

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ADOPTING THE AFFORDABLE HOUSING IN-LIEU FEE NEXUS STUDY AND AFFORDABLE HOUSING IN-LIEU FEES.

WHEREAS, on October 10, 2017 the City adopted the 2013-2021 Housing Element of the General Plan in compliance with State law, which includes the goal of encouraging the development of affordable housing to meet the City's assigned share of the regional housing need; and

WHEREAS, in 1999 the City adopted an Inclusionary Housing Program, requiring developers to provide a percentage of their units at affordable prices and a policy to establish an affordable housing in-lieu fee to facilitate new housing units that are affordable to households with extremely low, very low and low incomes; and

WHEREAS, the City's inclusionary housing ordinance requires for-sale projects with at least 10 or more units, to reserve at least ten percent (10%) of all newly constructed dwelling units to be sold to lower-income households (80% AMI); and

WHEREAS, the City's inclusionary housing ordinance requires for-rent projects with at least 10 or more units, make available at least five percent (5%) of all newly constructed dwelling units to very low income (50% AMI or below) households, and 5% of all units to affordable lower-income (80% AMI) households; and

WHEREAS, Ordinance 2721 established the current Housing In-Lieu Fee; and

WHEREAS, the City wishes to update the in-lieu fees based on current affordability gaps; and

WHEREAS, the City's consultant Harris & Associates has completed the Affordable Housing In-Lieu Nexus Study dated April 2020, which sets forth the methodology used to determine the in-lieu fee; and

WHEREAS, the Affordable Housing In-Lieu fees established by this resolution are equal to or lower than the amount needed to fully mitigate the impacts of new for sale and rental residential projects as shown in the Nexus Study; and

WHEREAS, the fees are summarized in Exhibit A attached hereto and incorporated herein by this reference; and

WHEREAS, in accordance with Government Code Section 66016, at least 14 days prior to the public hearing at which the Council first considered the adoption of the Affordable Housing

In-Lieu Fee, notice of the time and place of the hearing was mailed to eligible interested parties who filed written requests with the City for mailed notice of meetings on new or increased fees or service charges; and

Notice was published in the Vida Newspaper on April 30, 2020 and May 7, 2020 setting forth the time and manner of compliance with the requirements of law of providing notice of the time and place for the public hearing in the form and manner required by Government Code sections 66018, 6062(a) and 66019. Notice was also provided 14 days prior to the public hearing to those interested parties who have requested in writing, notification from the City of any fee increases.

WHEREAS, in accordance with Government Code Section 66016, the Affordable Housing In-Lieu Fee Nexus Study containing the data supporting the imposition of the Fee, was made available for public review and comment for 10 days prior to the public hearing at which the Council first considered the adoption of the Fee; and

WHEREAS, ten days advance notice of the public hearing at which the Council first considered the adoption of the Fee was given by publication in accordance with Section 6062a of the California Government Code; and

WHEREAS, the fees shall be adjusted each year beginning on July 1<sup>st</sup> of 2021 using the percentage increase or decrease for the prior twelve months as determined by the Engineering News Record Building Cost Index for the Los Angeles Region.

WHEREAS, the City Council finds that there is a reasonable relationship between the amount of the fee and the cost attributable to new development.

NOW, THEREFORE, the City Council of the City of Oxnard resolves as follows:

1. That it does hereby approve the Affordable Housing In-Lieu Study and Schedule of Affordable Housing In-Lieu Fees, prepared by Harris & Associates attached hereto as Exhibit A establishing revised fees.
2. That the fees shall become effective 60 days following the adoption of this Resolution.
3. The City Manager is hereby authorized on July 1<sup>st</sup> of each year to adjust the fees using the June Engineering News Record Building Cost Index for the Los Angeles region.
4. The City Council finds that City staff have evaluated the potential environmental impacts of the adoption of this Ordinance, the approval of the *Affordable Housing In-Lieu Fee Nexus Study* prepared by Harris & Associates and dated April 2020, and the updated Affordable Housing In-lieu Fee pursuant to the California Environmental Quality Act ("CEQA"). City staff has determined that these actions do not constitute a "project" under CEQA pursuant to State CEQA Guidelines Section 15378(b)(4) because these actions involve the creation of a government funding mechanism which does not involve any commitment to any specific project which *may* result in a potentially significant physical impact on the environment.

5. The City Manager is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Tim Flynn, Mayor

ATTEST:

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Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

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Stephen M. Fischer, City Attorney

# EXHIBIT A



**FINAL DRAFT**

# Affordable Housing In-Lieu Fee Nexus Study

**City of Oxnard**

**April 8, 2020**

Prepared for:



Prepared by:



**22 Executive Park, Suite 200  
Irvine, California 92614  
(949) 655-3900**

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# EXECUTIVE SUMMARY

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## INTRODUCTION

The City of Oxnard (City) retained Harris & Associates (Harris) to prepare an Affordable Housing In-Lieu Fee Nexus Study (Study) in order to update previously adopted Affordable Housing In-Lieu Fees (Fees) contained in Ordinance 2721 adopted July 18, 2006. The Fees provide additional flexibility to the City and development community in meeting affordable housing needs generated by new market-rate units in the City.

This Study provides a nexus analysis of the linkages between the new development of residential units and the need/demand for additional affordable housing for informational purposes. This Study also analyzes the reasonable relationship between new residential development and the Fee amounts under assumptions that are consistent with the City’s existing Inclusionary Housing Ordinance. The Fees in this Study represent the maximum fees supported but do not represent specific Fee recommendations. The City has the latitude to adopt the Fees deemed appropriate.

## FINDINGS AND METHODOLOGY

Table ES.1 compares the City’s existing in-lieu fees, the supportable fees under the demand based model, the supportable fees using under the equivalent inclusionary cost, and the in-lieu fees in other local cities.

*Table ES.1: Maximum Supported Fee Comparison*

	Existing In-Lieu Fee <sup>1</sup>	Demand Based Supportable Fee <sup>2</sup>	Inclusionary Equivalent Supportable Fee <sup>3</sup>	Local City Survey <sup>4</sup>
<b>Single-Family For-Sale</b>	\$7,000	\$99,111	\$44,700	\$36,026
<b>Multifamily For-Sale</b>	5,500	70,180	36,800	34,951
<b>Multifamily For-Rent</b>	7,735	53,029	28,400	23,147

*1) Using the median sales price estimate from January 2020 Multiple Listing Service (MLS) survey, for-rent fee per January 2020 fee update.*

*2) Tables 13, 14, 15.*

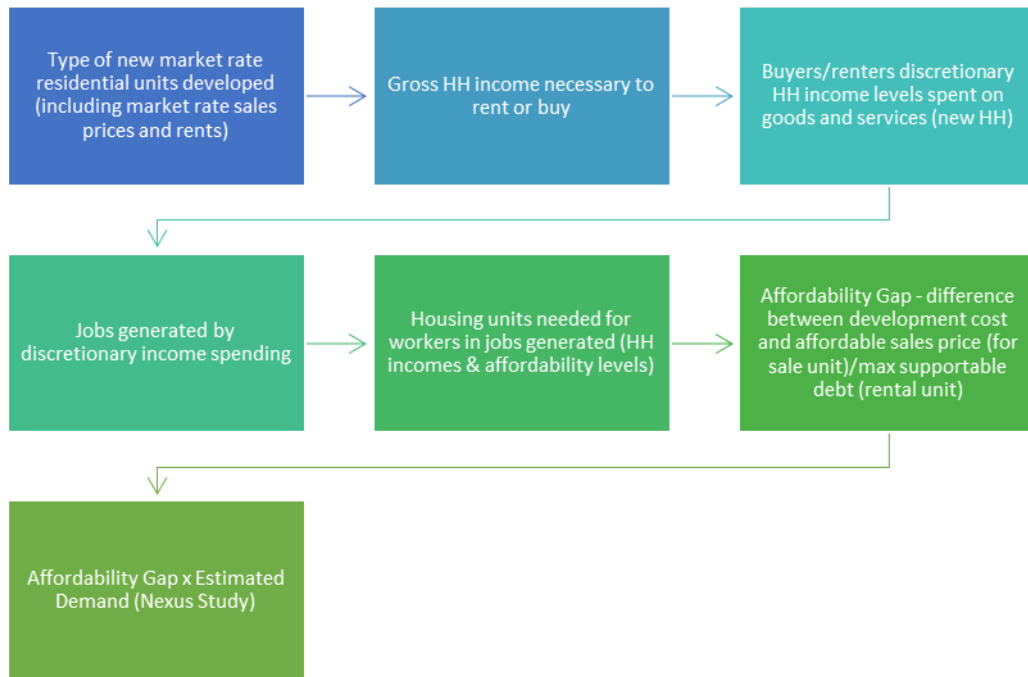
*3) Tables 16 and 17.*

*4) Table 19.*

The existing in-lieu fee is based on the requirements of the existing Inclusionary Housing Ordinance. The Demand-Based Supportable Fee represents the gap in affordability created by new low-income households generated by new market rate development in the City. The Inclusionary Equivalent Supportable Fee is the gap in affordability under the affordable unit production requirement in the existing Inclusionary Housing Ordinance. Finally, the Local City Survey numbers represent the average in-lieu fees required by surrounding cities. Harris staff completed the analysis using two methodologies to determine the maximum supportable Fee for the City.

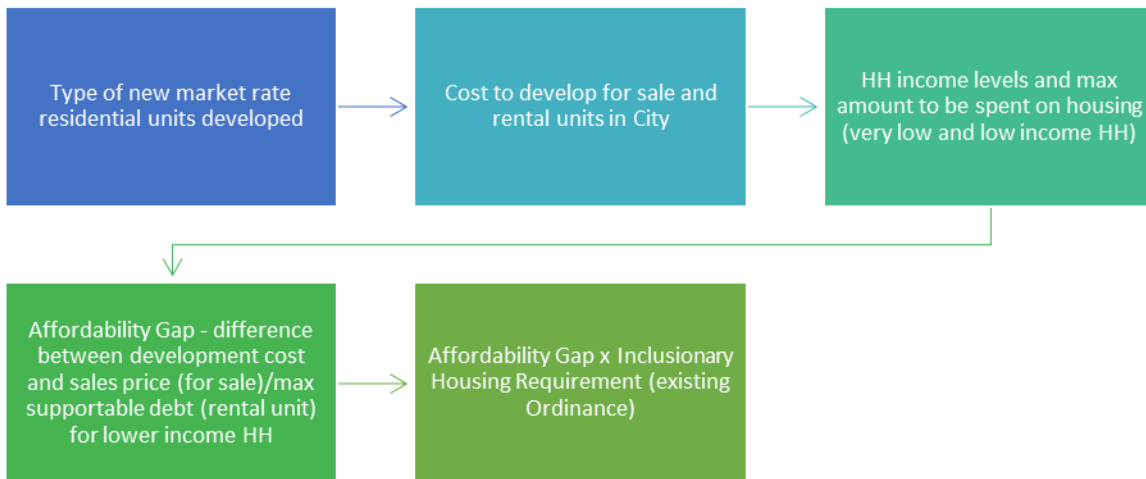
The first portion of the analysis determines the demand created by the development of market-rate residential units for affordable housing units. The demand for affordable housing units at various income levels is then used to calculate the “affordability gap”. For ownership housing units, the sales price needed for units to be affordable to low-income households is compared to the cost to develop these units to calculate the “affordability gap.” For rental units, the development cost is compared with income sources available for housing to determine the “affordability gap”. The figure below illustrates this methodology.

### Demand-Based Fee Methodology



The second portion of the analysis involves applying the affordability gap calculations per unit to both the estimated affordable housing demand determined in the first portion of the analysis and the affordable unit requirements from the existing Inclusionary Housing Ordinance. The figure on the following page illustrates this methodology.

## Inclusionary Equivalent Fee Methodology



The in-lieu fee estimates were based on three general development types:

- Single-family detached (SFR for-sale)
- Multifamily condominiums (MFR for-sale)
- Multifamily apartments (MFR for-rent)

In order to estimate future market-rate housing development in the City, Harris staff researched and reviewed new residential development projects from the City's website, the Multiple Listing Service data showing recently constructed units for-sale, and information from City staff to identify recent market trends related to home prices, and held interviews with local developers. The Fees calculated in this Study reflect the estimated cost of future residential development.

The household income limits as a percentage of area median income (AMI) for Ventura County are shown in Table ES.2. These threshold incomes are a key input to the economic impact analysis described in Section 1.



**Table ES.2: Threshold Incomes and percent of Area Median Income (AMI)**

	Percent of	Family Size					
	AMI	1	2	3	4	5	6
<b>Very Low Income</b>	0-50%	\$36,650	\$41,850	\$47,100	\$52,300	\$56,500	\$60,700
<b>Low Income</b>	50-80%	58,600	67,000	75,350	83,700	90,400	97,100
<b>Moderate Income</b>	80-120%	82,150	93,900	105,600	117,350	126,750	136,150

Source: Ventura County Housing Authority Income Limits published 4/24/19.

## POLICY CONSIDERATIONS

The City should evaluate several policy considerations and implications related to the in-lieu fees. Harris & Associates reviewed the maximum supportable Fees for consistency with the Housing Policy outlined in the City’s Housing Element and has prepared a comparison of fees with other jurisdictions.

### Housing Policy Consistency

The 2013-2023 Mid Cycle Housing Element, adopted in 2017, discusses the current affordable housing issues that exist within the City and details the City’s existing Inclusionary Housing Program. The proposed Fees are consistent with the Housing Element’s goal of providing opportunities for the development of adequate housing for households of all income levels.

### Comparison to Other Jurisdictions

An analysis of comparable cities that require affordable housing in-lieu fees is below as a comparison to the maximum supported Fees as determined by this Study. Table ES.3 shows the average amount of affordable housing in-lieu fees collected per residential type in comparable communities in the region. See Table 19 for an in depth review of surrounding cities.

**Table ES.3: Average Fee of Comparable Municipalities**

Land Use	Fee
Single Family (Detached)	\$36,026
Multifamily - For-Sale (Attached)	34,951
Multifamily - For-Rent (Attached)	23,147

Source: See Table 20 for detailed local city survey.

Policymakers may choose to adopt a fee less than the maximum supported amount in order to lessen the burden on new development while still mitigating a portion of the affordable housing needs created from new development.

## Proposed Fees

City staff reviewed the options provided in this analysis and is recommending the following fees be adopted. These fees fall below the maximum supportable fees calculated in this report and were determined based on an analysis of other local agencies. The maximum fee based on the City's existing ordinance was deemed higher than the market would bear for single family and multifamily for-sale units. Staff recommends lowering the fees to an amount more in line with competitive cities for the single family and multifamily for-sale units but setting the fee for for-rent units closer to the actual cost to develop a multi-family project. This methodology supports the City's goal of using the in-lieu fee funds to build multifamily for rent projects. See Table ES.4 for a summary of the recommended fees.

**Table ES.4: Proposed Fees**

Land Use	Inclusionary Requirement <sup>1</sup>	Affordability Level	Affordability Gap per Unit <sup>2</sup>	Fee per Unit	Total Fee per Unit	Average of Other Cities <sup>3</sup>	Proposed Fee
<b>Single Family Detached For-Sale</b>	10%	80% AMI or below	\$447,023	\$44,702	\$44,702	\$36,026	\$36,000
<b>Multifamily For-Sale</b>	10%	80% AMI or below	368,534	36,853	36,853	34,951	35,000
<b>Multifamily For-Rent</b>	5%	50-80% AMI	234,315	11,716	28,407	23,147	28,000
	5%	50% AMI or below	333,823	16,691			

1) Per Ordinance 2721 adopted July 18, 2006

2) Table 10

3) Table 19

## **Section 1 INTRODUCTION AND METHODOLOGY**

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### **INTRODUCTION**

The City desires to update the Inclusionary Housing In-Lieu Fee for new residential development to offer developers the option to pay an in-lieu fee rather than producing deed-restricted, affordable units pursuant to the City’s Inclusionary Housing Ordinance (Ordinance Nos. 2615, 2688 and 2721) as part of any new residential development project of 10 units or more. The Fee is designed to mitigate the impact of an increase in affordable housing needed from the development of new market-rate residential units.

This Study establishes the maximum supported Fee levels related to residential development. The methodology establishes a reasonable relationship between the associated impact of new development, the amount of the Fee, and details the data sources and associated findings. More specifically, two methodologies were utilized to determine the maximum supportable Fee for the City. The first portion of the analysis determines the demand created by the development of market-rate residential units for affordable housing units. The demand for affordable housing units at various income levels is then used to calculate the “affordability gap”. For ownership housing units, the sales price needed for units to be affordable to low-income households is compared to the cost to develop these units to calculate the “affordability gap.” For rental units, the development cost is compared with income sources available for housing to determine the “affordability gap”.

The second portion of the analysis involves applying the affordability gap calculations per unit to both the estimated affordable housing demand determined in the first portion of the analysis and the affordable unit requirements from the existing Inclusionary Housing Ordinance.

#### **Background**

This section discusses the City’s historical Inclusionary Housing Policy and the results of recent legislation and judicial rulings.

#### **City’s Inclusionary Housing Ordinance**

The City has historically used an Inclusionary Housing Policy originally established by Ordinance Nos. 2615 (adopted in 1999), 2688 (adopted in 2005) and 2721 (adopted in 2006) to generate affordable housing in proportion with the overall increase in market-rate residential units and is described in the Housing Element of the City’s General Plan. The Policy requires the following for housing projects with 10 or more units:

- For-Sale: 10% of all units must be affordable to lower-income households and each unit is required to have at least 2 bedrooms (in some circumstances) or 3 bedrooms;

- For-Rent: 5% of all units must be affordable to very low-income households (50% AMI or below), and 5% must be affordable to lower-income households (80% AMI or below); and
- Covenants must be recorded for the projects to preserve the affordability of these units for at least 20 years.

However, the Ordinance (and therefore the in-lieu fees) do not apply to the following:

- Projects in areas subject to specific plans that require a project to provide as many or more affordable units for lower and very low-income households as the Ordinances.

The current Policy (as described in Ordinance 2721) allows developers to pay an in-lieu Affordable Housing Payment instead of developing affordable units as part of a project or as part of an offsite project. The existing fee amount for ownership units is one percent (1%) of the sales price of each market-rate unit in increments of \$50,000 with a minimum of \$5,000 for each unit. The payment amount for rental units is \$7,735 for each market-rate unit.

### **Legal Framework**

In 2009, the Court of Appeals struck down a City of Los Angeles ordinance imposing inclusionary housing requirements on rental housing projects with a density of more than 10 dwelling units per lot. The Courts' decision that regulating the rent levels to ensure the units were affordable in nature directly violated the provisions of the Costa-Hawkins Act. Jurisdictions were unable to require affordable housing units at affordable rental rates as a condition of project approval because of this decision.

In 2015, the California Supreme Court ruled in favor of the City of San Jose in a court case involving the California Building Industry Association (Association). The Association challenged the legality of San Jose's inclusionary program on the basis that it constituted an "exaction" that required a nexus study. The court deemed that San Jose's inclusionary program was not an exaction and it constituted a valid exercise of the City's power to regulate land use.

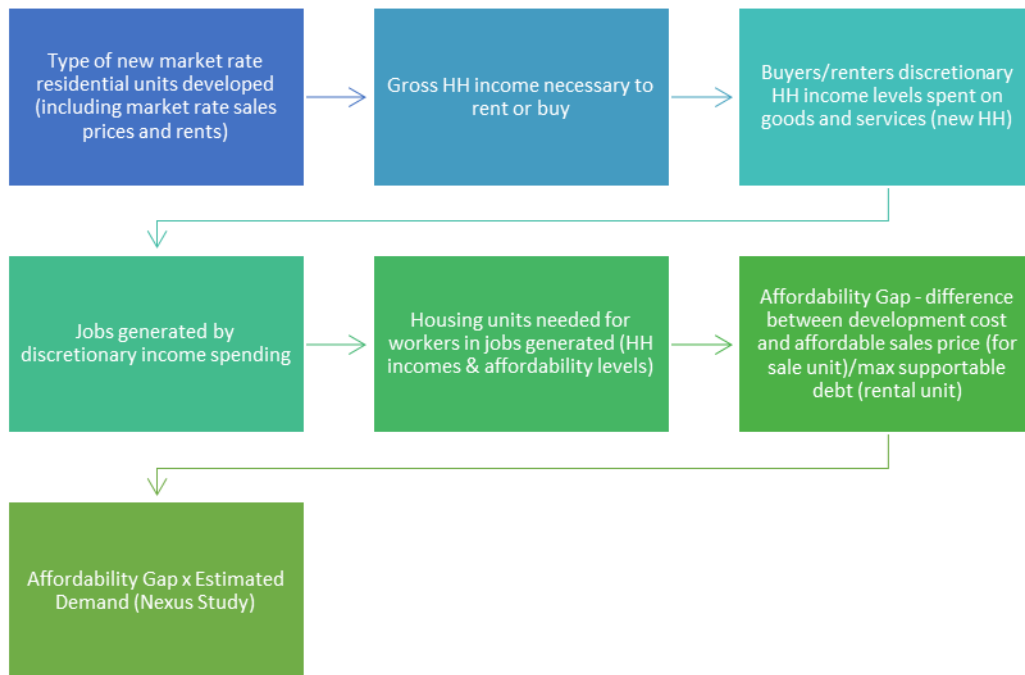
Finally, in 2017, Governor Jerry Brown signed a package of housing related bills, which included AB 1505, commonly referred to as the "Palmer Fix". AB 1505 allows jurisdictions to adopt ordinances that require a percentage of residential rental units to be affordable to individuals whose income falls below the moderate-income level for the jurisdiction. Additionally, AB 1505 requires jurisdictions to provide alternative methods for developers to satisfy their affordable housing requirements, which may include in-lieu fees, off-site construction, land dedication, or acquisition and rehabilitation of existing units.

# METHODOLOGY

## Nexus Analysis

Residential development projects contribute to population growth. As the population grows, additional services and facilities are needed to accommodate the residential population influx. In order to meet the increased demands of population growth, new non-residential development will occur, correlating to an increase in the worker population. A portion of the new worker population will earn a wage that is not sufficient to rent or purchase market-rate housing. The Study analyzes the maximum supported Fee to address the affordable housing need created by new residential development. The Fee will be used to build affordable housing to address the demand generated.

The methodology utilized in this nexus analysis for the Demand-Based maximum supportable Fees complies with general best practices related to nexus studies and follows the following order, specific data points are explained in the following sections of this study:



This nexus analysis is broken down into the steps described below.

### *Step 1: Determine the type of units to be developed*

Harris & Associates coordinated with City staff, local real estate professionals, and a sampling of planned and current recently developed housing types to determine the likely characteristics of new residential units developed in the City and categorized the development into three land use types:

- Single-family units represent for-sale, detached homes.

- Multifamily attached for-sale units.
- Multifamily attached for-rent units.

Using separate housing types ensures the presentation of an accurate representation of similar market-rate units.

*Step 2: Estimate the income levels of buyers and tenants of market-rate units.*

The sales price and rent costs for market-rate units, as well as the income levels of potential buyers and tenants were determined using several data sources. For rental units, the income level required to occupy market-rate units is determined by taking the average annual rent for a variety of rental housing apartment sizes (studio to three bedroom) and adding the annual utility amounts, as recommended by the US Department of Housing and Urban Development (HUD), to determine the total annual cost. The annual housing cost is divided by 30%, the recommended maximum percentage of gross income to be spent on housing costs, to determine the amount of household income that would be required in order to rent a unit of that size. Table 1 details the calculations for the income levels necessary to occupy market-rate rental units. The average household income needed to rent a two or three bedroom MFR unit is estimated at \$102,740.

**Table 1: Housing Income Requirements – For-Rent Market-rate Units**

	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>
Average Monthly Rent <sup>1</sup>	\$1,502	\$1,621	\$2,028	\$2,652
Monthly Utility Deduction	181	181	181	276
Annual Housing Costs	20,196	21,624	26,508	35,136
Percent of Income Spent on Rent	30%	30%	30%	30%
<b>Annual Household Income Required</b>	<b>\$67,320</b>	<b>\$72,080</b>	<b>\$88,360</b>	<b>\$117,120</b>

*1) July 2019 Ventura County Apartment Market Survey, Dyer Sheehan Group*

With for-sale units, the calculation for the income level requirement to purchase a market-rate unit accounts for a five percent (5%) down payment to determine the mortgage amount and then applying the current mortgage insurance rates, homeowner’s insurance, estimated property tax payments, and home owner’s association (HOA) fees to determine the total monthly housing costs. Finally, dividing the total monthly obligation by the maximum 35 percent (35%) of gross income, as recommended by HUD. Table 2 details the calculations of the income levels required to purchase for-sale market-rate units.

**Table 2: Housing Income Requirements – For-Sale Market-rate Units**

	<b>For-Sale SFR</b>	<b>For-Sale MFR</b>
Market Sales Price <sup>1</sup>	\$725,000	\$599,000
Down Payment (5%)	36,250	29,950
Amount Borrowed	688,750	569,050
Estimated Mortgage Payment <sup>2</sup>	\$3,911	\$3,231
Mortgage Insurance (0.90%) <sup>3</sup>	517	427
Homeowners Insurance (0.25%) <sup>4</sup>	151	125
Property Tax (1.22%) <sup>5</sup>	740	611
HOA <sup>1</sup>	50	250
<b>Total Monthly Housing Cost</b>	<b>\$5,369</b>	<b>\$4,644</b>
Share of Income Spent on Mortgage <sup>3</sup>	35%	35%
<b>Annual Household Income Required</b>	<b>\$184,080</b>	<b>\$159,223</b>

1) MLS Survey completed January 2020 for non-coastal properties constructed and sold in the last 3 years, rounded

2) Assumes 5.5% interest rate and a 30-year amortization

3) U.S. Department of Housing and Urban development

4) Per City of Oxnard Housing Department

5) Oxnard CAFR average tax rate

### **Step 3: Calculate Jobs Generated**

IMPLAN is an industry standard economic impact analysis tool that uses data aggregated from various data sources to allocate the spending patterns of individuals from different income groups. This spending data is used to estimate the new jobs created from spending by new households. Table 2 summarizes the estimated household income data for the unit types detailed in Step 1.

The information from Table 2 and the average household income needed from Table 1 to rent a two or three bedroom MFR unit (\$102,740) were used as inputs to IMPLAN to estimate the number of jobs created to serve new development. IMPLAN further categorizes these new workers based on their occupation and their estimated wages. Table 3 is a summary of the output data from IMPLAN. The full IMPLAN dataset is available in Attachment 1.

**Table 3: Jobs Generated per Market-rate Unit**

	<b>For-Sale SFR Unit</b>	<b>For-Sale MFR Unit</b>	<b>For-Rent MFR Unit</b>
Very Low Income (0-50% AMI)	0.123	0.096	0.073
Low Income (50-80% AMI)	0.232	0.152	0.115
Moderate Income Jobs (80-120% AMI)	0.276	0.203	0.154
Jobs over 120% AMI	0.354	0.283	0.214
<b>Total Jobs Created</b>	<b>0.985</b>	<b>0.734</b>	<b>0.556</b>

Source: IMPLAN 2019. See Attachment 1 for detailed information.

**Step 4: Determine the number of new worker households and their annual income**

Calculating the Fee based on the addition of new permanent employment is not done on an individual jobs basis, as it is typical for households in the City to have more than one wage earner per household. The calculation of the total number of new worker households divides the induced worker output from the IMPLAN analysis by the average number of workers per household as determined by the U.S. Census Bureau American Community Survey and the Housing Element (1.87 workers/household). The resultant households attributed to the housing categories determined in Step 1 and are outlined in Table 4.

**Table 4: Households Generated per Market-rate Unit**

	<b>For-Sale SFR Unit</b>	<b>For-Sale MFR Unit</b>	<b>For-Rent MFR Unit</b>
Very Low Income (0-50% AMI)	0.066	0.051	0.039
Low Income (50-80% AMI)	0.124	0.081	0.061
Moderate Income Jobs (80-120% AMI)	0.148	0.109	0.082
Jobs over 120% AMI	0.189	0.151	0.114
<b>Total Households Generated</b>	<b>0.527</b>	<b>0.392</b>	<b>0.296</b>

Source: IMPLAN 2019. See Attachment 1 for detailed information.

Based on 1.87 jobs per household.

**Step 5: Calculate the demand for affordable units for new worker households**

Based on the calculation of new worker household income, the worker households are categorized by target income group (very low income, low income, moderate income). Worker households with above-moderate incomes are removed from this nexus analysis, because they would not require affordable housing.



***Step 6: Calculate the affordability gap per unit between development costs and sales price/rental income***

The affordability gap is calculated by comparing the amount the workers within the low income and very low income can pay for housing versus the total cost of developing a residential unit (the amount of subsidy needed to fill the “gap”). Section 2 provides a detailed explanation of this calculation.

***Step 7: Calculate the maximum supported Fee for the type of units analyzed***

The maximum supported Fee calculation for each housing type included in the nexus study is derived by multiplying the total number of households requiring affordable housing (Step 5) by the average affordability gap per household (Step 6). The maximum supported Fee pursuant to the requirements in the City’s current Inclusionary Housing Ordinance (i.e., the percentage of affordable units required to be produced) is also calculated and provided in Section 3.

## Section 2 AFFORDABILITY GAP ANALYSIS

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A key input required in the calculation of the maximum supported in-lieu Fees is the affordability gap. The affordability gap provides information on the difference between what lower-income buyers and renters can afford to pay versus the total cost of developing the units. This section summarizes the methodology used to calculate the affordability gap and presents the results of this analysis for the respective unit type. The affordability gap calculations in this section are the same for both the Demand-Based and Inclusionary Equivalent Fee methodologies.

### METHODOLOGY

The following section details the findings for affordable housing rates, total development costs of units in the City, and a summary of the affordability gap by unit type.

### AFFORDABLE HOUSING RATES

Prior to determining the affordability gap, the total amount that households can afford to allocate to their housing must be determined. For the purposes of this report, the income levels included in the City's Inclusionary Housing Ordinance have been included in the analysis and are defined as:

1. Very Low Income (Between 0 and 50% of AMI)
2. Low Income (Between 50 and 80% of AMI)

For the demand based Fee, the Moderate Income Level (80-120% of AMI) is also used.

Housing affordability for rental units is defined by HUD as 30% of gross income. Table 5 shows the maximum affordable rent attributed to each income level.

*Table 5: Maximum Affordable Rent by Income Level*

	<b>Very low Income (0-50% AMI)</b>	<b>Low Income (50-80% AMI)</b>	<b>Moderate Income (80-120% AMI)</b>
Maximum Household Income <sup>1</sup>	\$52,300	\$83,700	\$117,350
Maximum Monthly Housing Cost <sup>2</sup>	1,308	2,093	2,934

<sup>1</sup> Household AMI is shown for a family of four

<sup>2</sup> 30% of gross monthly income per HUD guidelines

The recommended household gross income expenditure for ownership housing units pursuant to HUD is 35% of gross income minus a deduction for typical homeownership costs, such as insurances, taxes, utilities, and fees. Table 6 shows the maximum affordable mortgage for a low-income household of four persons.

It is important to note that only low-income and moderate income households are included in this portion of the analysis due to several factors including the affordability requirements in the City's

existing Inclusionary Housing Ordinance (that references only very low and low-income households), the tightening of lending requirements and the elimination of redevelopment agencies in 2011. Under current programs and very limited funding sources, it is generally not financially feasible to develop for-sale housing units for very low-income households. Prior to 2011, redevelopment provided a significant funding source to cities to assist homebuyers with loan qualification and down payment assistant at lower income levels. Additionally, lending practices after the housing crash in 2008 have been reformed, making it more difficult for individuals to obtain loans. These events have affected lower-income households significantly, making ownership very challenging. The following analysis includes a deduction for utilities to follow HUD guidelines.

**Table 6: Maximum Affordable Mortgage by Income Level**

	<b>Low Income SFR (50-80% AMI)</b>	<b>Low Income MFR (50-80% AMI)</b>	<b>Moderate Income SFR (80-120% AMI)</b>	<b>Moderate Income MFR (80-120% AMI)</b>
Household Income <sup>1</sup>	\$83,700	\$83,700	\$117,350	\$117,350
Maximum Monthly Housing Cost <sup>2</sup>	2,441	2,441	3,423	3,423
<i>Less:</i>				
Utility Deduction	\$276	\$181	\$276	\$181
Mortgage Insurance (0.90%) <sup>3</sup>	206	197	309	300
Homeowner's Insurance (0.25%) <sup>3</sup>	148	129	148	129
Property Tax (1.22%) <sup>4</sup>	279	267	419	406
HOA <sup>5</sup>	50	250	50	250
<b>Maximum Monthly Mortgage</b>	<b>\$1,482</b>	<b>\$1,417</b>	<b>\$2,221</b>	<b>\$2,157</b>
Maximum Mortgage Amount	\$261,012	\$249,565	\$391,166	\$379,895

1) Table ES.2 for a family of 4

2) 35% of gross income per U.S. Department of Housing and Urban Development

3) Per City of Oxnard Housing Department

4) Oxnard CAFR average tax rate

5) MLS survey completed January 2020, rounded

## DEVELOPMENT COSTS

Next, the estimated cost of developing affordable housing units was determined by examining current development trends related to unit type and size. As the development, sale, and operations associated with for-rent and for-sale units vary, an analysis of each housing type was required.

For the purposes of this Study, the development costs for rental housing were based on the Turner Center for Housing Innovation at the University of California, Berkeley study entitled “Making It Pencil: The Math Behind Housing Development” (Turner Center Study) as well as recently completed market-rate and affordable multifamily projects in the City.

The costs associated with the cost for acquisition of land are from a CoStar survey of vacant land transactions completed January 2020 while the development costs were provided by local developers and are representative of multifamily units recently completed within the City.

Table 7 shows the total development cost of multifamily for-rent two and three-bedroom units, pursuant to the requirements in the City’s existing Inclusionary Housing Ordinance. Two-bedroom multifamily units are assumed to be 950 square feet and three-bedroom units are assumed to be 1,025 square feet.

**Table 7: Development Costs – Affordable Multifamily For-Rent**

Assumed Density	A	39 Units/Acre
Land Acquisition Cost (\$/Acre) <sup>1</sup>	B	\$728,000
Land Price per Unit	$B \div A = C$	18,667
Land Price per Unit SF	$C \div \text{Average Unit Size}^2$	18.90
<b>Development Costs<sup>3</sup></b>		
Land Cost (\$/Rentable SF)		\$18.90
Building Hard Costs (\$/SF)	D	200.00
Prevailing Wage Cost Increase (35%)	$D \times 0.35 = E$	70.00
Soft Costs (30%) <sup>4</sup>	$D \times 0.30 = F$	60.00
Developer Fees (12%)	$(D + E + F) \times 0.12$	39.60
Financing Costs (10%)	$(D + E + F) \times 0.10$	33.00
<b>Total Development Costs per SF</b>		<b>\$421.50</b>
<b>Rental Unit Development Cost</b>	<b>Average Unit Size<sup>5</sup></b>	
2 Bedroom Unit	950	\$400,425
3 Bedroom Unit	1,025	\$432,038
<b>Average Development Cost of 2 and 3 Bedroom Unit</b>		<b>\$416,231</b>

1) Per Vacant Land Report from CoStar, January 2020.

2) Average square footage is 988 square feet.

3) “Making It Pencil: The Math Behind Housing Development.” Aug. 2019, [www.TernerCenter.Berkeley.Edu](http://www.TernerCenter.Berkeley.Edu).

4) Includes design, engineering, city permits and fees, and contingencies.

5) Square footages based on recently completed affordable projects.

Table 8 shows the total development cost of multifamily for-sale two and three-bedroom units. Two-bedroom units are assumed to be 1,200 square feet and three-bedroom units are assumed to be 1,750 square feet.

**Table 8: Development Costs – Affordable Multifamily For-Sale**

Assumed Density	A	30 Units/Acre
Land Acquisition Cost (\$/Acre) <sup>1</sup>	B	\$728,000
Land Price per Unit	$B \div A = C$	24,267
Land Price per Unit SF	$C \div \text{Average Unit Size}^2$	16.45
<b>Development Costs <sup>2</sup></b>		
Land Cost (\$/Rentable SF)		\$16.45
Building Hard Costs (\$/SF)	D	200.00
Prevailing Wage Cost Increase (35%)	$D \times 0.35 = E$	70.00
Soft Costs (30%) <sup>3</sup>	$D \times 0.30 = F$	60.00
Developer Fees (12%)	$(D + E + F) \times 0.12$	39.60
Financing Costs (10%)	$(D + E + F) \times 0.10$	33.00
<b>Total Development Costs per SF</b>		<b>\$419.05</b>
<b>For-Sale Unit Development Cost</b>	<b>Average Unit Size <sup>5</sup></b>	
2 Bedroom Unit	1,200	\$502,860
3 Bedroom Unit	1,750	\$733,338
<b>Average Development Cost of 2 and 3 Bedroom Unit</b>		<b>\$618,099</b>

1) Per Vacant Land Report from CoStar, January 2020.

2) Average square footage is 1,475 square feet.

3) "Making It Pencil: The Math Behind Housing Development." Aug. 2019, [www.TernerCenter.Berkeley.Edu](http://www.TernerCenter.Berkeley.Edu).

4) Includes design, engineering, city permits and fees, and contingencies.

5) Square footages based on recently sold multifamily properties.

Table 9 shows the total development cost per for-sale unit. For-sale units are assumed to be 1,500 square foot, single-family homes, consisting of 3 bedrooms and 2.5 bathrooms. The costs associated with the development of these units were obtained from the Turner Center Study and local developers and are representative of recently completed units within the City.

**Table 9: Development Costs – Affordable Single-Family**

<b>Land Costs</b>		
Land Acquisition Cost per Acre <sup>1</sup>		\$728,000
Land Cost per Unit (8 Units/Acre)		91,000
Site Improvement (15%)		13,650
<b>Finished Lot Cost</b>		<b>\$104,650</b>
<b>Construction Costs <sup>2</sup></b>		
	<i>Estimated Cost per SF</i>	<i>Total Building Costs <sup>3</sup></i>
Direct Costs	\$200.00	\$300,000
Prevailing Wage Cost Increase (35%)	70.00	105,000
Soft Costs (20%) <sup>4</sup>	54.00	81,000
Developer Fees (12%)	38.88	58,320
Financing Costs (10%)	39.38	59,065
<b>Total Construction Cost</b>	<b>\$402.26</b>	<b>\$603,385</b>
<b>Total Building Cost for 1,500 square foot affordable unit</b>		<b>\$708,035</b>

1) *Per Vacant Land Report from CoStar, January 2020.*

2) *“Making It Pencil: The Math Behind Housing Development.” Aug. 2019, www.TurnerCenter.Berkeley.Edu*

3) *Construction assumed to be a single family 1,500 SF, 3 bedroom, 2.5 bathroom*

4) *Includes design, engineering, city permits and fees, and contingencies.*

## **AFFORDABILITY GAP RESULTS**

The differences between the total amount that each targeted income level can afford to allocate for housing (Table 5, Table 6) and the total cost of developing new units (Table 7, Table 8, Table 9) determines the Affordability Gap. This difference represents the fee amount that is necessary to cover the costs of developing housing at each of the respective income levels analyzed. While other funding sources may be available to assist in mitigating this difference between affordability and development costs, these sources are very difficult to predict with accuracy moving forward.

In the case of for-sale housing, there are very few funding sources for subsidy on this unit type in the wake of redevelopment dissolution in 2011 which eliminated approximately \$1 billion of low and moderate-income housing revenue Statewide. Lending practices have become stricter in the years following the 2008 recession and qualifying households below 80% AMI for a mortgage is extremely challenging, even with the City’s current down payment assistance program.

The City’s current Ordinance calls for 10% of all newly developed for-sale units to be affordable to very low and low-income households (i.e., below 80% of AMI). Therefore, the inclusionary equivalent gap analysis for ownership units has been limited to the low-income category for the purposes of this analysis. Table 10 shows the for-sale affordability gap calculation for low and moderate income households.

**Table 10: Affordability Gap –For-Sale Units**

	Maximum Mortgage		Affordability Gap
	Amount <sup>1</sup>	Development Costs <sup>2</sup>	
Low Income Single Family (80% AMI)	\$261,012	\$708,035	<b>\$447,023</b>
Low Income Multifamily (80% AMI)	249,565	618,099	<b>368,534</b>
Moderate Income Single Family (120% AMI)	391,166	708,035	<b>316,869</b>
Moderate Income Multifamily (120% AMI)	379,895	618,099	<b>238,204</b>

1) Table 6

2) Tables 8 and 9

The affordability gap for rental units is the difference between the development and the maximum supported debt for each income level, shown in Table 11. The moderate income households are used only for the demand based fee calculation.

**Table 11: Affordability Gap – For-Rent Units**

	Very Low Income (0-50% AMI)	Low Income (50-80% AMI)	Moderate Income (80-120% AMI)
Maximum Available for Rent <sup>1</sup>	\$1,308	\$2,093	\$2,934
Annual Gross Rental Income <sup>2</sup>	15,696	25,116	35,208
Estimated Annual Expenses <sup>3</sup>	8,285	8,756	9,260
Net Operating Income	7,411	16,360	25,948
Available for Debt Service <sup>4</sup>	5,929	13,088	20,758
Supportable Debt <sup>5</sup>	82,408	181,916	288,523
Development Costs <sup>6</sup>	416,231	416,231	416,231
<b>Affordability Gap</b>	<b>\$333,823</b>	<b>\$234,315</b>	<b>\$127,708</b>

1) Table 5: Maximum Affordable For-Rent by Income Level

2) Available rent multiplied by 12

3) Assumes 5% for vacancy/collection loss and \$7,500 annual maintenance/capital improvement costs.

4) Assumes 1.25 Debt Coverage Ratio

5) Assumes a 6% interest rate and 30-year loan term

6) Table 7: Development Costs - Affordable Multifamily For-Rent

## Section 3 FINDINGS AND NEXUS REQUIREMENTS

This section presents the maximum supported fee per market-rate unit, which is calculated by following the methodology outlined in Section 1 and using the results from the affordability gap analysis detailed in Section 2.

### MAXIMUM FEE CALCULATION

The maximum supported Fees has been calculated in two different ways. Both calculations incorporate the affordability gap by unit type and income level. The first way of calculating the fee (the Demand-Based Method) consists of multiplying the affordability gap per unit by the number of affordable units needed by income level. The second way to calculate Fees (Inclusionary Equivalent Fee) is by multiplying the affordability gap by unit type and at affordability levels required by the City’s Inclusionary Housing Ordinance. Table 12 shows the average affordability gap by income group.

*Table 12: Average Affordability Gap*

	For Sale SFR Affordability Gap <sup>1</sup>	For Sale MFR Affordability Gap <sup>1</sup>	For Rent MFR Affordability Gap <sup>1</sup>	Average Affordability Gap
Very Low Income (0-50% AMI)	n/a	n/a	\$333,823	\$333,823
Low Income (50-80% AMI)	447,023	368,534	234,315	349,957
Moderate Income (80-120% AMI)	316,869	238,204	127,708	227,594

1) Tables 10 and 11

Table 13 shows the maximum supported Fees for a single residential unit under the Demand-Based Method. This is calculated by taking the number of affordable households generated at each income level times the average affordability gap at that income level.

*Table 13: Maximum Supported Demand-Based Affordable Housing In-Lieu Fee, Single-Family*

	Affordable Households Generated <sup>1</sup>	Average Affordability Gap <sup>2</sup>	Affordable Gap per Unit
Very Low Income (0-50% AMI)	0.066	\$333,823	\$22,032
Low Income (50-80% AMI)	0.124	349,957	43,395
Moderate Income (80-120% AMI)	0.148	227,594	33,684
<b>Total</b>	<b>0.338</b>		<b>\$99,111</b>

1) Table 4

2) Table 12



Tables 14 provides the estimated Fees under the Demand-Based Method for multi-family for-sale units.

**Table 14: Maximum Supported Demand-Based Affordable Housing In-Lieu Fee, For-Sale Multifamily**

	<b>Affordable Households Generated<sup>1</sup></b>	<b>Average Affordability Gap<sup>2</sup></b>	<b>Affordable Gap per Unit</b>
Very Low Income (0-50% AMI)	0.051	\$333,823	\$17,025
Low Income (50-80% AMI)	0.081	349,957	28,347
Moderate Income (80-120% AMI)	0.109	227,594	24,808
<b>Total</b>	<b>0.241</b>		<b>\$70,180</b>

1) Table 4

2) Table 12

Table 15 provides the estimated Fees under the Demand-Based Method for multi-family rental units.

**Table 15: Maximum Supported Demand-Based Affordable Housing In-Lieu Fee, For-Rent Multifamily**

	<b>Affordable Households Generated<sup>1</sup></b>	<b>Average Affordability Gap<sup>2</sup></b>	<b>Affordable Gap per Unit</b>
Very Low Income (0-50% AMI)	0.039	\$333,823	\$13,019
Low Income (50-80% AMI)	0.061	349,957	21,347
Moderate Income (80-120% AMI)	0.082	227,594	18,663
<b>Total</b>	<b>0.182</b>		<b>\$53,029</b>

1) Table 4

2) Table 12

Tables 16 and 17 provide estimated maximum supported Fees using the requirements on the total percentage of affordable units (both for-sale and rental) that must be developed as part of market rate housing projects as stated in the City’s existing Inclusionary Housing Ordinance.

**Table 16: Maximum Supported Inclusionary Equivalent Fee, For-Sale Units**

	<b>Low Income (50-80% AMI) Single Family For-Sale</b>	<b>Low Income (50-80% AMI) Multifamily For-Sale</b>
Maximum Affordable Price <sup>1</sup>	\$261,000	\$250,000
Development Cost <sup>2</sup>	708,000	618,000
Affordable Gap	\$447,000	\$368,000
<b>Inclusionary 10% Requirement</b>	<b>\$44,700</b>	<b>\$36,800</b>

1) Table 6, rounded

2) Tables 8 and 9, rounded

**Table 17: Maximum Supported Inclusionary Equivalent Fee, For-Rent Multifamily**

	<b>Very Low Income (0-50% AMI) Multifamily For-Rent</b>	<b>Low Income (50-80% AMI) Multifamily For-Rent</b>
Maximum Supportable Debt <sup>1</sup>	\$82,000	\$182,000
Development Costs <sup>2</sup>	416,000	416,000
Affordable Gap	\$334,000	\$234,000
Inclusionary 5% Requirement	\$16,700	\$11,700
<b>Total For-Rent Fee</b>		<b>\$28,400</b>

1) Table 11, rounded

2) Table 7, rounded

Table 18 provides a comparison of Fees calculated under the current Inclusionary Housing Ordinance (including the fees contained in the Ordinance), the estimated fees under the nexus analysis (utilizing the IMPLAN model to project demand of affordable units resulting from market rate residential development), and the estimated fees under the existing Inclusionary Housing Ordinance but analyzing the affordable gap to determine Fees (rather than the existing fee calculation contained in the Ordinance).

**Table 18: Maximum Supportable Fees**

	<b>Existing In-Lieu Fee<sup>1</sup></b>	<b>Demand Based Supportable Fee<sup>2</sup></b>	<b>Inclusionary Equivalent Supportable Fee</b>
<b>Single-Family For-Sale</b>	\$7,000	\$99,111	\$44,700
<b>Multifamily For-Sale</b>	5,500	70,180	36,800
<b>Multifamily For-Rent</b>	7,735	53,029	28,400

*1) Using the median sales price estimate from January 2020 Multiple Listing Service (MLS) survey, for-rent fee per July 15, 2019 fee update*

## **Section 4 POLICY CONSIDERATIONS**

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Adopting a fee to be collected from new development should be consistent with other City policies and should not have measurable impacts on the development community. Harris and City staff evaluated multiple scenarios and present the following for consideration.

### **HOUSING POLICY CONSISTENCY**

The City adopted its 2013-2021 Mid-Cycle Housing Element (housing element) in October 2017. The Housing Element identified that approximately five percent (5%) of lower-income households have housing issues, such as incomplete kitchen or plumbing facilities, or were overpaying for adequate housing. Adopting an affordable housing impact fee enables the City to mitigate these issues for future development by providing lower-income households the ability to afford adequate housing.

The City has historically utilized an Inclusionary Housing Policy originally established by Ordinance No. 2615 (adopted in 1999) and most recently amended by Ordinance No. 2721 (adopted in 2006) to generate affordable housing in proportion with the overall increase in market-rate residential units and is described in the Housing Element of the City's General Plan. The Policy required the following for housing projects with 10 or more units:

- For-Sale: 10% of all units must be affordable to lower-income households and each unit is required to have at least 2 bedrooms (in some circumstances) or 3 bedrooms;
- For-Rent: 5% of all units must be affordable to very low-income households (50% AMI or below), and 5% must be affordable to lower-income households (80% AMI or below); and
- Covenants must be recorded for the projects to preserve the affordability of these units for at least 20 years.

However, the Ordinance (and therefore the in-lieu fees) do not apply to the following:

- Projects in areas subject to specific plans that require project to provide as many or more affordable units for lower and very low-income households as the Ordinances

The current Policy (as described in Ordinance 2715) allows developers to pay an in-lieu Affordable Housing Payment instead of developing affordable units as part of a project or as part of an offsite project. The existing Payment amount for ownership units is one percent (1%) of the sales price of each market-rate unit in increments of \$50,000 with a minimum of \$5,000 for each unit. The Payment amount for rental units is \$4,590 for each market-rate unit (increased annually after 2006 by the Consumer Price Index). The fee is currently \$7,735.

## COMPARISON TO OTHER JURISDICTIONS

Jurisdictions throughout the State of California have adopted an affordable housing fee program as a method of bridging the housing affordability gap. Harris & Associates has compiled a list of fees from nearby cities that have adopted comparable affordable housing fees. Table 19 summarizes the aggregated fees of the jurisdictions.

*Table 19: Affordable Housing Fee Market Survey*

<b>Municipality</b>	<b>Single Family For-Sale</b>	<b>Multifamily For-Sale</b>	<b>Multifamily For-Rent</b>
<b>Oxnard (Proposed)</b>	<b>\$36,000</b>	<b>\$35,000</b>	<b>\$28,000</b>
Oxnard (Existing)	7,000	5,500	7,735
Agoura Hills	71,190	35,029	34,002
Calabasas	37,500	36,875	18,772
Huntington Beach	29,640	29,640	29,640
Oceanside	11,735	11,558	8,105
Pasadena (10-49 Units)	44,625	43,881	18,110
Pasadena (50+ Units)	61,924	60,892	24,868
San Diego	16,230	15,960	10,690
San Luis Obispo County	5,625	5,625	3,375
Santa Barbara (10+ Units)	55,482	55,482	48,954
Santa Barbara (2-9 Units)	18,493	18,493	16,317
Santa Monica	n/a	62,865	36,052
West Hollywood	43,845	43,114	28,879
<b>Comparable City Average</b>	<b>\$36,026</b>	<b>\$34,951</b>	<b>\$23,147</b>

## CONCLUSION

Table 20 below provides a summary of all fees calculated as part of this study.

*Table 20: Maximum Supported Fee Comparison*

	<b>Existing In-Lieu Fee<sup>1</sup></b>	<b>Demand Based Supportable Fee<sup>2</sup></b>	<b>Inclusionary Equivalent Supportable Fee<sup>3</sup></b>	<b>Local City Survey<sup>4</sup></b>
<b>Single-Family For-Sale</b>	\$7,000	\$99,111	\$44,700	\$36,026
<b>Multifamily For-Sale</b>	5,500	70,180	36,800	34,951
<b>Multifamily For-Rent</b>	7,735	53,029	28,400	23,147

1) Using the median sales price estimate from January 2020 Multiple Listing Service (MLS) survey, for-rent fee per January 2020 fee update.

2) Tables 13, 14, 15.

3) Tables 16 and 17.

4) Table 19.

The City has the discretion to adopt fees that are lower than the maximum supported fees under the Demand-Based and Inclusionary Equivalent levels. It is clear that the high development costs have resulted in significantly higher costs to develop affordable housing. Due to the housing legislation and mandates from the State to cities to encourage the development of housing at all

income levels, it is important to note residential development could potentially decrease and occur in other jurisdictions with lower fees. This would potentially result in decreased housing development in the City. One option available to the City is to adopt Fees that are consistent with the average of the fees collected in other jurisdictions (in the column titled Local City Survey) in order to ensure that housing development continues at its current pace.

## PROPOSED FEES

City staff reviewed the options provided in this analysis and is recommending the following fees be adopted. These fees fall below the maximum supportable fees calculated in this report and were determined based on an analysis of other local agencies. The maximum fee based on the City’s existing ordinance was deemed higher than the market would bear for single family and multifamily for-sale units. Staff recommends lowering the fees to an amount more in line with competitive cities for the single family and multifamily for-sale units but setting the fee for for-rent units closer to the actual cost to develop a multi-family project. This methodology supports the City's goal of using the in-lieu fee funds to build multifamily for rent projects. See Table ES.4 for a summary of the recommended fees.

**Table 21: Proposed Fees**

Land Use	Inclusionary Requirement	Affordability Level	Affordability Gap per Unit	Fee per Unit	Total Fee per Unit	Average of Other Cities	Proposed Fee
Single Family Detached For-Sale	10%	80% AMI or below	\$447,023	\$44,702	\$44,702	\$36,026	\$36,000
Multifamily For-Sale	10%	80% AMI or below	368,534	36,853	36,853	34,951	35,000
Multifamily For-Rent	5%	50-80% AMI	234,315	11,716	28,407	23,147	28,000
	5%	50% AMI or below	333,823	16,691			

## **Appendix A: IMPLAN Output**

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Appendix A  
Induced Employment per New Unit

Impact Industry	Income per Job	SFR Jobs Generated	For-Sale MFR Jobs Generated	For-Rent MFR Jobs Generated
10 - All other crop farming	\$ 47,144.69	0.00000491713	0.0000035834	0.00000254377
101 - Coffee and tea manufacturing	\$ 228,442.45	0.00000032927	0.00000025789	0.00000019534
102 - Flavoring syrup and concentrate manufacturing	\$ 925,559.53	0.00000046297	0.00000033940	0.00000025708
103 - Mayonnaise, dressing, and sauce manufacturing	\$ 85,985.89	0.00000017998	0.00000014177	0.00000010739
104 - Spice and extract manufacturing	\$ 139,538.64	0.000000259475	0.000000204787	0.00000155116
105 - All other food manufacturing	\$ 113,889.89	0.00001570009	0.00001243046	0.00000941544
106 - Bottled and canned soft drinks & water	\$ 159,248.46	0.00001136477	0.00000904207	0.00000684891
107 - Manufactured ice	\$ 1,016,280.32	0.00000011225	0.00000008931	0.00000006765
108 - Breweries	\$ 360,435.38	0.00001078887	0.00000706565	0.00000535187
109 - Wineries	\$ 243,422.39	0.00000601301	0.00000397018	0.00000300720
110 - Distilleries	\$ 2,096,314.21	0.00000002529	0.00000001687	0.00000001278
119 - Carpet and rug mills	\$ 86,042.95	0.00000244658	0.00000155822	0.00000118027
121 - Textile bag and canvas mills	\$ 38,929.06	0.00000058550	0.00000037611	0.00000028488
123 - Other textile product mills	\$ 43,711.51	0.00000145641	0.00000092489	0.00000070056
125 - Other apparel knitting mills	\$ 145,174.28	0.00000020761	0.00000133338	0.00000010103
126 - Cut and sew apparel contractors	\$ 133,653.33	0.00000044879	0.00000032636	0.00000024720
127 - Men's and boys' cut and sew apparel manufacturing	\$ 133,216.91	0.00000279856	0.00000178061	0.00000134872
128 - Women's and girls' cut and sew apparel manufacturing	\$ 196,018.39	0.00000063252	0.00000040184	0.00000030437
129 - Other cut and sew apparel manufacturing	\$ 173,739.18	0.00000127874	0.00000081409	0.00000061663
130 - Apparel accessories and other apparel manufacturing	\$ 338,270.71	0.00000090805	0.00000058001	0.00000004394
137 - Engineered wood member and truss manufacturing	\$ 71,795.00	0.00000166716	0.00000123883	0.00000093835
138 - Reconstituted wood product manufacturing	\$ 199,548.98	0.00000226806	0.00000168501	0.00000127631
139 - Wood windows and door manufacturing	\$ 75,212.06	0.00000129698	0.00000095046	0.00000071993
14 - Animal production, except cattle and poultry and eggs	\$ 308,396.63	0.00000032967	0.00000021387	0.00000016199
141 - Other millwork, including flooring	\$ 79,053.42	0.00000129464	0.00000095253	0.00000072150
142 - Wood container and pallet manufacturing	\$ 83,549.59	0.00000131715	0.00000090870	0.00000068829
145 - All other miscellaneous wood product manufacturing	\$ 76,243.89	0.00000186874	0.00000131750	0.00000099794
147 - Paper mills	\$ 243,089.09	0.00000921611	0.00000601283	0.00000455441
149 - Paperboard container manufacturing	\$ 116,838.78	0.00000517365	0.00000376897	0.00000285480
150 - Paper bag and coated and treated paper manufacturing	\$ 86,983.57	0.00000073943	0.00000051944	0.00000039345
151 - Stationery product manufacturing	\$ 84,102.93	0.00000031273	0.00000022299	0.00000016890
152 - Sanitary paper product manufacturing	\$ 348,923.61	0.00001029384	0.00000702757	0.00000532303
153 - All other converted paper product manufacturing	\$ 89,099.05	0.00000033061	0.00000022682	0.00000017180
154 - Printing	\$ 55,853.53	0.000090351428	0.00007096293	0.000053707889
155 - Support activities for printing	\$ 48,139.12	0.00000084972	0.00000065189	0.00000049378
156 - Petroleum refineries	\$ 2,741,355.01	0.00000334387	0.00000028278	0.00000214190
159 - Petroleum lubricating oil and grease manufacturing	\$ 895,494.40	0.00000016951	0.00000014087	0.00000010670
163 - Synthetic dye and pigment manufacturing	\$ 288,672.75	0.00000149248	0.00000097061	0.00000073518
166 - Plastics material and resin manufacturing	\$ 329,697.18	0.00000017325	0.00000012074	0.00000009145
169 - Nitrogenous fertilizer manufacturing	\$ 286,702.32	0.00000850420	0.00000586953	0.00000444587
17 - Commercial fishing	\$ 58,329.00	0.00009617060	0.00006905170	0.00005230313
172 - Pesticide and other agricultural chemical manufacturing	\$ 778,492.65	0.00004370253	0.00002746928	0.00002080657
173 - Medicinal and botanical manufacturing	\$ 235,648.60	0.00000071349	0.00000055546	0.00000042073
174 - Pharmaceutical preparation manufacturing	\$ 1,917,062.29	0.00001927374	0.00001578699	0.00001195685
175 - In-vitro diagnostic substance manufacturing	\$ 518,981.00	0.00000904811	0.00000651897	0.00000493779
176 - Biological product (except diagnostic) manufacturing	\$ 662,726.04	0.00002377268	0.00001788041	0.00001354350
177 - Paint and coating manufacturing	\$ 128,663.71	0.000000115114	0.000000084911	0.000000064316
178 - Adhesive manufacturing	\$ 40,943.26	0.00000036494	0.00000025796	0.00000019539
179 - Soap and other detergent manufacturing	\$ 526,026.98	0.00000507860	0.00000333989	0.00000252980
18 - Commercial hunting and trapping	\$ 211,188.20	0.00000029370	0.00000021129	0.000000016004
180 - Polish and other sanitation good manufacturing	\$ 159,203.34	0.00000203818	0.00000134959	0.00000102224
182 - Toilet preparation manufacturing	\$ 299,279.91	0.00002360520	0.00001664510	0.00001260781
185 - Custom compounding of purchased resins	\$ 138,319.30	0.00000559631	0.00000430608	0.00000326164
186 - Photographic film and chemical manufacturing	\$ 194,679.65	0.00000332877	0.00000237171	0.00000179645
187 - Other miscellaneous chemical product manufacturing	\$ 139,904.28	0.00000542168	0.00000413769	0.00000313409
188 - Plastics packaging materials and unlaminated film and sheet manufacturing	\$ 102,217.27	0.00000083210	0.00000056381	0.00000042706
19 - Support activities for agriculture and forestry	\$ 51,229.95	0.00059902452	0.000043581411	0.00033010689
190 - Plastics pipe and pipe fitting manufacturing	\$ 134,869.17	0.00000136893	0.00000098817	0.00000074849
192 - Polystyrene foam product manufacturing	\$ 51,865.49	0.00000092769	0.00000065860	0.00000049885
193 - Urethane and other foam product (except polystyrene) manufacturing	\$ 78,946.45	0.00000061294	0.00000044555	0.00000033748
194 - Plastics bottle manufacturing	\$ 127,441.60	0.00000051293	0.00000037378	0.00000028312
195 - Other plastics product manufacturing	\$ 73,567.88	0.00001267899	0.00000914038	0.00000692337
196 - Tire manufacturing	\$ 62,210.48	0.00000066185	0.00000070933	0.00000053728
197 - Rubber and plastics hoses and belting manufacturing	\$ 59,865.35	0.00000022338	0.00000021670	0.00000016414
198 - Other rubber product manufacturing	\$ 70,291.13	0.00000055321	0.00000041677	0.00000031569
199 - Pottery, ceramics, and plumbing fixture manufacturing	\$ 25,666.56	0.00000049247	0.00000035033	0.00000026536
20 - Extraction of natural gas and crude petroleum	\$ 448,316.38	0.00009744676	0.00008240113	0.00006241464
202 - Other pressed and blown glass and glassware manufacturing	\$ 63,879.97	0.00000044325	0.00000029981	0.00000022709
203 - Glass container manufacturing	\$ 96,696.85	0.00000032623	0.00000023321	0.00000017664
204 - Glass product manufacturing made of purchased glass	\$ 68,317.59	0.00000288605	0.00000202660	0.00000153126
206 - Ready-mix concrete manufacturing	\$ 100,105.64	0.00000021493	0.00000015489	0.00000011732
207 - Concrete block and brick manufacturing	\$ 121,281.70	0.00000057812	0.00000041094	0.00000003126
208 - Concrete pipe manufacturing	\$ 132,703.14	0.00000017451	0.00000014532	0.00000011007
209 - Other concrete product manufacturing	\$ 84,668.39	0.00000042472	0.00000033135	0.00000025098
21 - Extraction of natural gas liquids	\$ 120,001.74	0.00004032199	0.00003409634	0.00002582623
212 - Abrasive product manufacturing	\$ 120,594.86	0.00000159373	0.00000112387	0.00000085127
213 - Cut stone and stone product manufacturing	\$ 50,182.05	0.00000320759	0.00000249122	0.0000188697
215 - Mineral wool manufacturing	\$ 152,079.01	0.00004293056	0.00003063858	0.00002320716
229 - Ferrous metal foundries	\$ 76,231.15	0.00000020716	0.00000016114	0.00000012206
230 - Nonferrous metal foundries	\$ 62,254.84	0.00000018804	0.00000013771	0.00000010431
231 - Iron and steel forging	\$ 111,814.84	0.00000044240	0.00000032513	0.00000024627
232 - Nonferrous forging	\$ 127,169.40	0.00000025935	0.00000019050	0.00000014429
233 - Custom roll forming	\$ 122,110.47	0.00000011365	0.00000008466	0.00000006413
234 - Crown and closure manufacturing and metal stamping	\$ 59,548.24	0.00000032198	0.00000024516	0.00000018569
235 - Cutlery, utensil, pot, and pan manufacturing	\$ 170,460.32	0.00000011039	0.00000007861	0.00000005954
236 - Handtool manufacturing	\$ 137,675.42	0.00000077930	0.00000056324	0.00000042663
237 - Prefabricated metal buildings and components manufacturing	\$ 94,541.56	0.00000078612	0.00000054536	0.00000041308
238 - Fabricated structural metal manufacturing	\$ 73,477.07	0.00000072776	0.00000056906	0.00000043103
239 - Plate work manufacturing	\$ 59,068.65	0.00000063194	0.00000055816	0.00000042278
24 - Gold ore mining	\$ 95,636.56	0.00000030975	0.00000022840	0.00000017300
240 - Metal window and door manufacturing	\$ 81,124.21	0.00002296420	0.00001613974	0.00001222503
241 - Sheet metal work manufacturing	\$ 57,446.39	0.00000699501	0.00000489423	0.00000370713
242 - Ornamental and architectural metal work manufacturing	\$ 73,758.20	0.00000102559	0.00000079087	0.00000059904
243 - Power boiler and heat exchanger manufacturing	\$ 133,951.38	0.00000018392	0.00000013705	0.00000010381
247 - Hardware manufacturing	\$ 142,974.99	0.00000067122	0.00000047867	0.00000036257
248 - Spring and wire product manufacturing	\$ 102,433.64	0.00000086261	0.00000065945	0.00000049950
249 - Machine shops	\$ 62,466.79	0.00001057813	0.00000837551	0.00000634402







508 - Personal and household goods repair and maintenance	\$	108,184.65	0.00334894279	0.00203455665	0.00154107257
509 - Personal care services	\$	31,415.75	0.02174868061	0.01593090843	0.01206684803
51 - Water, sewage and other systems	\$	205,089.45	0.00030580955	0.00028036104	0.00021235914
510 - Death care services	\$	71,584.86	0.00060049835	0.00061587728	0.00046649553
511 - Dry-cleaning and laundry services	\$	40,887.33	0.00224870347	0.00149379875	0.00113147612
512 - Other personal services	\$	31,746.63	0.01606006749	0.01145741044	0.00867840219
513 - Religious organizations	\$	3,503.10	0.00823965468	0.00678251346	0.00513740692
514 - Grantmaking, giving, and social advocacy organizations	\$	97,465.87	0.00313019182	0.00256225163	0.00194077451
515 - Business and professional associations	\$	146,926.10	0.00057031472	0.00039296754	0.00029765281
516 - Labor and civic organizations	\$	68,199.84	0.00600363835	0.00389081166	0.00294709076
517 - Private households	\$	17,262.67	0.01159328573	0.00728499664	0.00551801221
518 - Postal service	\$	87,740.75	0.00194314719	0.00155768994	0.00117987043
520 - Other federal government enterprises	\$	34,099.31	0.00111759041	0.00092180591	0.00069222081
525 - Local government electric utilities	\$	190,472.29	0.00011390278	0.00010638510	0.00008058127
526 - Other local government enterprises	\$	200,766.06	0.00342906829	0.00360378960	0.00272968623
6 - Greenhouse, nursery, and floriculture production	\$	106,322.27	0.00012737711	0.00008836578	0.00006693256
62 - Maintenance and repair construction of nonresidential structures	\$	88,193.27	0.00451736068	0.00414338046	0.00313839870
63 - Maintenance and repair construction of residential structures	\$	85,849.37	0.00527038646	0.00362483505	0.00274562708
65 - Dog and cat food manufacturing	\$	360,145.67	0.00000025125	0.00000015843	0.00000012000
71 - Soybean and other oilseed processing	\$	232,037.97	0.00000082588	0.00000061534	0.00000046609
72 - Fats and oils refining and blending	\$	130,282.71	0.00000157315	0.00000124706	0.00000094459
76 - Nonchocolate confectionery manufacturing	\$	231,710.06	0.00000092055	0.00000073458	0.00000055641
79 - Frozen fruits, juices and vegetables manufacturing	\$	208,323.68	0.00000721185	0.00000576055	0.00000436332
80 - Frozen specialties manufacturing	\$	173,395.20	0.00000393118	0.00000314068	0.00000237891
81 - Canned fruits and vegetables manufacturing	\$	260,457.32	0.00000609488	0.00000484193	0.00000366751
87 - Dry, condensed, and evaporated dairy product manufacturing	\$	165,154.32	0.00000400747	0.00000316705	0.00000239888
93 - Seafood product preparation and packaging	\$	145,838.04	0.00000608267	0.00000467839	0.00000354364
94 - Bread and bakery product, except frozen, manufacturing	\$	79,683.35	0.00006460855	0.00005088970	0.00003854634
95 - Frozen cakes and other pastries manufacturing	\$	73,116.81	0.00000176784	0.00000139271	0.00000105491
97 - Dry pasta, mixes, and dough manufacturing	\$	167,027.07	0.00000063596	0.00000050761	0.00000038449
99 - Roasted nuts and peanut butter manufacturing	\$	282,327.37	0.00000472527	0.00000376226	0.00000284972
<b>Totals</b>			<b>0.98496479365</b>	<b>0.73390517488</b>	<b>0.55589561946</b>