3%
All Other Transportation and Material Moving Occupations (Avg. All Categ	$36,400	14.0%	0.8%
Weighted Mean Annual Wage	***$36,400***	**100.0%**	**5.6%**
			86.3%

[1] The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

[2] Occupation percentages are based on the 2017 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Diego as of 2018 and are adjusted by EDD to the first quarter of 2019.

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

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX TABLE C-5
WORKER OCCUPATION DISTRIBUTION, 2017
SERVICES TO HOUSEHOLDS EARNING $200K+, RESIDENT SERVICES
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Major Occupations (2% or more)	Worker Occupation Distribution[1] Services to Households Earning $200k+
Management Occupations	*4.3%*
Business and Financial Operations Occupations	*4.5%*
Education, Training, and Library Occupations	*4.7%*
Healthcare Practitioners and Technical Occupations	*5.6%*
Healthcare Support Occupations	*3.5%*
Food Preparation and Serving Related Occupations	*12.8%*
Building and Grounds Cleaning and Maintenance Occupations	*5.6%*
Personal Care and Service Occupations	*8.1%*
Sales and Related Occupations	*12.7%*
Office and Administrative Support Occupations	*15.3%*
Installation, Maintenance, and Repair Occupations	*3.4%*
Transportation and Material Moving Occupations	*5.7%*
All Other Worker Occupations - Services to Households Earning $200k+	*13.9%*
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.

Source: Bureau of Labor Statistics, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX TABLE C-6
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $200K+
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 1 of 4			
Management Occupations			
General and Operations Managers	$136,400	35.9%	1.5%
Sales Managers	$128,800	4.6%	0.2%
Administrative Services Managers	$107,200	3.4%	0.1%
Computer and Information Systems Managers	$160,600	2.9%	0.1%
Financial Managers	$145,400	8.2%	0.4%
Food Service Managers	$69,700	4.6%	0.2%
Medical and Health Services Managers	$128,000	4.8%	0.2%
Property, Real Estate, and Community Association Managers	$76,700	7.5%	0.3%
Social and Community Service Managers	$69,800	3.3%	0.1%
Managers, All Other	$137,600	4.0%	0.2%
All other Management Occupations (Avg. All Categories)	$123,700	20.7%	0.9%
Weighted Mean Annual Wage	***$123,700***	**100.0%**	**4.3%**
Business and Financial Operations Occupations			
Buyers and Purchasing Agents	$73,100	3.3%	0.1%
Claims Adjusters, Examiners, and Investigators	$69,300	4.3%	0.2%
Human Resources Specialists	$68,600	5.6%	0.3%
Management Analysts	$85,100	6.1%	0.3%
Training and Development Specialists	$71,200	4.1%	0.2%
Market Research Analysts and Marketing Specialists	$68,000	8.3%	0.4%
Business Operations Specialists, All Other	$84,900	10.0%	0.5%
Accountants and Auditors	$88,800	17.8%	0.8%
Financial Analysts	$90,000	6.1%	0.3%
Personal Financial Advisors	$139,700	7.3%	0.3%
Loan Officers	$80,700	5.3%	0.2%
All Other Business and Financial Operations Occupations (Avg. All Categ	$86,000	21.8%	1.0%
Weighted Mean Annual Wage	***$86,000***	**100.0%**	**4.5%**
Education, Training, and Library Occupations			
Health Specialties Teachers, Postsecondary	$127,700	3.1%	0.1%
Vocational Education Teachers, Postsecondary	$75,800	4.4%	0.2%
Postsecondary Teachers, All Other	$75,800	3.0%	0.1%
Preschool Teachers, Except Special Education	$36,100	11.7%	0.6%
Elementary School Teachers, Except Special Education	$73,200	6.0%	0.3%
Secondary School Teachers, Except Special and Career/Technical Educa	$79,000	4.4%	0.2%
Self-Enrichment Education Teachers	$52,000	12.9%	0.6%
Teachers and Instructors, All Other, Except Substitute Teachers	$57,700	8.3%	0.4%
Substitute Teachers	$40,500	3.4%	0.2%
Teacher Assistants	$35,400	12.1%	0.6%
All Other Education, Training, and Library Occupations (Avg. All Categorie	$56,000	30.7%	1.4%
Weighted Mean Annual Wage	***$56,000***	**100.0%**	**4.7%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX TABLE C-6
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $200K+
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 2 of 4			
Healthcare Practitioners and Technical Occupations			
Pharmacists	$127,800	4.5%	0.3%
Physicians and Surgeons, All Other	$220,600	4.6%	0.3%
Physical Therapists	$94,200	4.3%	0.2%
Registered Nurses	$100,200	22.6%	1.3%
Clinical Laboratory Technologists and Technicians	$58,700	2.8%	0.2%
Dental Hygienists	$97,600	3.9%	0.2%
Pharmacy Technicians	$39,700	6.4%	0.4%
Licensed Practical and Licensed Vocational Nurses	$57,800	7.9%	0.4%
All Other Healthcare Practitioners and Technical Occupations (Avg. All Ca	$96,800	42.8%	2.4%
Weighted Mean Annual Wage	***$96,800***	**100.0%**	**5.6%**
Healthcare Support Occupations			
Home Health Aides	$31,800	27.2%	1.0%
Nursing Assistants	$35,800	19.8%	0.7%
Physical Therapist Assistants	$62,100	3.1%	0.1%
Massage Therapists	$35,500	6.3%	0.2%
Dental Assistants	$41,400	9.8%	0.3%
Medical Assistants	$39,700	18.6%	0.7%
Veterinary Assistants and Laboratory Animal Caretakers	$34,000	3.5%	0.1%
Phlebotomists	$48,900	2.1%	0.1%
All Other Healthcare Support Occupations (Avg. All Categories)	$37,100	9.5%	0.3%
Weighted Mean Annual Wage	***$37,100***	**100.0%**	**3.5%**
Food Preparation and Serving Related Occupations			
First-Line Supervisors of Food Preparation and Serving Workers	$40,100	6.9%	0.9%
Cooks, Fast Food	$26,900	3.7%	0.5%
Cooks, Restaurant	$31,100	9.3%	1.2%
Food Preparation Workers	$28,500	6.1%	0.8%
Bartenders	$31,800	6.9%	0.9%
Combined Food Preparation and Serving Workers, Including Fast Food	$27,100	26.8%	3.4%
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	$28,300	3.5%	0.4%
Waiters and Waitresses	$32,700	19.4%	2.5%
Dishwashers	$26,100	3.9%	0.5%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	$27,000	3.0%	0.4%
All Other Food Preparation and Serving Related Occupations (Avg. All Ca	$30,200	10.5%	1.3%
Weighted Mean Annual Wage	***$30,200***	**100.0%**	**12.8%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX TABLE C-6
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $200K+
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 3 of 4			
Building and Grounds Cleaning and Maintenance Occupations			
First-Line Supervisors of Landscaping, Lawn Service, and Groundskeepir	$59,700	3.9%	0.2%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$33,400	43.4%	2.4%
Maids and Housekeeping Cleaners	$29,200	7.5%	0.4%
Pest Control Workers	$36,000	4.5%	0.3%
Landscaping and Groundskeeping Workers	$33,500	34.7%	1.9%
All Other Building and Grounds Cleaning and Maintenance Occupations (.	$34,300	6.1%	0.3%
Weighted Mean Annual Wage	***$34,300***	**100.0%**	**5.6%**
Personal Care and Service Occupations			
First-Line Supervisors of Personal Service Workers	$47,800	3.9%	0.3%
Nonfarm Animal Caretakers	$34,700	7.5%	0.6%
Amusement and Recreation Attendants	$27,100	4.1%	0.3%
Hairdressers, Hairstylists, and Cosmetologists	$36,400	11.7%	0.9%
Manicurists and Pedicurists	$25,800	3.7%	0.3%
Childcare Workers	$29,000	8.8%	0.7%
Personal Care Aides	$28,500	39.4%	3.2%
Fitness Trainers and Aerobics Instructors	$43,100	7.3%	0.6%
Recreation Workers	$30,400	3.6%	0.3%
All Other Personal Care and Service Occupations (Avg. All Categories)	$32,000	9.9%	0.8%
Weighted Mean Annual Wage	***$32,000***	**100.0%**	**8.1%**
Sales and Related Occupations			
First-Line Supervisors of Retail Sales Workers	$49,300	8.8%	1.1%
Cashiers	$27,600	25.5%	3.2%
Counter and Rental Clerks	$35,400	4.5%	0.6%
Retail Salespersons	$31,800	34.5%	4.4%
Insurance Sales Agents	$84,400	3.0%	0.4%
Securities, Commodities, and Financial Services Sales Agents	$67,600	3.7%	0.5%
Sales Representatives, Services, All Other	$60,400	5.5%	0.7%
Sales Representatives, Wholesale and Manufacturing, Except Technical a	$71,800	4.3%	0.5%
All Other Sales and Related Occupations (Avg. All Categories)	$39,400	10.1%	1.3%
Weighted Mean Annual Wage	***$39,400***	**100.0%**	**12.7%**
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$62,000	6.6%	1.0%
Bookkeeping, Accounting, and Auditing Clerks	$47,500	7.2%	1.1%
Customer Service Representatives	$39,700	12.4%	1.9%
Receptionists and Information Clerks	$34,500	8.2%	1.3%
Stock Clerks and Order Fillers	$31,300	10.3%	1.6%
Medical Secretaries	$45,000	3.4%	0.5%
Secretaries and Administrative Assistants, Except Legal, Medical, and Ex	$44,100	11.5%	1.8%
Office Clerks, General	$36,000	14.6%	2.2%
All Other Office and Administrative Support Occupations (Avg. All Catego	$40,900	25.8%	4.0%
Weighted Mean Annual Wage	***$40,900***	**100.0%**	**15.3%**

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX TABLE C-6
AVERAGE ANNUAL WORKER COMPENSATION, 2019
SERVICES TO HOUSEHOLDS EARNING $200K+
RESIDENTIAL NEXUS ANALYSIS
ENCINITAS, CA

Occupation [3]	2019 Avg. Compensation [1]	% of Total Occupation Group [2]	% of Total No. of Service Workers
Page 4 of 4			
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$71,700	7.9%	0.3%
Automotive Body and Related Repairers	$47,200	5.7%	0.2%
Automotive Service Technicians and Mechanics	$48,100	18.5%	0.6%
Bus and Truck Mechanics and Diesel Engine Specialists	$57,900	4.2%	0.1%
Maintenance and Repair Workers, General	$43,900	32.4%	1.1%
Installation, Maintenance, and Repair Workers, All Other	$48,700	3.3%	0.1%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Cat	$49,300	28.0%	0.9%
Weighted Mean Annual Wage	***$49,300***	**100.0%**	**3.4%**
Transportation and Material Moving Occupations			
First-Line Supervisors of Transportation and Material Moving Workers, Ex	$57,400	4.1%	0.2%
Bus Drivers, School or Special Client	$42,300	8.2%	0.5%
Driver/Sales Workers	$39,100	6.5%	0.4%
Heavy and Tractor-Trailer Truck Drivers	$47,800	11.5%	0.6%
Light Truck or Delivery Services Drivers	$40,900	9.5%	0.5%
Taxi Drivers and Chauffeurs	$30,400	4.9%	0.3%
Parking Lot Attendants	$26,900	8.9%	0.5%
Cleaners of Vehicles and Equipment	$27,700	6.6%	0.4%
Laborers and Freight, Stock, and Material Movers, Hand	$32,100	19.7%	1.1%
Packers and Packagers, Hand	$28,200	6.0%	0.3%
All Other Transportation and Material Moving Occupations (Avg. All Categ	$36,600	14.2%	0.8%
Weighted Mean Annual Wage	***$36,600***	**100.0%**	**5.7%**
			86.1%

[1] The methodology utilized by the California Employment Development Department (EDD) assumes hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

[2] Occupation percentages are based on the 2017 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Diego as of 2018 and are adjusted by EDD to the first quarter of 2019.

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

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, IMPLAN
Keyser Marston Associates, Inc.
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APPENDIX TABLE C-7
2017 NATIONAL RESIDENTIAL CARE WORKER DISTRIBUTION BY OCCUPATION
RESIDENTIAL CARE NEXUS ANALYSIS
ENCINITAS, CA

Major Occupations (2% or more)	2017 National Residential Care Industry Occupation Distribution	
Management Occupations	29,610	*3.2%*
Healthcare Practitioners and Technical Occupations	98,180	*10.8%*
Healthcare Support Occupations	259,090	*28.4%*
Food Preparation and Serving Related Occupations	162,440	*17.8%*
Building and Grounds Cleaning and Maintenance Occupations	56,360	*6.2%*
Personal Care and Service Occupations	195,400	*21.4%*
Office and Administrative Support Occupations	47,990	*5.3%*
Installation, Maintenance, and Repair Occupations	21,310	*2.3%*
All Other Residential Care Occupations	42,480	*4.7%*
INDUSTRY TOTAL	912,860	100.0%

Source: Bureau of Labor Statistics;
Prepared by: Keyser Marston Associates, Inc.
Filename: C:\Users\jfranklin\Desktop\Encinitas\res care appendix 10-27-2019; AsstdLvng MjrOcc; 10/28/2019; dd

APPENDIX TABLE C-8
AVERAGE ANNUAL COMPENSATION, 2019
RESIDENTIAL CARE WORKER OCCUPATIONS
RESIDENTIAL CARE NEXUS ANALYSIS
ENCINITAS, CA

Occupation [1]	2019 Avg. Compensation [2]	% of Total Occupation Group [3]	% of Total Residential Care Workers
Page 1 of 2			
Management Occupations			
General and Operations Managers	$136,400	32.8%	1.1%
Administrative Services Managers	$107,200	6.1%	0.2%
Food Service Managers	$69,700	8.1%	0.3%
Medical and Health Services Managers	$128,000	31.3%	1.0%
Social and Community Service Managers	$69,800	5.8%	0.2%
All Other Management Occupations (Avg. All Categories)	$131,600	15.8%	0.5%
Weighted Mean Annual Wage	***$121,900***	**100.0%**	**3.2%**
Healthcare Practitioners and Technical Occupations			
Registered Nurses	$100,200	34.9%	3.8%
Licensed Practical and Licensed Vocational Nurses	$57,800	51.9%	5.6%
All Other Business and Financial Operations (Avg. All Categories)	$97,700	13.2%	1.4%
Weighted Mean Annual Wage	***$77,900***	**100.0%**	**10.8%**
Healthcare Support Occupations			
Home Health Aides	$31,800	30.1%	8.5%
Nursing Assistants	$35,800	63.5%	18.0%
Medical Assistants	$39,700	4.6%	1.3%
All Other Healthcare Support Occupations (Avg. All Categories)	$38,900	1.8%	0.5%
Weighted Mean Annual Wage	***$34,800***	**100.0%**	**28.4%**
Food Preparation and Serving Related Occupations			
First-Line Supervisors of Food Preparation and Serving Workers	$40,100	4.8%	0.8%
Cooks, Institution and Cafeteria	$34,300	24.0%	4.3%
Food Preparation Workers	$28,500	6.5%	1.2%
Combined Food Preparation and Serving Workers, Including Fast Food	$27,100	6.6%	1.2%
Waiters and Waitresses	$32,700	8.7%	1.5%
Food Servers, Nonrestaurant	$27,200	34.5%	6.1%
Dishwashers	$26,100	5.4%	1.0%
All Other Food Preparation and Serving Related Occupations (Avg. All Categories)	$30,200	9.6%	1.7%
Weighted Mean Annual Wage	***$30,300***	**100.0%**	**17.8%**

Sources: Bureau of Labor Statistics
Prepared by: Keyser Marston Associates, Inc.
Filename: C:\Users\jfranklin\Desktop\Encinitas\res care appendix 10-27-2019; AsstdLvngComp; 10/28/2019; dd

Occupation [1]	2019 Avg. Compensation [2]	% of Total Occupation Group [3]	% of Total Residential Care Workers
Page 2 of 2			
Building and Grounds Cleaning and Maintenance Occupations			
First-Line Supervisors of Housekeeping and Janitorial Workers	$42,200	5.0%	0.3%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$33,400	12.2%	0.8%
Maids and Housekeeping Cleaners	$29,200	78.8%	4.9%
All Other Building and Grounds Cleaning and Maintenance Occupations (Avg. All C	$33,700	4.0%	0.2%
Weighted Mean Annual Wage	***$30,500***	**100.0%**	**6.2%**
Personal Care and Service Occupations			
First-Line Supervisors of Personal Service Workers	$47,800	4.1%	0.9%
Personal Care Aides	$28,500	80.2%	17.2%
Recreation Workers	$30,400	11.3%	2.4%
All Other Personal Care and Service Occupations (Avg. All Categories)	$31,500	4.4%	0.9%
Weighted Mean Annual Wage	***$29,600***	**100.0%**	**21.4%**
Office and Administrative Support Occupations			
First-Line Supervisors of Office and Administrative Support Workers	$62,000	8.2%	0.4%
Bookkeeping, Accounting, and Auditing Clerks	$47,500	8.4%	0.4%
Receptionists and Information Clerks	$34,500	36.6%	1.9%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	$44,100	13.3%	0.7%
Office Clerks, General	$36,000	15.6%	0.8%
All Other Office and Administrative Support Occupations (Avg. All Categories)	$43,300	17.9%	0.9%
Weighted Mean Annual Wage	***$40,900***	**100.0%**	**5.3%**
Installation, Maintenance, and Repair Occupations			
First-Line Supervisors of Mechanics, Installers, and Repairers	$71,700	9.4%	0.2%
Maintenance and Repair Workers, General	$43,900	88.2%	2.1%
All Other Installation, Maintenance, and Repair Occupations (Avg. All Categories)	$53,000	2.3%	0.1%
Weighted Mean Annual Wage	***$46,700***	**100.0%**	**2.3%**
Weighted Average Annual Wage - All Occupations	***$41,000***		95.3%

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

[2] The methodology utilized by the California Employment Development Department (EDD) assumes 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 2017 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Diego as of 2018 and are adjusted by EDD to the first quarter of 2019.

Sources: Bureau of Labor Statistics
Prepared by: Keyser Marston Associates, Inc.
Filename: C:\Users\jfranklin\Desktop\Encinitas\res care appendix 10-27-2019; AsstdLvngComp; 10/28/2019; dd