

*The Economics of Land Use*



## **DRAFT Administrative Report**

# Nexus-Based Affordable Housing Fee Analysis for For-Sale Housing

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## EXECUTIVE SUMMARY

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Economic & Planning Systems, Inc. (EPS) was retained by the City of Capitola (City) to conduct a nexus study analyzing the impact that development of market-rate housing has on the demand for below-market-rate housing and, based on the results, to determine the defensible nexus-based fee that could be charged to market-rate housing development.

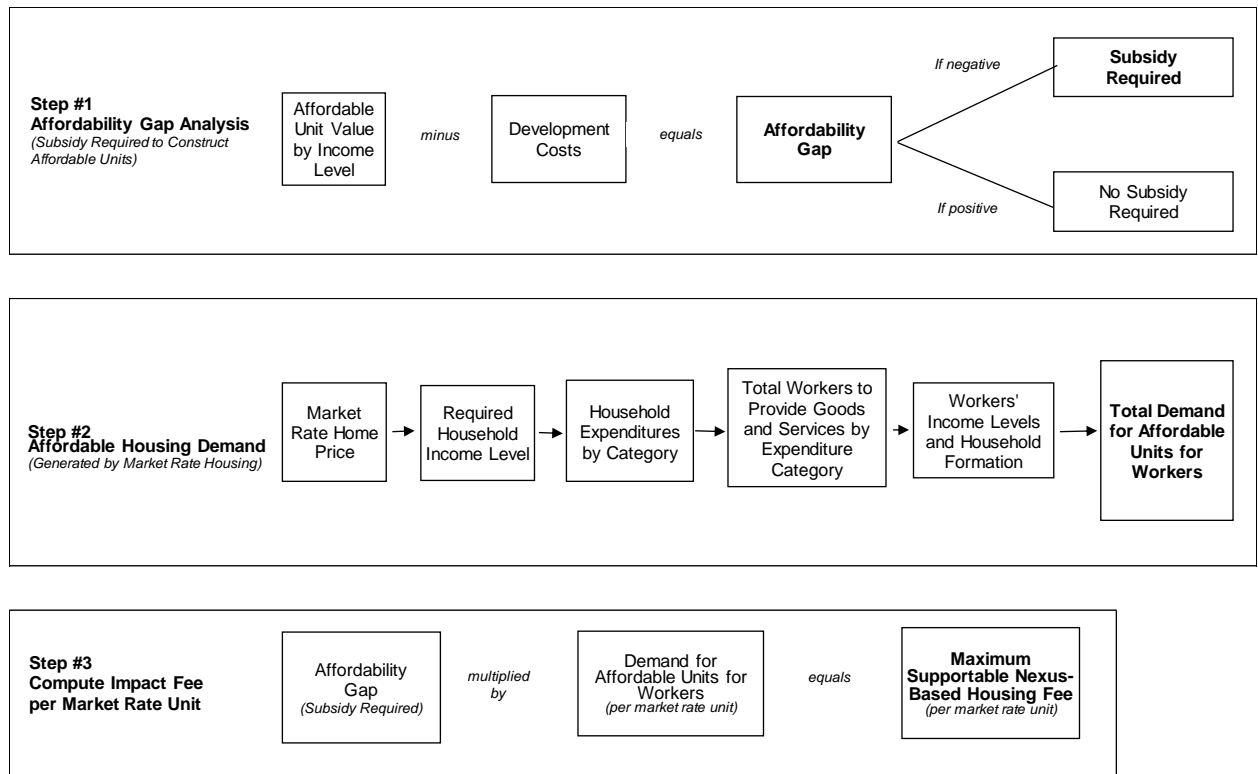
The technical approach used herein quantifies the impacts that the introduction of market-rate units have on the local economy and the demand for additional affordable housing. As new households are added to the community, local employment also will grow to provide the goods and services required by the new households. To the extent that these new jobs do not pay adequate wages for the employees to afford market-rate housing in the community, the new households' spending is creating a need for affordable housing. A nexus-based affordable housing fee is therefore based on the impact of the new market-rate homes on the demand for affordable housing. The fee calculated in this study represents the maximum fee that may be charged to new market-rate housing units to mitigate their impacts on the affordable housing supply. Such fees may be used by the City to subsidize the production of new affordable units for moderate- and lower-income households not accommodated by market-rate projects.

Calculating the impact of market-rate development in the City on affordable housing needs, and the fees needed to mitigate those impacts, involves three main analytical steps:

- **Step #1.** Estimate the typical subsidy required to construct units affordable at various income levels (the "affordability gap").
- **Step #2.** Determine the market-rate households' demand for goods and services, the jobs created by that demand, and the affordable housing needs of workers in those jobs.
- **Step #3.** Combine the affordability gap with the affordable housing demand projections to compute the maximum supportable nexus-based affordable housing fees per market-rate unit.

These technical steps are illustrated in **Figure 1** and detailed in the body of this Report and the attached Technical Appendices. The findings regarding each of these steps are presented below.

**Figure 1 Illustration of Nexus-Based Housing Fee Methodology**



- 1. The costs to construct housing units affordable to many households exceed those units' values based on what the households can afford to pay. The estimated subsidy required to construct affordable housing units in Capitola range from roughly \$307,000 for Very Low-Income households earning up to 50 percent of AMI to \$67,000 for Low-Income households earning up to 80 percent of AMI.**

An "affordability gap analysis" evaluates whether or not the costs to construct affordable units exceed the values of units that are affordable to lower- and moderate-income households. For each affordable housing income level—households with incomes at 50, 80, and 120 percent of Area Median Income (AMI)—this analysis estimates the subsidy required to construct affordable housing units.

The affordability gap analysis assumes that the average affordable unit for all income levels will be a 2-bedroom unit in a multifamily development in a three-story, stacked flats building (an average density of 30 dwelling units per acre). This prototype assumes that affordable housing developers will maximize the City's current allowable density (20 units per acre), plus utilize the State density bonus program granting a 50 percent increase in base density. The estimated costs to construct the prototypical affordable unit are based on recent City of Capitola development projects and transactions, as well as other development cost data sources. The cost of land acquisition is also included in the development cost calculations.

A household's ability to pay is estimated based on standard percentages of income available for housing costs at each household income level. Income available for housing costs is then converted into a monthly affordable rent and a capitalized unit value or an affordable mortgage payment and supportable home price. This unit value is then compared to the costs of development to determine the subsidy required to make the unit affordable to each income level.

- 2. The demand for affordable housing generated by the expenditures of new households in City of Capitola increases along with the market-rate unit value (and related owner income). For example, a small unit selling for \$500,000 is estimated to create demand for 0.135 affordable housing units, while a large home selling for \$2 million creates demand for 0.405 affordable units.**

Any justified nexus-based fee is based on the total demand for affordable housing units generated by construction of market-rate homes. The link (or nexus) between market-rate housing and increased demand for affordable housing is that residents of market-rate units demand goods and services that rely on wage earners (for example, retail sales clerks) some of whom typically cannot afford market-rate housing and thus require affordable housing.

Because more expensive housing units require owners to have higher incomes, and higher income households create more jobs through their spending, the nexus impacts and thus the justified fees for units vary in relation to the price of the market-rate units. The price of the unit is typically a function of its size, and the fees calculated herein can be applied based on the square footage of the market-rate units.

This analysis evaluates the demand for affordable housing generated by a range of sale prices. For each price, the demand-based nexus fee calculation involves the following steps:

- A. Market-Rate Household Income Levels.** The required income levels of households occupying new for-sale market-rate housing are derived based on the unit's mortgage, property taxes, HOA dues, insurance, and utilities, assuming standard housing cost expenses as a proportion of overall household income. For example, a typical household purchasing a for-sale market-rate home for \$1.0 million would have an income of roughly \$167,200, if they spend 35 percent<sup>1</sup> of their income on housing costs.
- B. Household Expenditures.** Based on the household income computed in Step A, Consumer Expenditure Survey data is used to evaluate the typical spending patterns of the household. This analysis provides an estimate of how much the household spends on specific categories of expenditures, such as "Food at Home." The survey consists of two components — the Interview Survey and the Diary Survey — each with its own sample representative of the broader population, including distinctions by income level. The surveys collect data on expenditures, income, and consumer unit characteristics. As the households' income increases with the value of the market-rate units, the total spending on goods and services also increases. The Consumer Expenditure Survey also indicates that these relationships are not linear (e.g., a household with twice the income does not necessarily spend twice as much on food). While expenditures do increase with income, the relationship is not linear (i.e., household expenditures do not increase at the same proportion that incomes go up).
- C. Job Creation and Worker Households.** Having estimated the households' spending on various items, that spending is then converted into an estimate of jobs created. For each expenditure category, data regarding average worker wages and the ratio between gross business receipts and wages are used to translate these household expenditures into the total number of private-sector workers. Because each new worker does not represent an independent household (Capitola has an average of 1.69 workers per working household), the total number of new households created is somewhat less than the number of new jobs created. This analysis assumes that workers form households with others with similar wages. EPS has further adjusted the household formation rates to reflect the fact that a certain proportion of workers will *not* form their own households, particularly those of younger ages.<sup>2</sup>
- D. Worker Households by Income Category.** Each worker household generated is assigned to an income category—represented as a proportion of AMI ranging from 50 to 120 percent—based on its estimated gross wages. This provides the total number of households generated at each income level by construction of market-rate units at

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<sup>1</sup> California Health and Safety Code Section 50052.5 states that affordable housing cost for for-sale units should not exceed 35 percent of gross household income for all income levels. Please note that this differs from the State's defined affordable housing cost for rental units, which is 30 percent of gross household income.

<sup>2</sup> BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers overall (this factor is applied to other industries). EPS has assumed that such young workers do not form their own households.

various price points. The results indicate that residents of smaller, lower-priced units generate fewer worker households requiring affordable housing than do residents of larger, higher-priced units.

These steps of the nexus-based fee calculation provide the total number of income-qualified workers required to meet the needs for goods and services generated by market-rate housing. The number of workers servicing market-rate housing (at each unit price level) is then converted to total income qualified households and each such household is assumed to require one housing unit.

**3. This analysis calculates the maximum fees that could fully mitigate the impact that new market-rate housing has on Capitola's affordable housing demand at various representative price points. These fees could range from about \$35,253 for units selling for \$500,000 to \$109,284 for units that sell for \$2 million, or could be justified at as much as \$43.71 per square foot.**

The nexus fee is calculated by applying the number of affordable units needed by income qualified households to the affordability gap for each housing income category. This calculation is made for several different home values, as shown in **Table 1**. Should the City prefer to adopt a flat fee per square foot rather than adjusting the fee based on the actual unit prices, this analysis suggests that the maximum fee could be \$43.71 per square foot, as that is the lowest maximum fee level calculated.

The City may also consider whether to allow developers to provide affordable units within their projects, rather than paying the nexus-based fee. **Table 1** illustrates the proportions of affordable units that correspond to the fee calculation and demands created by the market-rate units. For instance, a project offering \$750,000 units would effectively mitigate the demand being created by the market-rate units if it provided 0.184 affordable units for each market-rate unit.

It is understood that a lower fee level below the maximum fee may be appropriate given a range of development feasibility and economic development considerations, and a City's preference to incentivize rental housing.

**Table 1 Summary of Maximum Supportable Nexus-Based Housing Fees or Unit Requirements**

For-Sale Unit Price	Nexus-Based Fees			Unit Requirements by Income Level			Total
	Fee per Unit	% of Value	Per Sq.Ft. [1]	VLI (<50% of AMI)	Low (<80% of AMI)	Moderate (<120% of AMI)	
\$500,000	\$35,253	7.1%	\$63.46	11.0%	2.4%	0.2%	13.5%
\$750,000	\$48,605	6.5%	\$51.85	15.2%	2.9%	0.3%	18.4%
\$1,000,000	\$59,792	6.0%	\$47.83	18.7%	3.5%	0.3%	22.5%
\$1,250,000	\$69,011	5.5%	\$44.17	21.7%	3.6%	0.3%	25.6%
\$1,500,000	\$81,938	5.5%	\$43.70	25.7%	4.3%	0.3%	30.4%
\$1,750,000	\$95,627	5.5%	\$43.72	30.0%	5.0%	0.4%	35.4%
\$2,000,000	\$109,284	5.5%	\$43.71	34.3%	5.8%	0.4%	40.5%

[1] Assumes an average value of \$900 per square foot for \$500k units, and \$800 per square foot for all others

Source: Economic & Planning Systems, Inc.



**4. While a nexus-based relationship is not typically required for cities to adopt inclusionary housing standards, Table 1 shows that the City of Capitola could justify an inclusionary requirement of at least 13.5 percent from a nexus perspective.**

Inclusionary ordinances in California vary widely but commonly require 10 to 15 percent affordable units. California jurisdictions commonly adopt inclusionary standards based on policy preferences rather than nexus analysis such as this report, but this analysis indicates that the impact of new for-sale housing could justify an inclusionary requirement of at least 13.5 percent as that is the lowest impact-based figure calculated. **Table 1** also suggests that very low-income units represent a large portion of the units demanded based on the spending of new for-sale housing occupants, but again jurisdictions commonly adopt inclusionary housing income standards based on considerations other than the nexus-based impact.

**5. The findings of this analysis can apply equally to new construction of for-sale units and expansions of existing homes.**

According to City staff, much of the residential construction in Capitola has been and may continue to be expansions of existing homes rather than entirely new construction. This analysis demonstrates that there is a relationship between the size of homes, their market value, the incomes of households expected to occupy those homes, and the impact on the City's affordable housing demands. As homeowners or other investors expand an existing home, its market value increases in a predictable way based on the square footage added, and the required income of the future buyers of the home can be expected to increase even if the current occupants' income stays the same while they remain in the home. For example, market data suggest that adding 500 square feet to a home can be expected to add roughly \$400,000 to the home's value, and the next household that buys that home would thus need to have more income than the household that could have bought the previously smaller home. As such, home expansions have an impact on the demand for affordable housing in Capitola.

# 1. AFFORDABILITY GAP ANALYSIS

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For any nexus-based affordable housing fee calculation, it is necessary to estimate the subsidy required to construct affordable housing units. **Table 2** shows the subsidy needed to produce housing that is affordable to very low-, low-, and moderate-income households (50 through 120 percent of AMI).

## Product Type

While the nexus fees calculated herein are based on demands created by market-rate rental housing, the analysis assumes that new lower-income worker households would actually be housed in developments that are 100 percent affordable units. The affordable units are assumed as apartments at 30 units per acre with surface parking, reflecting the assumption that affordable apartment builders would maximize the City's current allowable density (20 units per acre), plus utilize the State density bonus program granting a 50 percent increase in base density.

In order to determine the average household size of future affordable housing units, EPS used two estimates from the US Census 2015-2019 American Community Survey (ACS)—the average household size for working households in Capitola being 2.53, and average family size being 2.95. Rounding these averages, EPS compared the estimated household wage with the income thresholds for a 3-person household to identify the income category into which each occupation would fall for new units.

California State law (California Health and Safety Code Section 50052.5) assumes that a 2-bedroom unit is occupied by a 3-person household, and this assumption is used in this analysis. Commonly, a 2-bedroom rental unit in Northern California has a gross size of about 1,100 square feet (accounting for shared lobbies, hallways, etc.) and a net size of 950 square feet. This analysis estimates the subsidy that would be required to build for-rent housing for the lower-income worker households (for-sale units are assumed to be larger).

**Table 2                      Affordability Gap Analysis**

Item	3-Story Multifamily Building With Surface Parking		
	Very Low Income (50% AMI)	Low Income (80% AMI)	Moderate Income (120% AMI)
<b>Development Program Assumptions</b>			
Density/Acre [1]	30	30	30
Gross Unit Size	1,100	1,100	1,100
Net Unit Size	950	950	950
Number of Bedrooms	2	2	2
Number of Persons per 2-bedroom Unit [2]	3	3	3
Parking Spaces/Unit	1.25	1.25	1.25
<b>Cost Assumptions</b>			
Land/Acre [3]	\$1,400,000	\$1,400,000	\$1,400,000
Land/Unit	\$46,667	\$46,667	\$46,667
<b>Direct Costs</b>			
Direct Construction Costs/Net SF [4]	\$300	\$300	\$300
Direct Construction Costs/Unit	\$330,000	\$330,000	\$330,000
Parking Construction Costs/Space	\$5,000	\$5,000	\$5,000
Parking Construction Costs/Unit	\$6,250	\$6,250	\$6,250
Subtotal, Direct Costs/Unit	\$336,250	\$336,250	\$336,250
<b>Indirect Costs as a % of Direct Costs [5]</b>			
Indirect Costs/Unit	\$117,688	\$117,688	\$117,688
<b>Developer Fee (% of all costs)</b>			
Fee Amount	\$70,085	\$70,085	\$70,085
Total Cost/Unit (rounded)	\$571,000	\$571,000	\$571,000
<b>Maximum Supported Home Price</b>			
Household Income [6]	\$59,600	\$95,600	\$118,800
Income Available for Housing Costs/Year [7]	\$17,880	\$28,680	\$35,640
(less) Operating Expenses per Unit/Year [8]	(\$6,000)	(\$6,000)	(\$10,000)
Net Operating Income	\$11,880	\$22,680	\$25,640
Capitalization Rate [9]	4.5%	4.5%	4.5%
Total Supportable Unit Value [10]	\$264,000	\$504,000	\$569,778
<b>Affordability Gap</b>	<b>\$307,000</b>	<b>\$67,000</b>	<b>\$1,222</b>

[1] Based on City Staff input of 20 unit per acre, plus a 50 percent density bonus for 100 percent affordable units. State law also allows density bonus projects to have a reduced parking ratio between 0 and 1.5 spaces per 2-bedroom unit, below the City's standard 2.5 per unit.

[2] An average of 3 persons is used for this analysis based on Census data indicating the average family size in Capitola and State law (Health and Safety Code Section 50052.5) indicates that a 2-bedroom unit should be assumed to be occupied by a 3-person household. Thus, EPS has assumed an average unit for income-qualified worker households would be 2-bedrooms.

[3] Based on CoStar data on land transactions in the Capitola area since 2016.

[4] Includes on-site work, offsite work, vertical construction, general requirements, overhead and builder fees. The cost estimate reflects wood-frame construction above podium parking.

[5] Includes costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing,

[6] Based on 2021 income limits for a three person household in Santa Cruz County.

[7] Assumes housing costs to be 30% of gross household income.

[8] Operating expenses are generally based on EPS feasibility studies in the region and are inclusive of utility costs; units at or below 80% of AMI are assumed to be built as non-profit and are therefore exempt from property taxes. Property taxes are assumed to comprise a share of the operating expenses for the moderate income category.

[9] The capitalization rate is used to determine the current value of a property based on estimated future operating income, and is typically

[10] The total supportable unit value is determined by dividing the net operating income by the capitalization rate.

Sources: City of Capitola; HCD; CoStar; and Economic & Planning Systems, Inc.

## Development Cost Assumptions

Affordable housing development costs include land costs, direct costs (e.g., labor and materials), indirect or “soft” costs (e.g., architecture, entitlement, marketing, etc.), and developer profit. Operating costs, including property maintenance, common utilities, advertising, leasing, and property taxes (where applicable) also must be incorporated into the analysis. Data from recent Capitola developments and land transactions have been combined with EPS’s information from various market-rate and affordable housing developers to estimate appropriate development cost assumptions. These assumptions are shown in **Table 2**.

## Revenue Assumptions

To calculate the values of the affordable units, assumptions must be made regarding the applicable income level and the percentage of income spent on housing costs. In addition, translating these assumptions into unit prices and values requires estimates of operating expenses, capital reserves, and capitalization rates. The following assumptions were used in these calculations:

- *Income Levels*—This analysis estimates the subsidy required to produce units for households earning 50, 80, and 120 percent of Area Median Income for a three-person household. In 2021, AMI for these households was \$99,000, as shown in the California Department of Housing and Community Development’s (HCD’s) income limits chart.
- *Percentage of Gross Household Income Available for Housing Costs*—HCD standards on overpaying for rent indicate that households should pay no more than 30 percent of their gross income on rental housing costs. For this analysis, EPS has assumed that all households shall spend 30 percent of their gross income on rental housing costs.
- *Operating Costs for Rental Units*—The analysis assumes that apartment operators incur annual operating costs of \$6,000 per unit, which include the cost of utilities, for units affordable at 80 percent of AMI or below. EPS has assumed the units for moderate income households would have similar operating costs but would be built by for-profit builders and thus also subject to property taxes, increasing their annual operating cost to \$10,000 per unit.

**Table 3      Income Limits for Affordable Housing**

<b>Affordability Category</b>	<b>Maximum Percentage of County Median</b>	<b>2021 Max Income [1] 3-person household</b>
Extremely Low Income (ELI)	0% - 30%	\$35,750
Very Low Income (VLI)	50%	\$59,600
Low Income (LI)	80%	\$95,600
Median Income	100%	\$99,000
Moderate Income (Mod)	120%	\$118,800

[1] 2021 HCD maximum income thresholds are used to translate employment, wages and total worker household incomes to affordable housing categories and to compute supportable housing costs based on household income levels.

Sources: CA Department of Housing and Community Development; Economic & Planning Systems, Inc.

## Affordability Gap Results

**Table 2** shows the estimated subsidies for construction of affordable rental units for low and moderate-income households. As shown, a unit for a household at 50 percent of AMI is expected to require a subsidy of \$307,000. Additionally, a unit for a household at 80 percent of AMI is expected to require a subsidy of roughly \$67,000, while a unit for a household at 120 percent of AMI is expected to require little, if any subsidy.

These housing affordability gaps then were used to calculate the justified nexus-based fees by multiplying this required subsidy by the number of units required to house workers providing goods and services to new market-rate housing development. This methodology is discussed in more detail in the following chapter.

It is worth noting that the affordability gaps estimated in this analysis are not as large as they might be using other also-valid assumptions. For example, the funding gaps for low income units assume that prices are set at 80 percent of median income, while State law suggest low-income unit prices may be set at 70 percent of median income, or even 60 percent of AMI. This methodology used by EPS yields higher unit values and thus results in lower maximum fees than the City's current practices would yield, and has been used by EPS to preempt objections that the assumptions and calculations overstate the actual funding gap for affordable units.

## 2. DEMAND-BASED NEXUS FEE CALCULATION

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The maximum supportable nexus-based fees are based on both the affordability gap and the estimated impact that new market-rate units have on the need for affordable units, as reflected in the number of income-qualified local workers required to support the residents of market-rate units and the total subsidy required to construct housing for those workers. This approach is based on the following logic: (a) residents of market-rate housing have disposable incomes and require a variety of goods and services, (b) the provision of those goods and services will require some workers who make lower incomes and cannot afford market-rate housing, and (c) fees charged to market-rate projects can mitigate the impact of those projects on the increased need for affordable housing.

### **Market-Rate Household Income Levels**

Households with larger incomes typically spend more on goods and services, therefore creating additional lower income jobs, which in turn generate a greater demand for affordable housing. To assess the impact that market-rate units have on the need for affordable housing, EPS has estimated the household income required to purchase a home at various price levels, as shown in **Table 4**.

The income required to purchase a particular unit value is based on assumptions of the standard down payment, financing terms, property taxes, and other costs related to owning a home. These housing costs typically account for 35 percent of a household's income, and therefore, by knowing these costs, the required income to purchase each unit can be estimated. As shown, required household incomes under recent market conditions range from approximately \$87,300 for a \$500,000 unit to roughly \$329,700 for a \$2 million unit. Changes to housing market and financing conditions can have a significant effect on the calculations in this study.

### **Household Expenditures and Job Creation by Income Level**

Having established the income requirements for purchasing units at various values, the fee calculation then requires an analysis of the household spending patterns at those required income levels.

The Consumer Expenditure Survey from the United States Bureau of Labor Statistics provides data for households at a variety of income levels, detailing the amounts that typical households spend on things like Food at Home, Apparel and Services, and Vehicle Maintenance and Repairs.

**Table 3 Required Income by Unit Price - Market-Rate For-Sale Units**

Base Unit Price	Mortgage (Price less 20% Down)	Annual Cost					Minimum Required Income [6]
		Mortgage Payment [1]	Property Taxes [2]	HOA Dues [3]	Home Insurance [4]	Utilities [5]	
\$500,000	\$400,000	\$20,408	\$5,505	\$1,050	\$350	\$3,228	\$87,300
\$750,000	\$600,000	\$30,612	\$8,258	\$1,575	\$525	\$3,228	\$126,300
\$1,000,000	\$800,000	\$40,815	\$11,010	\$2,100	\$700	\$3,900	\$167,200
\$1,250,000	\$1,000,000	\$51,019	\$13,763	\$2,625	\$875	\$4,584	\$208,200
\$1,500,000	\$1,200,000	\$61,223	\$16,515	\$3,150	\$1,050	\$4,584	\$247,200
\$1,750,000	\$1,400,000	\$71,427	\$19,268	\$3,675	\$1,225	\$5,376	\$288,500
\$2,000,000	\$1,600,000	\$81,631	\$22,020	\$4,200	\$1,400	\$6,144	\$329,700

[1] Based on mortgage terms of 20% down payment and 3% interest for 30 years.

[2] Assumes property tax rate of 0.01101.

[3] HOA dues are assumed to increase at \$525 annually for every \$250,000 of home value

[4] Assumes homeowners insurance costs of 0.1% of the unit cost assumed at 70% of the value.

[5] Based on the Santa Cruz County Housing Authority Utility Allowance (assumes natural gas).

[6] Assumes 35% of gross household income spent on housing costs; rounded.

Sources: City of Capitola; County of Santa Cruz; Economic and Planning Systems, Inc.



Interestingly, household expenditures by category are not uniformly proportional to household income levels. For example, households earning around \$87,300 (adequate to purchase a \$500,000 unit) spend roughly 12.8 percent of their income on food and drink (at home and eating out), while households earning \$329,700 who can afford to purchase a \$2 million unit will spend on 6.8 percent of their income on food and drink. Because of these and other differences in proportionate spending, the expenditure profile varies at different income levels.

The homebuyer household's typical expenditures were converted to the number of jobs created by their spending. The first step in this process is to determine how much of an industry's gross receipts are used to pay wages and employee compensation. EPS relied on data from the Economic Census,<sup>3</sup> which provides employment, gross sales, and payroll data by industry for Santa Cruz County. In certain instances, where local data was not available for every Economic Census industry, EPS relied on statewide Economic Census data for that industry.

To link the Economic Census data and the Consumer Expenditure Survey data, EPS made determinations as to the industries involved with expenditures in various categories. For example, purchases in the Consumer Expenditure Survey's "Food at Home" category would likely involve the Economic Census's "Food & Beverage Stores" industry, where gross receipts were more than nine times the employees' wages. By contrast, purchases in the Consumer Expenditure Survey's "Entertainment Fees and Admissions" category were attributed to the Economic Census' "Arts, Entertainment, and Recreation" industry, where gross receipts are only about four times the employees' wages. Where more than one Economic Census category was attributable to a Consumer Expenditure Survey category, EPS estimated the proportion of expenditures associated with each Economic Census category.

After determining the amount of the household's expenditures that were used for employee wages, EPS estimated the number of employees those aggregate wages represent. EPS calculated the number of workers supported by that spending using the average wage per worker (also from the 2017 Economic Census). These wages ranged from a low of roughly \$19,500 per year for workers in the clothing and clothing accessories industry to a high of more than \$100,000 for legal services.

A range of occupations and incomes exist in a given industry sector. For instance, the methodology used to generate **Tables B-1 to B-7 in Appendix B** distinguishes between the typical incomes of workers in different types of retail stores (e.g., "food and beverage stores" versus "general merchandise stores"), rather than assuming all retail sector workers earn the same income. However, the average wage is used for each sub-category of industry employment and represents a reasonable proxy for the range of incomes in that group: while some employees will have higher wages and require lower subsidies, others will have lower incomes and require higher subsidies. Using the average approximates the total housing subsidy needed by workers in that industry.

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<sup>3</sup> Note that the Consumer Expenditure Survey data is based on information current as of 2019. The latest data available for the Economic Census was published in 2017. EPS converted all numbers to 2021 dollars using the Consumer Price Index (CPI) for the San Francisco Metropolitan Statistical Area (MSA) from the Bureau of Labor Statistics.

To calculate the number of *households* supported by the expenditures of market-rate housing units, EPS estimated the employees' household formation rates. Importantly, employees generated from the increase in housing units do not all form households; some employees, in the retail and food services industries in particular, are young workers and do not form households. Data from the Bureau of Labor Statistics indicates that 12.5 percent of retail/restaurant workers are age 16 to 19, but an average of only 1.9 percent of workers in the workforce overall. EPS applied these discounts to household formation by type of business to get a more accurate calculation of households formed by the employees and the average total incomes of those households.

To get the overall households' income rather than the individual workers', the wages of workers forming households were multiplied by the average of approximately 1.69 workers per working household in Capitola.<sup>4</sup> This assumption implies the workers in a given household will have roughly equivalent compensation. While certainly there will often be some variation in wages per employee within a household, on average this assumption is reasonable because it implies comparable levels of education and training among all workers in a household. The average household incomes then are allocated to various income categories to estimate the number of affordable housing units demanded in each income category (50 through 120 percent of AMI).

A simplified example of these calculations follows:

A.	Number of Households (prototype project)	1,000
B.	Average Household Income (in the project)	\$125,000
C.	Aggregate Household Income (A x B)	\$125 million
D.	Average Income Spent on Retail (Consumer Expenditure Survey)	\$40,000
E.	Aggregate Retail Spending (A x D)	\$40 million
F.	Retail Gross Receipts: Payroll Ratio (Economic Census)	9:1
G.	Estimated Retail Payroll (E ÷ F)	\$4.44 million
H.	Average Retail Wage (Economic Census)	\$28,500
I.	Estimated Total Retail Jobs (G ÷ H)	156
J.	Percent Age 20+ (Bureau of Labor Statistics)	87.5%
K.	Total Retail Workers Forming Households	136
J.	Average Workers/Household (Census Data)	1.69
K.	Estimated Households Created (K ÷ J)	86
L.	Average Household Income (H x J)	\$45,000
M.	Income Category	Low-Income (up to 80% of AMI)

In this simplified example, 1,000 new market-rate units sold to households earning \$125,000 per year would create demand for 86 housing units for retail workers with household incomes typically between 50 and 80 percent of AMI. Actual calculations and impact distinctions by type of household expenditure for various home values are shown in the series of tables presented in **Appendix C**.

<sup>4</sup> Workers per working household based on American Community Survey (ACS) Census data current as of 2013. Although ACS data reported is based on historical figures, these figures can vary somewhat based on ongoing revisions to the ACS data.

## Demand for Income-Qualified Workers

The total number of income-qualified households required to support the expenditures of new market-rate units were determined based on the affordable housing income limits from HCD for a 3-person household. **Table 3** summarizes the HCD income limits used to compute the total number of income-qualified households generated by construction of market-rate units.<sup>5</sup> The number of income-qualified households required to provide goods and services to new housing units is detailed in **Appendix B**.

**The nexus methodology used herein computes the total number of income-qualified households generated by market-rate units (as shown in Table 5) and calculates the impact fee based on the estimated cost to subsidize the production of units to meet that affordable housing demand. This analysis assumes that the fees on residential development will fund required affordable housing for all new workers generated.**

**Table 4 Summary of Worker and Household Generation per 100 Market-Rate Units**

Unit Type	Minimum Household Income Requirement	Total Workers Generated [1]	Total Worker Households [2]	Total Income Qualified Households [3]	Income Qualified Households by Income Category		
					VLI Households	LI Households	Moderate Income
							Households
For-Sale Units							
\$500,000	\$87,300	26	14.2	13.5	11.0	2.4	0.2
\$750,000	\$126,300	36	19.2	18.4	15.2	2.9	0.3
\$1,000,000	\$167,200	44	23.5	22.5	18.7	3.5	0.3
\$1,250,000	\$208,200	50	26.9	25.6	21.7	3.6	0.3
\$1,500,000	\$247,200	59	31.9	30.4	25.7	4.3	0.3
\$1,750,000	\$288,500	69	37.2	35.4	30.0	5.0	0.4
\$2,000,000	\$329,700	79	42.5	40.5	34.3	5.8	0.4

[1] Total workers generated detailed by unit price point and rental apartment size in Tables B-1 through B-4.

[2] Total worker households derived assuming 1.69 workers per household. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

[3] Total income qualified households reflects those households eligible for affordable housing based on total household income. Income qualified households therefore exclude households earning above moderate income. See Tables B-1 through B-4 for detail. Total may not sum due to rounding.

Source: Economic & Planning Systems, Inc.

<sup>5</sup> To correspond to the available data regarding employee wages, the 2021 Santa Cruz County affordable housing income limits from HCD were used to determine the number of income-qualified households based on household expenditures.

## Fee Calculation

The affordability gap analysis quantifies the subsidy required to construct affordable housing at various income levels. Analysis of consumer expenditures that rely on lower wage workers provides an estimate of the total number of income-qualified households generated by new for-sale units. Then for each category of market-rate units, the nexus-based fee is calculated by applying the total number of income-qualified households generated to the affordability gap computed for each affordable household income level. The analysis provides the maximum supportable nexus-based fees for new housing development in Capitola.

**Tables 7 through 13** show the impact fee calculation by for-sale home value ranging from \$500,000 to \$2 million per unit. The total impact fees required for a representative project of 100 units is calculated by multiplying the number of affordable units required per income level by the cost of subsidizing such housing. All income-qualified households are assumed to be housed in multifamily rental units and the subsidies needed are calculated as the affordability gaps shown in **Table 3**. The resulting maximum impact fee for market-rate units ranges from \$35,253 for a \$500,000 unit to \$109,284 for a \$2 million unit.

These fee estimates result in the maximum fee range of between \$44 and \$64 per square foot and significantly exceed the existing housing fee of \$10 per square foot in Capitola. Fee per square foot is based on the assumption that homes in Capitola over 800 square feet typically sell for approximately \$800 per square foot, while homes of less than 800 square feet tend to sell for about \$900 per square foot (see **Table 6**). This assumption is based on RedFin data for new home sales from April 2020 through April 2021. While the City has the option of adopting fees up to the maximum levels calculated, there may be a variety of reasons to adopt the fee level below the maximum, including concerns about affecting the feasibility of new housing construction, as will be explored in a separate EPS document.

**Table 6 Capitola Home Value per Square Foot by Unit Size**

House Size (square feet)	Average Value per Square Foot	Number of Units
2,000+	\$824	22
1,600-1,999	\$800	21
1,200-1,599	\$807	39
800-1,199	\$772	79
500-799	\$924	13
<b>Overall</b>	<b>\$801</b>	<b>174</b>

Source: RedFin 2020-21 Home Sales for Capitola; Economic and Planning Systems Inc.

**Table 7 Nexus-Based Housing Fee Calculations (\$500,000 Unit)**

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	11.0	\$307,000	\$3,366,803		
Affordable Units - Low Income	2.4	\$67,000	\$158,222		
Affordable Units - Moderate Income	<u>0.2</u>	\$1,222	<u>\$260</u>		
<i>Total</i>	13.5		\$3,525,285	<b>\$35,253</b>	<b>\$63.46</b>

[1] See Table 5

[2] See Table 2. EPS has assumed all affordable units will be rental because the subsidy to construct rental units is lower than for-sale for every income-category.

Source: Economic & Planning Systems, Inc.

**Table 8 Nexus-Based Housing Fee Calculations (\$750,000 Unit)**

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	15.2	\$307,000	\$4,662,780		
Affordable Units - Low Income	2.9	\$67,000	\$197,380		
Affordable Units - Moderate Income	<u>0.3</u>	\$1,222	<u>\$316</u>		
<i>Total</i>	18.4		\$4,860,477	<b>\$48,605</b>	<b>\$51.85</b>

[1] See Table 5

[2] See Table 2. EPS has assumed all affordable units will be rental because the subsidy to construct rental units is lower than for-sale for every income-category.

Source: Economic & Planning Systems, Inc.

**Table 9 Nexus-Based Housing Fee Calculations (\$1,000,000 Unit)**

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	18.7	\$307,000	\$5,745,897		
Affordable Units - Low Income	3.5	\$67,000	\$232,926		
Affordable Units - Moderate Income	<u>0.3</u>	\$1,222	<u>\$344</u>		
<i>Total</i>	22.5		\$5,979,167	\$59,792	\$47.83

[1] See Table 5

[2] See Table 2. EPS has assumed all affordable units will be rental because the subsidy to construct rental units is lower than for-sale for every income-category.

Source: Economic & Planning Systems, Inc.

**Table 10 Nexus-Based Housing Fee Calculations (\$1,250,000 Unit)**

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	21.7	\$307,000	\$6,657,049		
Affordable Units - Low Income	3.6	\$67,000	\$243,707		
Affordable Units - Moderate Income	<u>0.3</u>	\$1,222	<u>\$314</u>		
<i>Total</i>	25.6		\$6,901,069	\$69,011	\$44.17

[1] See Table 5

[2] See Table 2. EPS has assumed all affordable units will be rental because the subsidy to construct rental units is lower than for-sale for every income-category.

Source: Economic & Planning Systems, Inc.

**Table 11 Nexus-Based Housing Fee Calculations (\$1,500,000 Unit)**

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	25.7	\$307,000	\$7,904,047		
Affordable Units - Low Income	4.3	\$67,000	\$289,358		
Affordable Units - Moderate Income	<u>0.3</u>	\$1,222	<u>\$372</u>		
<i>Total</i>	<i>30.4</i>		<i>\$8,193,777</i>	<i>\$81,938</i>	<i>\$43.70</i>

[1] See Table 5

[2] See Table 2. EPS has assumed all affordable units will be rental because the subsidy to construct rental units is lower than for-sale for every income-category.

Source: Economic & Planning Systems, Inc.

**Table 12 Nexus-Based Housing Fee Calculations (\$1,750,000 Unit)**

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	30.0	\$307,000	\$9,224,585		
Affordable Units - Low Income	5.0	\$67,000	\$337,701		
Affordable Units - Moderate Income	<u>0.4</u>	\$1,222	<u>\$435</u>		
<i>Total</i>	<i>35.4</i>		<i>\$9,562,721</i>	<i>\$95,627</i>	<i>\$43.72</i>

[1] See Table 5

[2] See Table 2. EPS has assumed all affordable units will be rental because the subsidy to construct rental units is lower than for-sale for every income-category.

Source: Economic & Planning Systems, Inc.

**Table 13 Nexus-Based Housing Fee Calculations (\$2,000,000 Unit)**

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	34.3	\$307,000	\$10,541,926		
Affordable Units - Low Income	5.8	\$67,000	\$385,927		
Affordable Units - Moderate Income	0.4	\$1,222	\$497		
<b>Total</b>	<b>40.5</b>		<b>\$10,928,351</b>	<b>\$109,284</b>	<b>\$43.71</b>

[1] See Table 5

[2] See Table 2. EPS has assumed all affordable units will be rental because the subsidy to construct rental units is lower than for-sale for every income-category.

Source: Economic & Planning Systems, Inc.





## APPENDICES:

Appendix A: Household Expenditures and  
Employment Generation

Appendix B: Income Levels for Worker Households

## APPENDIX A:

### Household Expenditures and Employment Generation



**Table A-1**  
**Household Expenditures and Employment Generation - For Sale \$500,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	<b>\$87,300</b>													
<b>Food at Home</b>		7.2%	100%	\$6,261										
Food & Beverage Stores			100%	\$6,261	\$6,261,143	9.01	\$694,821	\$30,474	22.8	87.5%	1.69	11.8	\$51,421	VLI Households
<b>Food Away From Home</b>		5.6%	100%	\$4,890										
Food Services and Drinking Places			100%	\$4,890	\$4,890,326	3.13	\$1,564,497	\$21,784	71.8	87.5%	1.69	37.2	\$36,758	VLI Households
<b>Alcoholic Beverages</b>		0.9%	100%	\$829										
Food & Beverage Stores			50%	\$414	\$414,366	9.01	\$45,984	\$30,474	1.5	87.5%	1.69	0.8	\$51,421	VLI Households
Food Services and Drinking Places			50%	\$414	\$414,366	3.13	\$132,563	\$21,784	6.1	87.5%	1.69	3.2	\$36,758	VLI Households
<b>Housing Maintenance, Repairs, Insurance, Other expenses</b>		1.8%	100%	\$1,553										
Personal and Household Goods Repair and Maintenance			45%	\$699	\$699,047	3.34	\$209,373	\$29,298	7.1	98.1%	1.69	4.2	\$49,437	VLI Households
Building Material and Garden Equipment and Supplies Dealer			45%	\$699	\$699,047	8.42	\$83,043	\$34,606	2.4	87.5%	1.69	1.2	\$58,395	VLI Households
Real Estate and Rental and Leasing			10%	\$155	\$155,344	5.03	\$30,864	\$49,773	0.6	98.1%	1.69	0.4	\$83,988	LI Households
<b>Fuel oil and Other fuels [7]</b>		5.6%	100%	\$4,887										
Nonstore Retailers			100%	\$4,887	\$4,886,858	7.59	\$643,603	\$39,149	16.4	87.5%	1.69	8.5	\$66,060	LI Households
<b>Water and Other Public Services [7]</b>		1.2%	100%	\$1,009										
Waste Management and Remediation Services			100%	\$1,009	\$1,009,041	4.00	\$252,255	\$68,872	3.7	98.1%	1.69	2.1	\$116,214	Moderate Income
<b>Household Operations Personal Services</b>		0.8%	100%	\$696										
Nursing and Residential Care Facilities			40%	\$278	\$278,324	2.41	\$115,446	\$37,011	3.1	98.1%	1.69	1.8	\$62,453	LI Households
Social Assistance [8]			60%	\$417	\$417,487	2.98	\$139,932	\$24,733	5.7	98.1%	1.69	3.3	\$41,735	VLI Households
<b>Household Operations Other Household Expenses</b>		1.4%	100%	\$1,248										
Services to Buildings and Dwellings			100%	\$1,248	\$1,248,299	2.91	\$429,134	\$75,555	5.7	98.1%	1.69	3.3	\$127,492	Above Mod
<b>Housekeeping Supplies</b>		1.0%	100%	\$873										
Building Materials and Garden Equipment and Supplies Dealers			10%	\$87	\$87,265	8.42	\$10,367	\$34,606	0.3	87.5%	1.69	0.2	\$58,395	VLI Households
Food & Beverage Stores			35%	\$305	\$305,429	9.01	\$33,894	\$30,474	1.1	87.5%	1.69	0.6	\$51,421	VLI Households
General Merchandise			35%	\$305	\$305,429	10.88	\$28,085	\$28,948	1.0	87.5%	1.69	0.5	\$48,847	VLI Households
Miscellaneous Store Retailers			20%	\$175	\$174,531	6.20	\$28,149	\$24,716	1.1	87.5%	1.69	0.6	\$41,705	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$500,000 Unit requires a household income of \$87,300.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-1**  
**Household Expenditures and Employment Generation - For Sale \$500,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	<b>\$87,300</b>												
<b>Household Furnishings and Equipment</b>	3.1%	100%	\$2,710										
Furniture and Home Furnishings Stores		40%	\$1,084	\$1,084,171	6.22	\$174,209	\$31,496	5.5	87.5%	1.69	2.9	\$53,146	VLI Households
Electronics and Appliance Stores		40%	\$1,084	\$1,084,171	9.49	\$114,298	\$29,615	3.9	87.5%	1.69	2.0	\$49,973	VLI Households
General Merchandise Stores		10%	\$271	\$271,043	10.88	\$24,923	\$28,948	0.9	87.5%	1.69	0.4	\$48,847	VLI Households
Miscellaneous Store Retailers		10%	\$271	\$271,043	6.20	\$43,715	\$24,716	1.8	87.5%	1.69	0.9	\$41,705	VLI Households
<b>Apparel and Services</b>	2.9%	100%	\$2,499										
Clothing and Clothing Accessories Stores		40%	\$1,000	\$999,564	6.20	\$161,249	\$19,472	8.3	87.5%	1.69	4.3	\$32,857	ELI Households
General Merchandise		40%	\$1,000	\$999,564	10.88	\$91,912	\$28,948	3.2	87.5%	1.69	1.6	\$48,847	VLI Households
Miscellaneous Store Retailers		10%	\$250	\$249,891	6.20	\$40,303	\$24,716	1.6	87.5%	1.69	0.8	\$41,705	VLI Households
Personal and Household Goods Repair and Maintenance		5%	\$125	\$124,945	3.34	\$37,423	\$29,298	1.3	87.5%	1.69	0.7	\$49,437	VLI Households
Dry cleaning and Laundry Services		5%	\$125	\$124,945	3.34	\$37,423	\$29,298	1.3	87.5%	1.69	0.7	\$49,437	VLI Households
<b>Vehicle Purchases (net outlay)</b>	5.2%	100%	\$4,567										
Motor Vehicle and Parts Dealers		100%	\$4,567	\$4,566,693	35.74	\$127,762	\$53,823	2.4	87.5%	1.69	1.2	\$90,821	LI Households
<b>Gasoline and motor oil</b>	3.6%	100%	\$3,109										
Gasoline Stations		100%	\$3,109	\$3,109,188	27.49	\$113,096	\$28,091	4.0	87.5%	1.69	2.1	\$47,401	VLI Households
<b>Vehicle Maintenance and Repairs</b>	1.4%	100%	\$1,234										
Repair and Maintenance		100%	\$1,234	\$1,234,429	3.24	\$380,767	\$43,318	8.8	98.1%	1.69	5.1	\$73,095	LI Households
<b>Medical Services</b>	1.5%	100%	\$1,345										
Ambulatory Health Care Services		40%	\$538	\$538,155	2.55	\$210,681	\$70,780	3.0	98.1%	1.69	1.7	\$119,434	Above Mod
General Medical and Surgical Hospitals		30%	\$404	\$403,617	4.40	\$91,720	\$27,115	3.4	98.1%	1.69	2.0	\$45,755	VLI Households
Nursing and Residential Care Facilities		30%	\$404	\$403,617	2.41	\$167,416	\$37,011	4.5	98.1%	1.69	2.6	\$62,453	LI Households
<b>Drugs</b>	0.7%	100%	\$589										
Health and Personal Care Stores		100%	\$589	\$589,474	9.05	\$65,124	\$34,602	1.9	87.5%	1.69	1.0	\$58,387	VLI Households
<b>Medical Supplies</b>	0.3%	100%	\$230										
Health and Personal Care Stores		100%	\$230	\$230,011	9.05	\$25,411	\$34,602	0.7	87.5%	1.69	0.4	\$58,387	VLI Households
<b>Entertainment Fees and Admissions</b>	1.2%	100%	\$1,021										
Arts, Entertainment, & Recreation		100%	\$1,021	\$1,020,600	3.12	\$326,623	\$28,072	11.6	87.5%	1.69	6.0	\$47,369	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$500,000 Unit requires a household income of \$87,300.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-1**  
**Household Expenditures and Employment Generation - For Sale \$500,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	<b>\$87,300</b>													
<b>Entertainment Audio and Visual Equipment and Services</b>		1.2%	100%	\$1,021										
Electronics and Appliance Stores			100%	\$1,021	\$1,020,600	9.49	\$107,596	\$29,615	3.6	87.5%	1.69	1.9	\$49,973	VLI Households
<b>Entertainment Pets, Toys, Hobbies, and Playground Equip.</b>		1.3%	100%	\$1,141										
Sporting Goods, Hobby, and Musical Instrument Stores			40%	\$456	\$456,323	6.59	\$69,233	\$21,452	3.2	87.5%	1.69	1.7	\$36,198	VLI Households
Miscellaneous Store Retailers			40%	\$456	\$456,323	6.20	\$73,597	\$24,716	3.0	87.5%	1.69	1.5	\$41,705	VLI Households
Veterinary Services			20%	\$228	\$228,161	2.69	\$84,776	\$49,793	1.7	98.1%	1.69	1.0	\$84,021	LI Households
<b>Other Entertainment Supplies, Equipment, and Services</b>		0.5%	100%	\$425										
Sporting Goods, Hobby, and Musical Instrument Stores			85%	\$362	\$361,544	6.59	\$54,854	\$21,452	2.6	87.5%	1.69	1.3	\$36,198	VLI Households
Photographic Services			15%	\$64	\$63,802	3.41	\$18,728	\$43,227	0.4	98.1%	1.69	0.3	\$72,941	LI Households
<b>Personal Care Products and Services</b>		1.2%	100%	\$1,030										
Unspecified Retail			50%	\$515	\$514,923	6.20	\$83,049	\$24,716	3.4	87.5%	1.69	1.7	\$41,705	VLI Households
Personal Care Services			50%	\$515	\$514,923	2.74	\$187,907	\$22,157	8.5	98.1%	1.69	4.9	\$37,387	VLI Households
<b>Reading</b>		0.1%	100%	\$119										
Sporting Goods, Hobby, and Musical Instrument Stores			100%	\$119	\$119,051	6.59	\$18,062	\$21,452	0.8	87.5%	1.69	0.4	\$36,198	VLI Households
<b>Education</b>		1.0%	100%	\$898										
Educational Services			100%	\$898	\$898,082	2.59	\$347,386	\$35,028	9.9	98.1%	1.69	5.8	\$59,106	VLI Households
<b>Tobacco Products and Smoking Supplies</b>		0.4%	100%	\$313										
Unspecified Retail			100%	\$313	\$313,231	6.20	\$50,519	\$24,716	2.0	87.5%	1.69	1.1	\$41,705	VLI Households
<b>Miscellaneous</b>		1.3%	100%	\$1,099										
Accounting			20%	\$220	\$219,839	2.64	\$83,332	\$40,838	2.0	98.1%	1.69	1.2	\$68,910	LI Households
Architectural, Engineering, and Related			20%	\$220	\$219,839	2.25	\$97,837	\$80,414	1.2	98.1%	1.69	0.7	\$135,690	Above Mod
Specialized Design Services			20%	\$220	\$219,839	3.50	\$62,751	\$56,159	1.1	98.1%	1.69	0.6	\$94,763	LI Households
Death Care Services			20%	\$220	\$219,839	3.41	\$64,531	\$43,227	1.5	98.1%	1.69	0.9	\$72,941	LI Households
Legal Services			20%	\$220	\$219,839	2.99	\$73,494	\$100,406	0.7	98.1%	1.69	0.4	\$169,424	Above Mod
<b>Total per 1,000 Market Rate Households</b>									<b>264.2</b>			<b>141.6</b>		

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$500,000 Unit requires a household income of \$87,300.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

Source: 2019 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; and Economic & Planning Systems, Inc.

**Table A-2**  
**Household Expenditures and Employment Generation - For Sale \$750,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	<b>\$126,300</b>													
<b>Food at Home</b>		5.7%	100%	\$7,261										
Food & Beverage Stores			100%	\$7,261	\$7,260,636	9.01	\$805,738	\$30,474	26.4	87.5%	1.69	13.7	\$51,421	VLI Households
<b>Food Away From Home</b>		5.1%	100%	\$6,406										
Food Services and Drinking Places			100%	\$6,406	\$6,406,444	3.13	\$2,049,528	\$21,784	94.1	87.5%	1.69	48.8	\$36,758	VLI Households
<b>Alcoholic Beverages</b>		0.7%	100%	\$934										
Food & Beverage Stores			50%	\$467	\$467,062	9.01	\$51,831	\$30,474	1.7	87.5%	1.69	0.9	\$51,421	VLI Households
Food Services and Drinking Places			50%	\$467	\$467,062	3.13	\$149,421	\$21,784	6.9	87.5%	1.69	3.6	\$36,758	VLI Households
<b>Housing Maintenance, Repairs, Insurance, Other expenses</b>		1.8%	100%	\$2,266										
Personal and Household Goods Repair and Maintenance			45%	\$1,019	\$1,019,484	3.34	\$305,348	\$29,298	10.4	98.1%	1.69	6.1	\$49,437	VLI Households
Building Material and Garden Equipment and Supplies Dealer			45%	\$1,019	\$1,019,484	8.42	\$121,109	\$34,606	3.5	87.5%	1.69	1.8	\$58,395	VLI Households
Real Estate and Rental and Leasing			10%	\$227	\$226,552	5.03	\$45,011	\$49,773	0.9	98.1%	1.69	0.5	\$83,988	LI Households
<b>Fuel oil and Other fuels [7]</b>		4.5%	100%	\$5,731										
Nonstore Retailers			100%	\$5,731	\$5,731,202	7.59	\$754,804	\$39,149	19.3	87.5%	1.69	10.0	\$66,060	LI Households
<b>Water and Other Public Services [7]</b>		1.0%	100%	\$1,226										
Waste Management and Remediation Services			100%	\$1,226	\$1,226,410	4.00	\$306,597	\$68,872	4.5	98.1%	1.69	2.6	\$116,214	Moderate Income
<b>Household Operations Personal Services</b>		0.6%	100%	\$761										
Nursing and Residential Care Facilities			40%	\$304	\$304,455	2.41	\$126,285	\$37,011	3.4	98.1%	1.69	2.0	\$62,453	LI Households
Social Assistance [8]			60%	\$457	\$456,683	2.98	\$153,070	\$24,733	6.2	98.1%	1.69	3.6	\$41,735	VLI Households
<b>Household Operations Other Household Expenses</b>		1.3%	100%	\$1,595										
Services to Buildings and Dwellings			100%	\$1,595	\$1,595,207	2.91	\$548,392	\$75,555	7.3	98.1%	1.69	4.2	\$127,492	Above Mod
<b>Housekeeping Supplies</b>		0.9%	100%	\$1,133										
Building Materials and Garden Equipment and Supplies Dealers			10%	\$113	\$113,336	8.42	\$13,464	\$34,606	0.4	87.5%	1.69	0.2	\$58,395	VLI Households
Food & Beverage Stores			35%	\$397	\$396,675	9.01	\$44,020	\$30,474	1.4	87.5%	1.69	0.7	\$51,421	VLI Households
General Merchandise			35%	\$397	\$396,675	10.88	\$36,475	\$28,948	1.3	87.5%	1.69	0.7	\$48,847	VLI Households
Miscellaneous Store Retailers			20%	\$227	\$226,671	6.20	\$36,558	\$24,716	1.5	87.5%	1.69	0.8	\$41,705	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$750,000 Unit requires a household income of \$126,300.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-2**  
**Household Expenditures and Employment Generation - For Sale \$750,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	<b>\$126,300</b>													
<b>Household Furnishings and Equipment</b>		2.8%	100%	\$3,544										
Furniture and Home Furnishings Stores			40%	\$1,418	\$1,417,769	6.22	\$227,813	\$31,496	7.2	87.5%	1.69	3.8	\$53,146	VLI Households
Electronics and Appliance Stores			40%	\$1,418	\$1,417,769	9.49	\$149,468	\$29,615	5.0	87.5%	1.69	2.6	\$49,973	VLI Households
General Merchandise Stores			10%	\$354	\$354,442	10.88	\$32,592	\$28,948	1.1	87.5%	1.69	0.6	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$354	\$354,442	6.20	\$57,166	\$24,716	2.3	87.5%	1.69	1.2	\$41,705	VLI Households
<b>Apparel and Services</b>		2.4%	100%	\$2,999										
Clothing and Clothing Accessories Stores			40%	\$1,200	\$1,199,687	6.20	\$193,533	\$19,472	9.9	87.5%	1.69	5.2	\$32,857	ELI Households
General Merchandise			40%	\$1,200	\$1,199,687	10.88	\$110,314	\$28,948	3.8	87.5%	1.69	2.0	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$300	\$299,922	6.20	\$48,373	\$24,716	2.0	87.5%	1.69	1.0	\$41,705	VLI Households
Personal and Household Goods Repair and Maintenance			5%	\$150	\$149,961	3.34	\$44,915	\$29,298	1.5	87.5%	1.69	0.8	\$49,437	VLI Households
Dry cleaning and Laundry Services			5%	\$150	\$149,961	3.34	\$44,915	\$29,298	1.5	87.5%	1.69	0.8	\$49,437	VLI Households
<b>Vehicle Purchases (net outlay)</b>		5.3%	100%	\$6,664										
Motor Vehicle and Parts Dealers			100%	\$6,664	\$6,664,133	35.74	\$186,442	\$53,823	3.5	87.5%	1.69	1.8	\$90,821	LI Households
<b>Gasoline and motor oil</b>		3.1%	100%	\$3,956										
Gasoline Stations			100%	\$3,956	\$3,956,009	27.49	\$143,899	\$28,091	5.1	87.5%	1.69	2.7	\$47,401	VLI Households
<b>Vehicle Maintenance and Repairs</b>		1.2%	100%	\$1,454										
Repair and Maintenance			100%	\$1,454	\$1,454,275	3.24	\$448,580	\$43,318	10.4	98.1%	1.69	6.0	\$73,095	LI Households
<b>Medical Services</b>		1.4%	100%	\$1,797										
Ambulatory Health Care Services			40%	\$719	\$718,667	2.55	\$281,349	\$70,780	4.0	98.1%	1.69	2.3	\$119,434	Above Mod
General Medical and Surgical Hospitals			30%	\$539	\$539,000	4.40	\$122,485	\$27,115	4.5	98.1%	1.69	2.6	\$45,755	VLI Households
Nursing and Residential Care Facilities			30%	\$539	\$539,000	2.41	\$223,572	\$37,011	6.0	98.1%	1.69	3.5	\$62,453	LI Households
<b>Drugs</b>		0.6%	100%	\$727										
Health and Personal Care Stores			100%	\$727	\$726,541	9.05	\$80,267	\$34,602	2.3	87.5%	1.69	1.2	\$58,387	VLI Households
<b>Medical Supplies</b>		0.2%	100%	\$271										
Health and Personal Care Stores			100%	\$271	\$270,812	9.05	\$29,919	\$34,602	0.9	87.5%	1.69	0.4	\$58,387	VLI Households
<b>Entertainment Fees and Admissions</b>		1.1%	100%	\$1,436										
Arts, Entertainment, & Recreation			100%	\$1,436	\$1,436,380	3.12	\$459,685	\$28,072	16.4	87.5%	1.69	8.5	\$47,369	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$750,000 Unit requires a household income of \$126,300.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-2**  
**Household Expenditures and Employment Generation - For Sale \$750,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>		<b>\$126,300</b>												
<b>Entertainment Audio and Visual Equipment and Services</b>		1.1%	100%	\$1,436										
Electronics and Appliance Stores			100%	\$1,436	\$1,436,380	9.49	\$151,430	\$29,615	5.1	87.5%	1.69	2.7	\$49,973	VLI Households
<b>Entertainment Pets, Toys, Hobbies, and Playground Equip.</b>		1.2%	100%	\$1,576										
Sporting Goods, Hobby, and Musical Instrument Stores			40%	\$630	\$630,385	6.59	\$95,642	\$21,452	4.5	87.5%	1.69	2.3	\$36,198	VLI Households
Miscellaneous Store Retailers			40%	\$630	\$630,385	6.20	\$101,671	\$24,716	4.1	87.5%	1.69	2.1	\$41,705	VLI Households
Veterinary Services			20%	\$315	\$315,192	2.69	\$117,114	\$49,793	2.4	98.1%	1.69	1.4	\$84,021	LI Households
<b>Other Entertainment Supplies, Equipment, and Services</b>		1.1%	100%	\$1,415										
Sporting Goods, Hobby, and Musical Instrument Stores			85%	\$1,203	\$1,202,670	6.59	\$182,469	\$21,452	8.5	87.5%	1.69	4.4	\$36,198	VLI Households
Photographic Services			15%	\$212	\$212,236	3.41	\$62,299	\$43,227	1.4	98.1%	1.69	0.8	\$72,941	LI Households
<b>Personal Care Products and Services</b>		1.1%	100%	\$1,373										
Unspecified Retail			50%	\$687	\$686,575	6.20	\$110,733	\$24,716	4.5	87.5%	1.69	2.3	\$41,705	VLI Households
Personal Care Services			50%	\$687	\$686,575	2.74	\$250,547	\$22,157	11.3	98.1%	1.69	6.6	\$37,387	VLI Households
<b>Reading</b>		0.1%	100%	\$167										
Sporting Goods, Hobby, and Musical Instrument Stores			100%	\$167	\$167,021	6.59	\$25,340	\$21,452	1.2	87.5%	1.69	0.6	\$36,198	VLI Households
<b>Education</b>		1.9%	100%	\$2,436										
Educational Services			100%	\$2,436	\$2,436,119	2.59	\$942,311	\$35,028	26.9	98.1%	1.69	15.6	\$59,106	VLI Households
<b>Tobacco Products and Smoking Supplies</b>		0.3%	100%	\$335										
Unspecified Retail			100%	\$335	\$335,235	6.20	\$54,068	\$24,716	2.2	87.5%	1.69	1.1	\$41,705	VLI Households
<b>Miscellaneous</b>		1.1%	100%	\$1,390										
Accounting			20%	\$278	\$277,970	2.64	\$105,367	\$40,838	2.6	98.1%	1.69	1.5	\$68,910	LI Households
Architectural, Engineering, and Related			20%	\$278	\$277,970	2.25	\$123,707	\$80,414	1.5	98.1%	1.69	0.9	\$135,690	Above Mod
Specialized Design Services			20%	\$278	\$277,970	3.50	\$79,344	\$56,159	1.4	98.1%	1.69	0.8	\$94,763	LI Households
Death Care Services			20%	\$278	\$277,970	3.41	\$81,595	\$43,227	1.9	98.1%	1.69	1.1	\$72,941	LI Households
Legal Services			20%	\$278	\$277,970	2.99	\$92,928	\$100,406	0.9	98.1%	1.69	0.5	\$169,424	Above Mod
<b>Total per 1,000 Market Rate Households</b>									<b>357.0</b>			<b>191.9</b>		

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$750,000 Unit requires a household income of \$126,300.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to 2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

Source: 2019 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; and Economic & Planning Systems, Inc.



**Table A-3**  
**Household Expenditures and Employment Generation - For Sale \$1,000,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	<b>\$167,200</b>													
<b>Food at Home</b>		4.7%	100%	\$7,942										
Food & Beverage Stores			100%	\$7,942	\$7,941,670	9.01	\$881,315	\$30,474	28.9	87.5%	1.69	15.0	\$51,421	VLI Households
<b>Food Away From Home</b>		4.8%	100%	\$8,016										
Food Services and Drinking Places			100%	\$8,016	\$8,016,382	3.13	\$2,564,575	\$21,784	117.7	87.5%	1.69	61.0	\$36,758	VLI Households
<b>Alcoholic Beverages</b>		0.8%	100%	\$1,271										
Food & Beverage Stores			50%	\$636	\$635,637	9.01	\$70,539	\$30,474	2.3	87.5%	1.69	1.2	\$51,421	VLI Households
Food Services and Drinking Places			50%	\$636	\$635,637	3.13	\$203,351	\$21,784	9.3	87.5%	1.69	4.8	\$36,758	VLI Households
<b>Housing Maintenance, Repairs, Insurance, Other expenses</b>		1.7%	100%	\$2,924										
Personal and Household Goods Repair and Maintenance			45%	\$1,316	\$1,315,926	3.34	\$394,136	\$29,298	13.5	98.1%	1.69	7.8	\$49,437	VLI Households
Building Material and Garden Equipment and Supplies Dealer			45%	\$1,316	\$1,315,926	8.42	\$156,324	\$34,606	4.5	87.5%	1.69	2.3	\$58,395	VLI Households
Real Estate and Rental and Leasing			10%	\$292	\$292,428	5.03	\$58,100	\$49,773	1.2	98.1%	1.69	0.7	\$83,988	LI Households
<b>Fuel oil and Other fuels [7]</b>		3.8%	100%	\$6,314										
Nonstore Retailers			100%	\$6,314	\$6,314,346	7.59	\$831,605	\$39,149	21.2	87.5%	1.69	11.0	\$66,060	LI Households
<b>Water and Other Public Services [7]</b>		0.8%	100%	\$1,332										
Waste Management and Remediation Services			100%	\$1,332	\$1,331,978	4.00	\$332,988	\$68,872	4.8	98.1%	1.69	2.8	\$116,214	Moderate Income
<b>Household Operations Personal Services</b>		0.5%	100%	\$915										
Nursing and Residential Care Facilities			40%	\$366	\$366,090	2.41	\$151,851	\$37,011	4.1	98.1%	1.69	2.4	\$62,453	LI Households
Social Assistance [8]			60%	\$549	\$549,134	2.98	\$184,058	\$24,733	7.4	98.1%	1.69	4.3	\$41,735	VLI Households
<b>Household Operations Other Household Expenses</b>		1.4%	100%	\$2,376										
Services to Buildings and Dwellings			100%	\$2,376	\$2,375,537	2.91	\$816,650	\$75,555	10.8	98.1%	1.69	6.3	\$127,492	Above Mod
<b>Housekeeping Supplies</b>		0.8%	100%	\$1,367										
Building Materials and Garden Equipment and Supplies Dealers			10%	\$137	\$136,700	8.42	\$16,239	\$34,606	0.5	87.5%	1.69	0.2	\$58,395	VLI Households
Food & Beverage Stores			35%	\$478	\$478,450	9.01	\$53,095	\$30,474	1.7	87.5%	1.69	0.9	\$51,421	VLI Households
General Merchandise			35%	\$478	\$478,450	10.88	\$43,995	\$28,948	1.5	87.5%	1.69	0.8	\$48,847	VLI Households
Miscellaneous Store Retailers			20%	\$273	\$273,400	6.20	\$44,095	\$24,716	1.8	87.5%	1.69	0.9	\$41,705	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,000,000 Unit requires a household income of \$167,200.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-3**  
**Household Expenditures and Employment Generation - For Sale \$1,000,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	<b>\$167,200</b>													
<b>Household Furnishings and Equipment</b>		2.6%	100%	\$4,347										
Furniture and Home Furnishings Stores			40%	\$1,739	\$1,738,926	6.22	\$279,418	\$31,496	8.9	87.5%	1.69	4.6	\$53,146	VLI Households
Electronics and Appliance Stores			40%	\$1,739	\$1,738,926	9.49	\$183,326	\$29,615	6.2	87.5%	1.69	3.2	\$49,973	VLI Households
General Merchandise Stores			10%	\$435	\$434,731	10.88	\$39,975	\$28,948	1.4	87.5%	1.69	0.7	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$435	\$434,731	6.20	\$70,115	\$24,716	2.8	87.5%	1.69	1.5	\$41,705	VLI Households
<b>Apparel and Services</b>		2.4%	100%	\$4,060										
Clothing and Clothing Accessories Stores			40%	\$1,624	\$1,624,056	6.20	\$261,991	\$19,472	13.5	87.5%	1.69	7.0	\$32,857	ELI Households
General Merchandise			40%	\$1,624	\$1,624,056	10.88	\$149,336	\$28,948	5.2	87.5%	1.69	2.7	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$406	\$406,014	6.20	\$65,484	\$24,716	2.6	87.5%	1.69	1.4	\$41,705	VLI Households
Personal and Household Goods Repair and Maintenance			5%	\$203	\$203,007	3.34	\$60,803	\$29,298	2.1	87.5%	1.69	1.1	\$49,437	VLI Households
Dry cleaning and Laundry Services			5%	\$203	\$203,007	3.34	\$60,803	\$29,298	2.1	87.5%	1.69	1.1	\$49,437	VLI Households
<b>Vehicle Purchases (net outlay)</b>		5.1%	100%	\$8,599										
Motor Vehicle and Parts Dealers			100%	\$8,599	\$8,598,904	35.74	\$240,570	\$53,823	4.5	87.5%	1.69	2.3	\$90,821	LI Households
<b>Gasoline and motor oil</b>		2.4%	100%	\$3,935										
Gasoline Stations			100%	\$3,935	\$3,935,230	27.49	\$143,143	\$28,091	5.1	87.5%	1.69	2.6	\$47,401	VLI Households
<b>Vehicle Maintenance and Repairs</b>		1.1%	100%	\$1,923										
Repair and Maintenance			100%	\$1,923	\$1,922,671	3.24	\$593,059	\$43,318	13.7	98.1%	1.69	8.0	\$73,095	LI Households
<b>Medical Services</b>		1.0%	100%	\$1,654										
Ambulatory Health Care Services			40%	\$662	\$661,670	2.55	\$259,035	\$70,780	3.7	98.1%	1.69	2.1	\$119,434	Above Mod
General Medical and Surgical Hospitals			30%	\$496	\$496,252	4.40	\$112,771	\$27,115	4.2	98.1%	1.69	2.4	\$45,755	VLI Households
Nursing and Residential Care Facilities			30%	\$496	\$496,252	2.41	\$205,841	\$37,011	5.6	98.1%	1.69	3.2	\$62,453	LI Households
<b>Drugs</b>		0.5%	100%	\$776										
Health and Personal Care Stores			100%	\$776	\$776,306	9.05	\$85,765	\$34,602	2.5	87.5%	1.69	1.3	\$58,387	VLI Households
<b>Medical Supplies</b>		0.2%	100%	\$323										
Health and Personal Care Stores			100%	\$323	\$323,364	9.05	\$35,725	\$34,602	1.0	87.5%	1.69	0.5	\$58,387	VLI Households
<b>Entertainment Fees and Admissions</b>		1.2%	100%	\$2,069										
Arts, Entertainment, & Recreation			100%	\$2,069	\$2,068,593	3.12	\$662,013	\$28,072	23.6	87.5%	1.69	12.2	\$47,369	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,000,000 Unit requires a household income of \$167,200.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-3**  
**Household Expenditures and Employment Generation - For Sale \$1,000,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	<b>\$167,200</b>													
<b>Entertainment Audio and Visual Equipment and Services</b>		1.2%	100%	\$2,069										
Electronics and Appliance Stores			100%	\$2,069	\$2,068,593	9.49	\$218,081	\$29,615	7.4	87.5%	1.69	3.8	\$49,973	VLI Households
<b>Entertainment Pets, Toys, Hobbies, and Playground Equip.</b>		0.9%	100%	\$1,556										
Sporting Goods, Hobby, and Musical Instrument Stores			40%	\$622	\$622,446	6.59	\$94,438	\$21,452	4.4	87.5%	1.69	2.3	\$36,198	VLI Households
Miscellaneous Store Retailers			40%	\$622	\$622,446	6.20	\$100,390	\$24,716	4.1	87.5%	1.69	2.1	\$41,705	VLI Households
Veterinary Services			20%	\$311	\$311,223	2.69	\$115,639	\$49,793	2.3	98.1%	1.69	1.4	\$84,021	LI Households
<b>Other Entertainment Supplies, Equipment, and Services</b>		0.8%	100%	\$1,356										
Sporting Goods, Hobby, and Musical Instrument Stores			85%	\$1,153	\$1,153,019	6.59	\$174,936	\$21,452	8.2	87.5%	1.69	4.2	\$36,198	VLI Households
Photographic Services			15%	\$203	\$203,474	3.41	\$59,727	\$43,227	1.4	98.1%	1.69	0.8	\$72,941	LI Households
<b>Personal Care Products and Services</b>		0.8%	100%	\$1,401										
Unspecified Retail			50%	\$700	\$700,427	6.20	\$112,968	\$24,716	4.6	87.5%	1.69	2.4	\$41,705	VLI Households
Personal Care Services			50%	\$700	\$700,427	2.74	\$255,602	\$22,157	11.5	98.1%	1.69	6.7	\$37,387	VLI Households
<b>Reading</b>		0.1%	100%	\$151										
Sporting Goods, Hobby, and Musical Instrument Stores			100%	\$151	\$150,592	6.59	\$22,848	\$21,452	1.1	87.5%	1.69	0.6	\$36,198	VLI Households
<b>Education</b>		2.1%	100%	\$3,511										
Educational Services			100%	\$3,511	\$3,511,472	2.59	\$1,358,267	\$35,028	38.8	98.1%	1.69	22.5	\$59,106	VLI Households
<b>Tobacco Products and Smoking Supplies</b>		0.1%	100%	\$246										
Unspecified Retail			100%	\$246	\$246,317	6.20	\$39,727	\$24,716	1.6	87.5%	1.69	0.8	\$41,705	VLI Households
<b>Miscellaneous</b>		1.2%	100%	\$2,042										
Accounting			20%	\$408	\$408,349	2.64	\$154,788	\$40,838	3.8	98.1%	1.69	2.2	\$68,910	LI Households
Architectural, Engineering, and Related			20%	\$408	\$408,349	2.25	\$181,730	\$80,414	2.3	98.1%	1.69	1.3	\$135,690	Above Mod
Specialized Design Services			20%	\$408	\$408,349	3.50	\$116,560	\$56,159	2.1	98.1%	1.69	1.2	\$94,763	LI Households
Death Care Services			20%	\$408	\$408,349	3.41	\$119,866	\$43,227	2.8	98.1%	1.69	1.6	\$72,941	LI Households
Legal Services			20%	\$408	\$408,349	2.99	\$136,514	\$100,406	1.4	98.1%	1.69	0.8	\$169,424	Above Mod
<b>Total per 1,000 Market Rate Households</b>									<b>437.3</b>			<b>235.3</b>		

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,000,000 Unit requires a household income of \$167,200.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

Source: 2019 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; and Economic & Planning Systems, Inc.

**Table A-4**  
**Household Expenditures and Employment Generation - For Sale \$1,250,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$208,200													
<b>Food at Home</b>		3.2%	100%	\$6,583										
Food & Beverage Stores			100%	\$6,583	\$6,582,825	9.01	\$730,519	\$30,474	24.0	87.5%	1.69	12.4	\$51,421	VLI Households
<b>Food Away From Home</b>		3.7%	100%	\$7,748										
Food Services and Drinking Places			100%	\$7,748	\$7,747,620	3.13	\$2,478,593	\$21,784	113.8	87.5%	1.69	59.0	\$36,758	VLI Households
<b>Alcoholic Beverages</b>		0.7%	100%	\$1,406										
Food & Beverage Stores			50%	\$703	\$703,223	9.01	\$78,039	\$30,474	2.6	87.5%	1.69	1.3	\$51,421	VLI Households
Food Services and Drinking Places			50%	\$703	\$703,223	3.13	\$224,973	\$21,784	10.3	87.5%	1.69	5.4	\$36,758	VLI Households
<b>Housing Maintenance, Repairs, Insurance, Other expenses</b>		1.9%	100%	\$3,982										
Personal and Household Goods Repair and Maintenance			45%	\$1,792	\$1,791,914	3.34	\$536,701	\$29,298	18.3	98.1%	1.69	10.7	\$49,437	VLI Households
Building Material and Garden Equipment and Supplies Dealer			45%	\$1,792	\$1,791,914	8.42	\$212,869	\$34,606	6.2	87.5%	1.69	3.2	\$58,395	VLI Households
Real Estate and Rental and Leasing			10%	\$398	\$398,203	5.03	\$79,115	\$49,773	1.6	98.1%	1.69	0.9	\$83,988	LI Households
<b>Fuel oil and Other fuels [7]</b>		2.5%	100%	\$5,268										
Nonstore Retailers			100%	\$5,268	\$5,267,651	7.59	\$693,754	\$39,149	17.7	87.5%	1.69	9.2	\$66,060	LI Households
<b>Water and Other Public Services [7]</b>		0.6%	100%	\$1,216										
Waste Management and Remediation Services			100%	\$1,216	\$1,216,080	4.00	\$304,014	\$68,872	4.4	98.1%	1.69	2.6	\$116,214	Moderate Income
<b>Household Operations Personal Services</b>		1.1%	100%	\$2,324										
Nursing and Residential Care Facilities			40%	\$930	\$929,749	2.41	\$385,651	\$37,011	10.4	98.1%	1.69	6.1	\$62,453	LI Households
Social Assistance [8]			60%	\$1,395	\$1,394,624	2.98	\$467,447	\$24,733	18.9	98.1%	1.69	11.0	\$41,735	VLI Households
<b>Household Operations Other Household Expenses</b>		1.4%	100%	\$2,958										
Services to Buildings and Dwellings			100%	\$2,958	\$2,958,056	2.91	\$1,016,905	\$75,555	13.5	98.1%	1.69	7.8	\$127,492	Above Mod
<b>Housekeeping Supplies</b>		0.5%	100%	\$1,140										
Building Materials and Garden Equipment and Supplies Dealers			10%	\$114	\$114,046	8.42	\$13,548	\$34,606	0.4	87.5%	1.69	0.2	\$58,395	VLI Households
Food & Beverage Stores			35%	\$399	\$399,159	9.01	\$44,296	\$30,474	1.5	87.5%	1.69	0.8	\$51,421	VLI Households
General Merchandise			35%	\$399	\$399,159	10.88	\$36,704	\$28,948	1.3	87.5%	1.69	0.7	\$48,847	VLI Households
Miscellaneous Store Retailers			20%	\$228	\$228,091	6.20	\$36,787	\$24,716	1.5	87.5%	1.69	0.8	\$41,705	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,250,000 Unit requires a household income of \$208,200.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-4**  
**Household Expenditures and Employment Generation - For Sale \$1,250,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$208,200													
<b>Household Furnishings and Equipment</b>		2.4%	100%	\$4,898										
Furniture and Home Furnishings Stores			40%	\$1,959	\$1,959,288	6.22	\$314,826	\$31,496	10.0	87.5%	1.69	5.2	\$53,146	VLI Households
Electronics and Appliance Stores			40%	\$1,959	\$1,959,288	9.49	\$206,557	\$29,615	7.0	87.5%	1.69	3.6	\$49,973	VLI Households
General Merchandise Stores			10%	\$490	\$489,822	10.88	\$45,040	\$28,948	1.6	87.5%	1.69	0.8	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$490	\$489,822	6.20	\$79,000	\$24,716	3.2	87.5%	1.69	1.7	\$41,705	VLI Households
<b>Apparel and Services</b>		2.0%	100%	\$4,158										
Clothing and Clothing Accessories Stores			40%	\$1,663	\$1,663,048	6.20	\$268,282	\$19,472	13.8	87.5%	1.69	7.1	\$32,857	ELI Households
General Merchandise			40%	\$1,663	\$1,663,048	10.88	\$152,921	\$28,948	5.3	87.5%	1.69	2.7	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$416	\$415,762	6.20	\$67,056	\$24,716	2.7	87.5%	1.69	1.4	\$41,705	VLI Households
Personal and Household Goods Repair and Maintenance			5%	\$208	\$207,881	3.34	\$62,263	\$29,298	2.1	87.5%	1.69	1.1	\$49,437	VLI Households
Dry cleaning and Laundry Services			5%	\$208	\$207,881	3.34	\$62,263	\$29,298	2.1	87.5%	1.69	1.1	\$49,437	VLI Households
<b>Vehicle Purchases (net outlay)</b>		4.4%	100%	\$9,184										
Motor Vehicle and Parts Dealers			100%	\$9,184	\$9,184,489	35.74	\$256,953	\$53,823	4.8	87.5%	1.69	2.5	\$90,821	LI Households
<b>Gasoline and motor oil</b>		1.4%	100%	\$2,982										
Gasoline Stations			100%	\$2,982	\$2,982,395	27.49	\$108,484	\$28,091	3.9	87.5%	1.69	2.0	\$47,401	VLI Households
<b>Vehicle Maintenance and Repairs</b>		0.7%	100%	\$1,495										
Repair and Maintenance			100%	\$1,495	\$1,495,109	3.24	\$461,175	\$43,318	10.6	98.1%	1.69	6.2	\$73,095	LI Households
<b>Medical Services</b>		1.2%	100%	\$2,530										
Ambulatory Health Care Services			40%	\$1,012	\$1,011,806	2.55	\$396,109	\$70,780	5.6	98.1%	1.69	3.3	\$119,434	Above Mod
General Medical and Surgical Hospitals			30%	\$759	\$758,855	4.40	\$172,446	\$27,115	6.4	98.1%	1.69	3.7	\$45,755	VLI Households
Nursing and Residential Care Facilities			30%	\$759	\$758,855	2.41	\$314,766	\$37,011	8.5	98.1%	1.69	4.9	\$62,453	LI Households
<b>Drugs</b>		0.2%	100%	\$510										
Health and Personal Care Stores			100%	\$510	\$510,249	9.05	\$56,372	\$34,602	1.6	87.5%	1.69	0.8	\$58,387	VLI Households
<b>Medical Supplies</b>		0.1%	100%	\$309										
Health and Personal Care Stores			100%	\$309	\$308,584	9.05	\$34,092	\$34,602	1.0	87.5%	1.69	0.5	\$58,387	VLI Households
<b>Entertainment Fees and Admissions</b>		1.6%	100%	\$3,299										
Arts, Entertainment, & Recreation			100%	\$3,299	\$3,298,801	3.12	\$1,055,717	\$28,072	37.6	87.5%	1.69	19.5	\$47,369	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,250,000 Unit requires a household income of \$208,200.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-4**  
**Household Expenditures and Employment Generation - For Sale \$1,250,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<b>Calculation</b>		<b>a</b>	<b>b</b>	<b>c</b>	<b>d = c * 1,000</b>	<b>e</b>	<b>f = d / e</b>	<b>g</b>	<b>h = f / g</b>	<b>i</b>	<b>j</b>	<b>k = h * i / j</b>	<b>l = g * j</b>	
<b>Required Income</b>	\$208,200													
<b>Entertainment Audio and Visual Equipment and Services</b>		1.6%	100%	\$3,299										
Electronics and Appliance Stores			100%	\$3,299	\$3,298,801	9.49	\$347,775	\$29,615	11.7	87.5%	1.69	6.1	\$49,973	VLI Households
<b>Entertainment Pets, Toys, Hobbies, and Playground Equip.</b>		0.7%	100%	\$1,445										
Sporting Goods, Hobby, and Musical Instrument Stores			40%	\$578	\$577,877	6.59	\$87,676	\$21,452	4.1	87.5%	1.69	2.1	\$36,198	VLI Households
Miscellaneous Store Retailers			40%	\$578	\$577,877	6.20	\$93,202	\$24,716	3.8	87.5%	1.69	2.0	\$41,705	VLI Households
Veterinary Services			20%	\$289	\$288,938	2.69	\$107,359	\$49,793	2.2	98.1%	1.69	1.3	\$84,021	LI Households
<b>Other Entertainment Supplies, Equipment, and Services</b>		0.8%	100%	\$1,656										
Sporting Goods, Hobby, and Musical Instrument Stores			85%	\$1,408	\$1,407,532	6.59	\$213,551	\$21,452	10.0	87.5%	1.69	5.2	\$36,198	VLI Households
Photographic Services			15%	\$248	\$248,388	3.41	\$72,911	\$43,227	1.7	98.1%	1.69	1.0	\$72,941	LI Households
<b>Personal Care Products and Services</b>		0.8%	100%	\$1,598										
Unspecified Retail			50%	\$799	\$798,840	6.20	\$128,840	\$24,716	5.2	87.5%	1.69	2.7	\$41,705	VLI Households
Personal Care Services			50%	\$799	\$798,840	2.74	\$291,515	\$22,157	13.2	98.1%	1.69	7.6	\$37,387	VLI Households
<b>Reading</b>		0.1%	100%	\$185										
Sporting Goods, Hobby, and Musical Instrument Stores			100%	\$185	\$185,150	6.59	\$28,091	\$21,452	1.3	87.5%	1.69	0.7	\$36,198	VLI Households
<b>Education</b>		2.5%	100%	\$5,212										
Educational Services			100%	\$5,212	\$5,212,019	2.59	\$2,016,053	\$35,028	57.6	98.1%	1.69	33.5	\$59,106	VLI Households
<b>Tobacco Products and Smoking Supplies</b>		0.1%	100%	\$112										
Unspecified Retail			100%	\$112	\$112,133	6.20	\$18,085	\$24,716	0.7	87.5%	1.69	0.4	\$41,705	VLI Households
<b>Miscellaneous</b>		0.9%	100%	\$1,772										
Accounting			20%	\$354	\$354,480	2.64	\$134,368	\$40,838	3.3	98.1%	1.69	1.9	\$68,910	LI Households
Architectural, Engineering, and Related			20%	\$354	\$354,480	2.25	\$157,757	\$80,414	2.0	98.1%	1.69	1.1	\$135,690	Above Mod
Specialized Design Services			20%	\$354	\$354,480	3.50	\$101,183	\$56,159	1.8	98.1%	1.69	1.0	\$94,763	LI Households
Death Care Services			20%	\$354	\$354,480	3.41	\$104,054	\$43,227	2.4	98.1%	1.69	1.4	\$72,941	LI Households
Legal Services			20%	\$354	\$354,480	2.99	\$118,505	\$100,406	1.2	98.1%	1.69	0.7	\$169,424	Above Mod
<b>Total per 1,000 Market Rate Households</b>									<b>495.9</b>			<b>268.7</b>		

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,250,000 Unit requires a household income of \$208,200.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

Source: 2019 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; and Economic & Planning Systems, Inc.

**Table A-5**  
**Household Expenditures and Employment Generation - For Sale \$1,500,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$247,200													
<b>Food at Home</b>		3.2%	100%	\$7,816										
Food & Beverage Stores			100%	\$7,816	\$7,815,920	9.01	\$867,360	\$30,474	28.5	87.5%	1.69	14.8	\$51,421	VLI Households
<b>Food Away From Home</b>		3.7%	100%	\$9,199										
Food Services and Drinking Places			100%	\$9,199	\$9,198,903	3.13	\$2,942,883	\$21,784	135.1	87.5%	1.69	70.1	\$36,758	VLI Households
<b>Alcoholic Beverages</b>		0.7%	100%	\$1,670										
Food & Beverage Stores			50%	\$835	\$834,950	9.01	\$92,657	\$30,474	3.0	87.5%	1.69	1.6	\$51,421	VLI Households
Food Services and Drinking Places			50%	\$835	\$834,950	3.13	\$267,115	\$21,784	12.3	87.5%	1.69	6.4	\$36,758	VLI Households
<b>Housing Maintenance, Repairs, Insurance, Other expenses</b>		1.9%	100%	\$4,728										
Personal and Household Goods Repair and Maintenance			45%	\$2,128	\$2,127,575	3.34	\$637,235	\$29,298	21.8	98.1%	1.69	12.6	\$49,437	VLI Households
Building Material and Garden Equipment and Supplies Dealer			45%	\$2,128	\$2,127,575	8.42	\$252,743	\$34,606	7.3	87.5%	1.69	3.8	\$58,395	VLI Households
Real Estate and Rental and Leasing			10%	\$473	\$472,794	5.03	\$93,935	\$49,773	1.9	98.1%	1.69	1.1	\$83,988	LI Households
<b>Fuel oil and Other fuels [7]</b>		2.5%	100%	\$6,254										
Nonstore Retailers			100%	\$6,254	\$6,254,387	7.59	\$823,708	\$39,149	21.0	87.5%	1.69	10.9	\$66,060	LI Households
<b>Water and Other Public Services [7]</b>		0.6%	100%	\$1,444										
Waste Management and Remediation Services			100%	\$1,444	\$1,443,876	4.00	\$360,962	\$68,872	5.2	98.1%	1.69	3.0	\$116,214	Moderate Income
<b>Household Operations Personal Services</b>		1.1%	100%	\$2,760										
Nursing and Residential Care Facilities			40%	\$1,104	\$1,103,910	2.41	\$457,891	\$37,011	12.4	98.1%	1.69	7.2	\$62,453	LI Households
Social Assistance [8]			60%	\$1,656	\$1,655,864	2.98	\$555,009	\$24,733	22.4	98.1%	1.69	13.0	\$41,735	VLI Households
<b>Household Operations Other Household Expenses</b>		1.4%	100%	\$3,512										
Services to Buildings and Dwellings			100%	\$3,512	\$3,512,158	2.91	\$1,207,391	\$75,555	16.0	98.1%	1.69	9.3	\$127,492	Above Mod
<b>Housekeeping Supplies</b>		0.5%	100%	\$1,354										
Building Materials and Garden Equipment and Supplies Dealers			10%	\$135	\$135,409	8.42	\$16,086	\$34,606	0.5	87.5%	1.69	0.2	\$58,395	VLI Households
Food & Beverage Stores			35%	\$474	\$473,930	9.01	\$52,594	\$30,474	1.7	87.5%	1.69	0.9	\$51,421	VLI Households
General Merchandise			35%	\$474	\$473,930	10.88	\$43,579	\$28,948	1.5	87.5%	1.69	0.8	\$48,847	VLI Households
Miscellaneous Store Retailers			20%	\$271	\$270,817	6.20	\$43,678	\$24,716	1.8	87.5%	1.69	0.9	\$41,705	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,500,000 Unit requires a household income of \$247,200.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-5**  
**Household Expenditures and Employment Generation - For Sale \$1,500,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<b>Calculation</b>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$247,200													
<b>Household Furnishings and Equipment</b>		2.4%	100%	\$5,816										
Furniture and Home Furnishings Stores			40%	\$2,326	\$2,326,302	6.22	\$373,800	\$31,496	11.9	87.5%	1.69	6.2	\$53,146	VLI Households
Electronics and Appliance Stores			40%	\$2,326	\$2,326,302	9.49	\$245,249	\$29,615	8.3	87.5%	1.69	4.3	\$49,973	VLI Households
General Merchandise Stores			10%	\$582	\$581,575	10.88	\$53,477	\$28,948	1.8	87.5%	1.69	1.0	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$582	\$581,575	6.20	\$93,799	\$24,716	3.8	87.5%	1.69	2.0	\$41,705	VLI Households
<b>Apparel and Services</b>		2.0%	100%	\$4,936										
Clothing and Clothing Accessories Stores			40%	\$1,975	\$1,974,570	6.20	\$318,536	\$19,472	16.4	87.5%	1.69	8.5	\$32,857	ELI Households
General Merchandise			40%	\$1,975	\$1,974,570	10.88	\$181,567	\$28,948	6.3	87.5%	1.69	3.3	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$494	\$493,642	6.20	\$79,617	\$24,716	3.2	87.5%	1.69	1.7	\$41,705	VLI Households
Personal and Household Goods Repair and Maintenance			5%	\$247	\$246,821	3.34	\$73,926	\$29,298	2.5	87.5%	1.69	1.3	\$49,437	VLI Households
Dry cleaning and Laundry Services			5%	\$247	\$246,821	3.34	\$73,926	\$29,298	2.5	87.5%	1.69	1.3	\$49,437	VLI Households
<b>Vehicle Purchases (net outlay)</b>		4.4%	100%	\$10,905										
Motor Vehicle and Parts Dealers			100%	\$10,905	\$10,904,926	35.74	\$305,086	\$53,823	5.7	87.5%	1.69	2.9	\$90,821	LI Households
<b>Gasoline and motor oil</b>		1.4%	100%	\$3,541										
Gasoline Stations			100%	\$3,541	\$3,541,056	27.49	\$128,805	\$28,091	4.6	87.5%	1.69	2.4	\$47,401	VLI Households
<b>Vehicle Maintenance and Repairs</b>		0.7%	100%	\$1,775										
Repair and Maintenance			100%	\$1,775	\$1,775,173	3.24	\$547,563	\$43,318	12.6	98.1%	1.69	7.3	\$73,095	LI Households
<b>Medical Services</b>		1.2%	100%	\$3,003										
Ambulatory Health Care Services			40%	\$1,201	\$1,201,338	2.55	\$470,308	\$70,780	6.6	98.1%	1.69	3.9	\$119,434	Above Mod
General Medical and Surgical Hospitals			30%	\$901	\$901,003	4.40	\$204,749	\$27,115	7.6	98.1%	1.69	4.4	\$45,755	VLI Households
Nursing and Residential Care Facilities			30%	\$901	\$901,003	2.41	\$373,728	\$37,011	10.1	98.1%	1.69	5.9	\$62,453	LI Households
<b>Drugs</b>		0.2%	100%	\$606										
Health and Personal Care Stores			100%	\$606	\$605,829	9.05	\$66,931	\$34,602	1.9	87.5%	1.69	1.0	\$58,387	VLI Households
<b>Medical Supplies</b>		0.1%	100%	\$366										
Health and Personal Care Stores			100%	\$366	\$366,387	9.05	\$40,478	\$34,602	1.2	87.5%	1.69	0.6	\$58,387	VLI Households
<b>Entertainment Fees and Admissions</b>		1.6%	100%	\$3,917										
Arts, Entertainment, & Recreation			100%	\$3,917	\$3,916,732	3.12	\$1,253,473	\$28,072	44.7	87.5%	1.69	23.2	\$47,369	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,500,000 Unit requires a household income of \$247,200.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.



**Table A-5**  
**Household Expenditures and Employment Generation - For Sale \$1,500,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$247,200													
<b>Entertainment Audio and Visual Equipment and Services</b>		1.6%	100%	\$3,917										
Electronics and Appliance Stores			100%	\$3,917	\$3,916,732	9.49	\$412,920	\$29,615	13.9	87.5%	1.69	7.2	\$49,973	VLI Households
<b>Entertainment Pets, Toys, Hobbies, and Playground Equip.</b>		0.7%	100%	\$1,715										
Sporting Goods, Hobby, and Musical Instrument Stores			40%	\$686	\$686,125	6.59	\$104,099	\$21,452	4.9	87.5%	1.69	2.5	\$36,198	VLI Households
Miscellaneous Store Retailers			40%	\$686	\$686,125	6.20	\$110,661	\$24,716	4.5	87.5%	1.69	2.3	\$41,705	VLI Households
Veterinary Services			20%	\$343	\$343,062	2.69	\$127,469	\$49,793	2.6	98.1%	1.69	1.5	\$84,021	LI Households
<b>Other Entertainment Supplies, Equipment, and Services</b>		0.8%	100%	\$1,966										
Sporting Goods, Hobby, and Musical Instrument Stores			85%	\$1,671	\$1,671,191	6.59	\$253,553	\$21,452	11.8	87.5%	1.69	6.1	\$36,198	VLI Households
Photographic Services			15%	\$295	\$294,916	3.41	\$86,569	\$43,227	2.0	98.1%	1.69	1.2	\$72,941	LI Households
<b>Personal Care Products and Services</b>		0.8%	100%	\$1,897										
Unspecified Retail			50%	\$948	\$948,479	6.20	\$152,974	\$24,716	6.2	87.5%	1.69	3.2	\$41,705	VLI Households
Personal Care Services			50%	\$948	\$948,479	2.74	\$346,122	\$22,157	15.6	98.1%	1.69	9.1	\$37,387	VLI Households
<b>Reading</b>		0.1%	100%	\$220										
Sporting Goods, Hobby, and Musical Instrument Stores			100%	\$220	\$219,832	6.59	\$33,353	\$21,452	1.6	87.5%	1.69	0.8	\$36,198	VLI Households
<b>Education</b>		2.5%	100%	\$6,188										
Educational Services			100%	\$6,188	\$6,188,334	2.59	\$2,393,700	\$35,028	68.3	98.1%	1.69	39.7	\$59,106	VLI Households
<b>Tobacco Products and Smoking Supplies</b>		0.1%	100%	\$133										
Unspecified Retail			100%	\$133	\$133,138	6.20	\$21,473	\$24,716	0.9	87.5%	1.69	0.5	\$41,705	VLI Households
<b>Miscellaneous</b>		0.9%	100%	\$2,104										
Accounting			20%	\$421	\$420,881	2.64	\$159,538	\$40,838	3.9	98.1%	1.69	2.3	\$68,910	LI Households
Architectural, Engineering, and Related			20%	\$421	\$420,881	2.25	\$187,308	\$80,414	2.3	98.1%	1.69	1.4	\$135,690	Above Mod
Specialized Design Services			20%	\$421	\$420,881	3.50	\$120,137	\$56,159	2.1	98.1%	1.69	1.2	\$94,763	LI Households
Death Care Services			20%	\$421	\$420,881	3.41	\$123,545	\$43,227	2.9	98.1%	1.69	1.7	\$72,941	LI Households
Legal Services			20%	\$421	\$420,881	2.99	\$140,704	\$100,406	1.4	98.1%	1.69	0.8	\$169,424	Above Mod
<b>Total per 1,000 Market Rate Households</b>									<b>588.8</b>			<b>319.0</b>		

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,500,000 Unit requires a household income of \$247,200.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

Source: 2019 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey, and Economic & Planning Systems, Inc.

**Table A-6**  
**Household Expenditures and Employment Generation - For Sale \$1,750,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$288,500													
<b>Food at Home</b>		3.2%	100%	\$9,122										
Food & Beverage Stores			100%	\$9,122	\$9,121,735	9.01	\$1,012,271	\$30,474	33.2	87.5%	1.69	17.2	\$51,421	VLI Households
<b>Food Away From Home</b>		3.7%	100%	\$10,736										
Food Services and Drinking Places			100%	\$10,736	\$10,735,774	3.13	\$3,434,554	\$21,784	157.7	87.5%	1.69	81.8	\$36,758	VLI Households
<b>Alcoholic Beverages</b>		0.7%	100%	\$1,949										
Food & Beverage Stores			50%	\$974	\$974,446	9.01	\$108,138	\$30,474	3.5	87.5%	1.69	1.8	\$51,421	VLI Households
Food Services and Drinking Places			50%	\$974	\$974,446	3.13	\$311,742	\$21,784	14.3	87.5%	1.69	7.4	\$36,758	VLI Households
<b>Housing Maintenance, Repairs, Insurance, Other expenses</b>		1.9%	100%	\$5,518										
Personal and Household Goods Repair and Maintenance			45%	\$2,483	\$2,483,032	3.34	\$743,699	\$29,298	25.4	98.1%	1.69	14.8	\$49,437	VLI Households
Building Material and Garden Equipment and Supplies Dealer			45%	\$2,483	\$2,483,032	8.42	\$294,970	\$34,606	8.5	87.5%	1.69	4.4	\$58,395	VLI Households
Real Estate and Rental and Leasing			10%	\$552	\$551,785	5.03	\$109,629	\$49,773	2.2	98.1%	1.69	1.3	\$83,988	LI Households
<b>Fuel oil and Other fuels [7]</b>		2.5%	100%	\$7,299										
Nonstore Retailers			100%	\$7,299	\$7,299,315	7.59	\$961,326	\$39,149	24.6	87.5%	1.69	12.7	\$66,060	LI Households
<b>Water and Other Public Services [7]</b>		0.6%	100%	\$1,685										
Waste Management and Remediation Services			100%	\$1,685	\$1,685,106	4.00	\$421,268	\$68,872	6.1	98.1%	1.69	3.6	\$116,214	Moderate Income
<b>Household Operations Personal Services</b>		1.1%	100%	\$3,221										
Nursing and Residential Care Facilities			40%	\$1,288	\$1,288,341	2.41	\$534,392	\$37,011	14.4	98.1%	1.69	8.4	\$62,453	LI Households
Social Assistance [8]			60%	\$1,933	\$1,932,512	2.98	\$647,736	\$24,733	26.2	98.1%	1.69	15.2	\$41,735	VLI Households
<b>Household Operations Other Household Expenses</b>		1.4%	100%	\$4,099										
Services to Buildings and Dwellings			100%	\$4,099	\$4,098,939	2.91	\$1,409,112	\$75,555	18.7	98.1%	1.69	10.8	\$127,492	Above Mod
<b>Housekeeping Supplies</b>		0.5%	100%	\$1,580										
Building Materials and Garden Equipment and Supplies Dealers			10%	\$158	\$158,031	8.42	\$18,773	\$34,606	0.5	87.5%	1.69	0.3	\$58,395	VLI Households
Food & Beverage Stores			35%	\$553	\$553,110	9.01	\$61,381	\$30,474	2.0	87.5%	1.69	1.0	\$51,421	VLI Households
General Merchandise			35%	\$553	\$553,110	10.88	\$50,860	\$28,948	1.8	87.5%	1.69	0.9	\$48,847	VLI Households
Miscellaneous Store Retailers			20%	\$316	\$316,063	6.20	\$50,976	\$24,716	2.1	87.5%	1.69	1.1	\$41,705	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,750,000 Unit requires a household income of \$288,500.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to 2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-6**  
**Household Expenditures and Employment Generation - For Sale \$1,750,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<b>Calculation</b>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$288,500													
<b>Household Furnishings and Equipment</b>		2.4%	100%	\$6,787										
Furniture and Home Furnishings Stores			40%	\$2,715	\$2,714,960	6.22	\$436,251	\$31,496	13.9	87.5%	1.69	7.2	\$53,146	VLI Households
Electronics and Appliance Stores			40%	\$2,715	\$2,714,960	9.49	\$286,223	\$29,615	9.7	87.5%	1.69	5.0	\$49,973	VLI Households
General Merchandise Stores			10%	\$679	\$678,740	10.88	\$62,412	\$28,948	2.2	87.5%	1.69	1.1	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$679	\$678,740	6.20	\$109,470	\$24,716	4.4	87.5%	1.69	2.3	\$41,705	VLI Households
<b>Apparel and Services</b>		2.0%	100%	\$5,761										
Clothing and Clothing Accessories Stores			40%	\$2,304	\$2,304,464	6.20	\$371,754	\$19,472	19.1	87.5%	1.69	9.9	\$32,857	ELI Households
General Merchandise			40%	\$2,304	\$2,304,464	10.88	\$211,901	\$28,948	7.3	87.5%	1.69	3.8	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$576	\$576,116	6.20	\$92,918	\$24,716	3.8	87.5%	1.69	1.9	\$41,705	VLI Households
Personal and Household Goods Repair and Maintenance			5%	\$288	\$288,058	3.34	\$86,277	\$29,298	2.9	87.5%	1.69	1.5	\$49,437	VLI Households
Dry cleaning and Laundry Services			5%	\$288	\$288,058	3.34	\$86,277	\$29,298	2.9	87.5%	1.69	1.5	\$49,437	VLI Households
<b>Vehicle Purchases (net outlay)</b>		4.4%	100%	\$12,727										
Motor Vehicle and Parts Dealers			100%	\$12,727	\$12,726,825	35.74	\$356,057	\$53,823	6.6	87.5%	1.69	3.4	\$90,821	LI Households
<b>Gasoline and motor oil</b>		1.4%	100%	\$4,133										
Gasoline Stations			100%	\$4,133	\$4,132,665	27.49	\$150,325	\$28,091	5.4	87.5%	1.69	2.8	\$47,401	VLI Households
<b>Vehicle Maintenance and Repairs</b>		0.7%	100%	\$2,072										
Repair and Maintenance			100%	\$2,072	\$2,071,753	3.24	\$639,045	\$43,318	14.8	98.1%	1.69	8.6	\$73,095	LI Households
<b>Medical Services</b>		1.2%	100%	\$3,505										
Ambulatory Health Care Services			40%	\$1,402	\$1,402,047	2.55	\$548,883	\$70,780	7.8	98.1%	1.69	4.5	\$119,434	Above Mod
General Medical and Surgical Hospitals			30%	\$1,052	\$1,051,535	4.40	\$238,956	\$27,115	8.8	98.1%	1.69	5.1	\$45,755	VLI Households
Nursing and Residential Care Facilities			30%	\$1,052	\$1,051,535	2.41	\$436,167	\$37,011	11.8	98.1%	1.69	6.9	\$62,453	LI Households
<b>Drugs</b>		0.2%	100%	\$707										
Health and Personal Care Stores			100%	\$707	\$707,046	9.05	\$78,114	\$34,602	2.3	87.5%	1.69	1.2	\$58,387	VLI Households
<b>Medical Supplies</b>		0.1%	100%	\$428										
Health and Personal Care Stores			100%	\$428	\$427,600	9.05	\$47,241	\$34,602	1.4	87.5%	1.69	0.7	\$58,387	VLI Households
<b>Entertainment Fees and Admissions</b>		1.6%	100%	\$4,571										
Arts, Entertainment, & Recreation			100%	\$4,571	\$4,571,106	3.12	\$1,462,893	\$28,072	52.1	87.5%	1.69	27.0	\$47,369	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,750,000 Unit requires a household income of \$288,500.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-6**  
**Household Expenditures and Employment Generation - For Sale \$1,750,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$288,500													
<b>Entertainment Audio and Visual Equipment and Services</b>		1.6%	100%	\$4,571										
Electronics and Appliance Stores			100%	\$4,571	\$4,571,106	9.49	\$481,907	\$29,615	16.3	87.5%	1.69	8.4	\$49,973	VLI Households
<b>Entertainment Pets, Toys, Hobbies, and Playground Equip.</b>		0.7%	100%	\$2,002										
Sporting Goods, Hobby, and Musical Instrument Stores			40%	\$801	\$800,757	6.59	\$121,491	\$21,452	5.7	87.5%	1.69	2.9	\$36,198	VLI Households
Miscellaneous Store Retailers			40%	\$801	\$800,757	6.20	\$129,149	\$24,716	5.2	87.5%	1.69	2.7	\$41,705	VLI Households
Veterinary Services			20%	\$400	\$400,378	2.69	\$148,766	\$49,793	3.0	98.1%	1.69	1.7	\$84,021	LI Households
<b>Other Entertainment Supplies, Equipment, and Services</b>		0.8%	100%	\$2,295										
Sporting Goods, Hobby, and Musical Instrument Stores			85%	\$1,950	\$1,950,399	6.59	\$295,915	\$21,452	13.8	87.5%	1.69	7.2	\$36,198	VLI Households
Photographic Services			15%	\$344	\$344,188	3.41	\$101,032	\$43,227	2.3	98.1%	1.69	1.4	\$72,941	LI Households
<b>Personal Care Products and Services</b>		0.8%	100%	\$2,214										
Unspecified Retail			50%	\$1,107	\$1,106,942	6.20	\$178,532	\$24,716	7.2	87.5%	1.69	3.7	\$41,705	VLI Households
Personal Care Services			50%	\$1,107	\$1,106,942	2.74	\$403,949	\$22,157	18.2	98.1%	1.69	10.6	\$37,387	VLI Households
<b>Reading</b>		0.1%	100%	\$257										
Sporting Goods, Hobby, and Musical Instrument Stores			100%	\$257	\$256,560	6.59	\$38,925	\$21,452	1.8	87.5%	1.69	0.9	\$36,198	VLI Households
<b>Education</b>		2.5%	100%	\$7,222										
Educational Services			100%	\$7,222	\$7,222,226	2.59	\$2,793,618	\$35,028	79.8	98.1%	1.69	46.4	\$59,106	VLI Households
<b>Tobacco Products and Smoking Supplies</b>		0.1%	100%	\$155										
Unspecified Retail			100%	\$155	\$155,381	6.20	\$25,061	\$24,716	1.0	87.5%	1.69	0.5	\$41,705	VLI Households
<b>Miscellaneous</b>		0.9%	100%	\$2,456										
Accounting			20%	\$491	\$491,198	2.64	\$186,192	\$40,838	4.6	98.1%	1.69	2.7	\$68,910	LI Households
Architectural, Engineering, and Related			20%	\$491	\$491,198	2.25	\$218,601	\$80,414	2.7	98.1%	1.69	1.6	\$135,690	Above Mod
Specialized Design Services			20%	\$491	\$491,198	3.50	\$140,208	\$56,159	2.5	98.1%	1.69	1.5	\$94,763	LI Households
Death Care Services			20%	\$491	\$491,198	3.41	\$144,186	\$43,227	3.3	98.1%	1.69	1.9	\$72,941	LI Households
Legal Services			20%	\$491	\$491,198	2.99	\$164,211	\$100,406	1.6	98.1%	1.69	1.0	\$169,424	Above Mod
<b>Total per 1,000 Market Rate Households</b>									<b>687.2</b>			<b>372.3</b>		

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$1,750,000 Unit requires a household income of \$288,500.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

Source: 2019 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; and Economic & Planning Systems, Inc.

**Table A-7**  
**Household Expenditures and Employment Generation - For Sale \$2,000,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$329,700													
<b>Food at Home</b>		3.2%	100%	\$10,424										
Food & Beverage Stores			100%	\$10,424	\$10,424,388	9.01	\$1,156,831	\$30,474	38.0	87.5%	1.69	19.7	\$51,421	VLI Households
<b>Food Away From Home</b>		3.7%	100%	\$12,269										
Food Services and Drinking Places			100%	\$12,269	\$12,268,925	3.13	\$3,925,034	\$21,784	180.2	87.5%	1.69	93.4	\$36,758	VLI Households
<b>Alcoholic Beverages</b>		0.7%	100%	\$2,227										
Food & Beverage Stores			50%	\$1,114	\$1,113,605	9.01	\$123,581	\$30,474	4.1	87.5%	1.69	2.1	\$51,421	VLI Households
Food Services and Drinking Places			50%	\$1,114	\$1,113,605	3.13	\$356,261	\$21,784	16.4	87.5%	1.69	8.5	\$36,758	VLI Households
<b>Housing Maintenance, Repairs, Insurance, Other expenses</b>		1.9%	100%	\$6,306										
Personal and Household Goods Repair and Maintenance			45%	\$2,838	\$2,837,628	3.34	\$849,905	\$29,298	29.0	98.1%	1.69	16.9	\$49,437	VLI Households
Building Material and Garden Equipment and Supplies Dealer			45%	\$2,838	\$2,837,628	8.42	\$337,094	\$34,606	9.7	87.5%	1.69	5.1	\$58,395	VLI Households
Real Estate and Rental and Leasing			10%	\$631	\$630,584	5.03	\$125,285	\$49,773	2.5	98.1%	1.69	1.5	\$83,988	LI Households
<b>Fuel oil and Other fuels [7]</b>		2.5%	100%	\$8,342										
Nonstore Retailers			100%	\$8,342	\$8,341,713	7.59	\$1,098,611	\$39,149	28.1	87.5%	1.69	14.6	\$66,060	LI Households
<b>Water and Other Public Services [7]</b>		0.6%	100%	\$1,926										
Waste Management and Remediation Services			100%	\$1,926	\$1,925,752	4.00	\$481,428	\$68,872	7.0	98.1%	1.69	4.1	\$116,214	Moderate Income
<b>Household Operations Personal Services</b>		1.1%	100%	\$3,681										
Nursing and Residential Care Facilities			40%	\$1,472	\$1,472,326	2.41	\$610,707	\$37,011	16.5	98.1%	1.69	9.6	\$62,453	LI Households
Social Assistance [8]			60%	\$2,208	\$2,208,489	2.98	\$740,237	\$24,733	29.9	98.1%	1.69	17.4	\$41,735	VLI Households
<b>Household Operations Other Household Expenses</b>		1.4%	100%	\$4,684										
Services to Buildings and Dwellings			100%	\$4,684	\$4,684,298	2.91	\$1,610,344	\$75,555	21.3	98.1%	1.69	12.4	\$127,492	Above Mod
<b>Housekeeping Supplies</b>		0.5%	100%	\$1,806										
Building Materials and Garden Equipment and Supplies Dealers			10%	\$181	\$180,599	8.42	\$21,454	\$34,606	0.6	87.5%	1.69	0.3	\$58,395	VLI Households
Food & Beverage Stores			35%	\$632	\$632,098	9.01	\$70,146	\$30,474	2.3	87.5%	1.69	1.2	\$51,421	VLI Households
General Merchandise			35%	\$632	\$632,098	10.88	\$58,123	\$28,948	2.0	87.5%	1.69	1.0	\$48,847	VLI Households
Miscellaneous Store Retailers			20%	\$361	\$361,199	6.20	\$58,256	\$24,716	2.4	87.5%	1.69	1.2	\$41,705	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$2,000,000 Unit requires a household income of \$329,700.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to 2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-7**  
**Household Expenditures and Employment Generation - For Sale \$2,000,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<i>Calculation</i>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$329,700													
<b>Household Furnishings and Equipment</b>		2.4%	100%	\$7,757										
Furniture and Home Furnishings Stores			40%	\$3,103	\$3,102,677	6.22	\$498,551	\$31,496	15.8	87.5%	1.69	8.2	\$53,146	VLI Households
Electronics and Appliance Stores			40%	\$3,103	\$3,102,677	9.49	\$327,098	\$29,615	11.0	87.5%	1.69	5.7	\$49,973	VLI Households
General Merchandise Stores			10%	\$776	\$775,669	10.88	\$71,325	\$28,948	2.5	87.5%	1.69	1.3	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$776	\$775,669	6.20	\$125,103	\$24,716	5.1	87.5%	1.69	2.6	\$41,705	VLI Households
<b>Apparel and Services</b>		2.0%	100%	\$6,584										
Clothing and Clothing Accessories Stores			40%	\$2,634	\$2,633,559	6.20	\$424,844	\$19,472	21.8	87.5%	1.69	11.3	\$32,857	ELI Households
General Merchandise			40%	\$2,634	\$2,633,559	10.88	\$242,162	\$28,948	8.4	87.5%	1.69	4.3	\$48,847	VLI Households
Miscellaneous Store Retailers			10%	\$658	\$658,390	6.20	\$106,188	\$24,716	4.3	87.5%	1.69	2.2	\$41,705	VLI Households
Personal and Household Goods Repair and Maintenance			5%	\$329	\$329,195	3.34	\$98,598	\$29,298	3.4	87.5%	1.69	1.7	\$49,437	VLI Households
Dry cleaning and Laundry Services			5%	\$329	\$329,195	3.34	\$98,598	\$29,298	3.4	87.5%	1.69	1.7	\$49,437	VLI Households
<b>Vehicle Purchases (net outlay)</b>		4.4%	100%	\$14,544										
Motor Vehicle and Parts Dealers			100%	\$14,544	\$14,544,313	35.74	\$406,904	\$53,823	7.6	87.5%	1.69	3.9	\$90,821	LI Households
<b>Gasoline and motor oil</b>		1.4%	100%	\$4,723										
Gasoline Stations			100%	\$4,723	\$4,722,841	27.49	\$171,792	\$28,091	6.1	87.5%	1.69	3.2	\$47,401	VLI Households
<b>Vehicle Maintenance and Repairs</b>		0.7%	100%	\$2,368										
Repair and Maintenance			100%	\$2,368	\$2,367,615	3.24	\$730,305	\$43,318	16.9	98.1%	1.69	9.8	\$73,095	LI Households
<b>Medical Services</b>		1.2%	100%	\$4,006										
Ambulatory Health Care Services			40%	\$1,602	\$1,602,270	2.55	\$627,268	\$70,780	8.9	98.1%	1.69	5.2	\$119,434	Above Mod
General Medical and Surgical Hospitals			30%	\$1,202	\$1,201,702	4.40	\$273,081	\$27,115	10.1	98.1%	1.69	5.9	\$45,755	VLI Households
Nursing and Residential Care Facilities			30%	\$1,202	\$1,201,702	2.41	\$498,455	\$37,011	13.5	98.1%	1.69	7.8	\$62,453	LI Households
<b>Drugs</b>		0.2%	100%	\$808										
Health and Personal Care Stores			100%	\$808	\$808,017	9.05	\$89,269	\$34,602	2.6	87.5%	1.69	1.3	\$58,387	VLI Households
<b>Medical Supplies</b>		0.1%	100%	\$489										
Health and Personal Care Stores			100%	\$489	\$488,665	9.05	\$53,987	\$34,602	1.6	87.5%	1.69	0.8	\$58,387	VLI Households
<b>Entertainment Fees and Admissions</b>		1.6%	100%	\$5,224										
Arts, Entertainment, & Recreation			100%	\$5,224	\$5,223,894	3.12	\$1,671,805	\$28,072	59.6	87.5%	1.69	30.9	\$47,369	VLI Households

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$2,000,000 Unit requires a household income of \$329,700.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to 2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

**Table A-7**  
**Household Expenditures and Employment Generation - For Sale \$2,000,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Item		% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	Expenditures [3]	Expenditures per 1,000 HHs	Gross Receipts to Wages [4]	Total Wages per 1,000 Households	2021 Avg. Wages [5]	# of New Workers	% Forming HH [6]	Workers/ HH [7]	Total Worker HHs	Avg. Worker HH Income	Income Category
<b>Calculation</b>		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = c * 1,000</i>	<i>e</i>	<i>f = d / e</i>	<i>g</i>	<i>h = f / g</i>	<i>i</i>	<i>j</i>	<i>k = h * i / j</i>	<i>l = g * j</i>	
<b>Required Income</b>	\$329,700													
<b>Entertainment Audio and Visual Equipment and Services</b>		1.6%	100%	\$5,224										
Electronics and Appliance Stores			100%	\$5,224	\$5,223,894	9.49	\$550,727	\$29,615	18.6	87.5%	1.69	9.6	\$49,973	VLI Households
<b>Entertainment Pets, Toys, Hobbies, and Playground Equip.</b>		0.7%	100%	\$2,288										
Sporting Goods, Hobby, and Musical Instrument Stores			40%	\$915	\$915,111	6.59	\$138,841	\$21,452	6.5	87.5%	1.69	3.4	\$36,198	VLI Households
Miscellaneous Store Retailers			40%	\$915	\$915,111	6.20	\$147,593	\$24,716	6.0	87.5%	1.69	3.1	\$41,705	VLI Households
Veterinary Services			20%	\$458	\$457,555	2.69	\$170,011	\$49,793	3.4	98.1%	1.69	2.0	\$84,021	LI Households
<b>Other Entertainment Supplies, Equipment, and Services</b>		0.8%	100%	\$2,622										
Sporting Goods, Hobby, and Musical Instrument Stores			85%	\$2,229	\$2,228,930	6.59	\$338,174	\$21,452	15.8	87.5%	1.69	8.2	\$36,198	VLI Households
Photographic Services			15%	\$393	\$393,341	3.41	\$115,461	\$43,227	2.7	98.1%	1.69	1.6	\$72,941	LI Households
<b>Personal Care Products and Services</b>		0.8%	100%	\$2,530										
Unspecified Retail			50%	\$1,265	\$1,265,022	6.20	\$204,028	\$24,716	8.3	87.5%	1.69	4.3	\$41,705	VLI Households
Personal Care Services			50%	\$1,265	\$1,265,022	2.74	\$461,636	\$22,157	20.8	98.1%	1.69	12.1	\$37,387	VLI Households
<b>Reading</b>		0.1%	100%	\$293										
Sporting Goods, Hobby, and Musical Instrument Stores			100%	\$293	\$293,199	6.59	\$44,484	\$21,452	2.1	87.5%	1.69	1.1	\$36,198	VLI Households
<b>Education</b>		2.5%	100%	\$8,254										
Educational Services			100%	\$8,254	\$8,253,615	2.59	\$3,192,568	\$35,028	91.1	98.1%	1.69	53.0	\$59,106	VLI Households
<b>Tobacco Products and Smoking Supplies</b>		0.1%	100%	\$178										
Unspecified Retail			100%	\$178	\$177,571	6.20	\$28,639	\$24,716	1.2	87.5%	1.69	0.6	\$41,705	VLI Households
<b>Miscellaneous</b>		0.9%	100%	\$2,807										
Accounting			20%	\$561	\$561,345	2.64	\$212,782	\$40,838	5.2	98.1%	1.69	3.0	\$68,910	LI Households
Architectural, Engineering, and Related			20%	\$561	\$561,345	2.25	\$249,819	\$80,414	3.1	98.1%	1.69	1.8	\$135,690	Above Mod
Specialized Design Services			20%	\$561	\$561,345	3.50	\$160,231	\$56,159	2.9	98.1%	1.69	1.7	\$94,763	LI Households
Death Care Services			20%	\$561	\$561,345	3.41	\$164,776	\$43,227	3.8	98.1%	1.69	2.2	\$72,941	LI Households
Legal Services			20%	\$561	\$561,345	2.99	\$187,662	\$100,406	1.9	98.1%	1.69	1.1	\$169,424	Above Mod
<b>Total per 1,000 Market Rate Households</b>									<b>785.3</b>			<b>425.5</b>		

[1] Percent of income spent per category is based on the 2019 U.S. Consumer Expenditure Survey data for households at this income level. The sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] Expenditures are based on the percent of household income spent per the 2019 U.S. Consumer Expenditure Survey. Per Table 3, the purchase of a \$2,000,000 Unit requires a household income of \$329,700.

[4] Gross receipts to wages ratio obtained from the 2017 Economic Census data for Santa Cruz County

[5] Based on the 2017 average wage reported by the American Community Survey inflated to \$2021 based on the Bureau of Labor Statistics data for the San Francisco MSA.

[6] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that young workers do not form their own households.

[7] Based on the American Community Survey data 2014-2019.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the Economic Census.

[9] Santa Cruz County data not available from 2017 Economic Census. Gross receipts to wages and average wage thus based on statewide data.

Source: 2019 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; and Economic & Planning Systems, Inc.

## APPENDIX B:

### Income Levels for Worker Households





**Table B-1**  
**Income Levels for Worker Households**  
**Worker Household Generation per 1,000 Units – For Sale \$500,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Moderate Income Households	Above Moderate Income Households
<b>Retail</b>						
Unspecified Retail	5.4	2.8	2.8	0.0	0.0	0.0
Food & Beverage Stores	25.4	13.2	13.2	0.0	0.0	0.0
Food Services and Drinking Places	77.9	40.4	40.4	0.0	0.0	0.0
Health and Personal Care Stores	2.6	1.4	1.4	0.0	0.0	0.0
General Merchandise	5.0	2.6	2.6	0.0	0.0	0.0
Furniture and Home Furnishings Stores	5.5	2.9	2.9	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	2.7	1.4	1.4	0.0	0.0	0.0
Electronics and Appliance Stores	7.5	3.9	3.9	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	8.3	4.3	4.3	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	2.4	1.2	0.0	1.2	0.0	0.0
Gasoline Stations	4.0	2.1	2.1	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	6.6	3.4	3.4	0.0	0.0	0.0
Miscellaneous Store Retailers	7.5	3.9	3.9	0.0	0.0	0.0
Nonstore Retailers	16.4	8.5	0.0	8.5	0.0	0.0
<b>Arts, Entertainment, &amp; Recreation</b>	11.6	6.0	6.0	0.0	0.0	0.0
<b>Medical/Health</b>						
Ambulatory Health Care Services	3.0	1.7	0.0	0.0	0.0	1.7
General Medical and Surgical Hospitals	3.4	2.0	2.0	0.0	0.0	0.0
Nursing and Residential Care Facilities	7.6	4.4	0.0	4.4	0.0	0.0
Social Assistance	5.7	3.3	3.3	0.0	0.0	0.0
<b>Services</b>						
Personal and Household Goods Repair and Maintenance	8.4	4.8	4.8	0.0	0.0	0.0
Services to Buildings and Dwellings	5.7	3.3	0.0	0.0	0.0	3.3
Waste Management and Remediation Services	3.7	2.1	0.0	0.0	2.1	0.0
Real Estate and Rental and Leasing	0.6	0.4	0.0	0.4	0.0	0.0
Personal Care Services	8.5	4.9	4.9	0.0	0.0	0.0
Dry Cleaning and Laundry Services	1.3	0.7	0.7	0.0	0.0	0.0
Auto Repair and Maintenance	8.8	5.1	0.0	5.1	0.0	0.0
Veterinary Services	1.7	1.0	0.0	1.0	0.0	0.0
Photographic Services	0.4	0.3	0.0	0.3	0.0	0.0
Educational Services	9.9	5.8	5.8	0.0	0.0	0.0
Accounting	2.0	1.2	0.0	1.2	0.0	0.0
Architectural, Engineering, and Related	1.2	0.7	0.0	0.0	0.0	0.7
Specialized Design Services	1.1	0.6	0.0	0.6	0.0	0.0
Death Care Services	1.5	0.9	0.0	0.9	0.0	0.0
Legal Services	0.7	0.4	0.0	0.0	0.0	0.4
<b>Total Workers and Households</b>	<b>264.2</b>	<b>141.6</b>	<b>109.7</b>	<b>23.6</b>	<b>2.1</b>	<b>6.2</b>
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		<b>135.4</b>	109.7	23.6	2.1	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		<b>13.5</b>	11.0	2.4	0.2	0.0

[1] Assumes 1.69 workers per worker household in the City of Capitola based on 2015-2019 American Community Survey. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

Source: Economic & Planning Systems, Inc.

**Table B-2**  
**Income Levels for Worker Households**  
**Worker Household Generation per 1,000 Units - For Sale \$750,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Moderate Income Households	Above Moderate Income Households
<b>Retail</b>						
Unspecified Retail	6.7	3.5	3.5	0.0	0.0	0.0
Food & Beverage Stores	29.6	15.3	15.3	0.0	0.0	0.0
Food Services and Drinking Places	100.9	52.3	52.3	0.0	0.0	0.0
Health and Personal Care Stores	3.2	1.7	1.7	0.0	0.0	0.0
General Merchandise	6.2	3.2	3.2	0.0	0.0	0.0
Furniture and Home Furnishings Stores	7.2	3.8	3.8	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	3.9	2.0	2.0	0.0	0.0	0.0
Electronics and Appliance Stores	10.2	5.3	5.3	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	9.9	5.2	5.2	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	3.5	1.8	0.0	1.8	0.0	0.0
Gasoline Stations	5.1	2.7	2.7	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	14.1	7.3	7.3	0.0	0.0	0.0
Miscellaneous Store Retailers	9.9	5.1	5.1	0.0	0.0	0.0
Nonstore Retailers	19.3	10.0	0.0	10.0	0.0	0.0
<b>Arts, Entertainment, &amp; Recreation</b>	16.4	8.5	8.5	0.0	0.0	0.0
<b>Medical/Health</b>						
Ambulatory Health Care Services	4.0	2.3	0.0	0.0	0.0	2.3
General Medical and Surgical Hospitals	4.5	2.6	2.6	0.0	0.0	0.0
Nursing and Residential Care Facilities	9.5	5.5	0.0	5.5	0.0	0.0
Social Assistance	6.2	3.6	3.6	0.0	0.0	0.0
<b>Services</b>						
Personal and Household Goods Repair and Maintenance	12.0	6.9	6.9	0.0	0.0	0.0
Services to Buildings and Dwellings	7.3	4.2	0.0	0.0	0.0	4.2
Waste Management and Remediation Services	4.5	2.6	0.0	0.0	2.6	0.0
Real Estate and Rental and Leasing	0.9	0.5	0.0	0.5	0.0	0.0
Personal Care Services	11.3	6.6	6.6	0.0	0.0	0.0
Dry Cleaning and Laundry Services	1.5	0.8	0.8	0.0	0.0	0.0
Auto Repair and Maintenance	10.4	6.0	0.0	6.0	0.0	0.0
Veterinary Services	2.4	1.4	0.0	1.4	0.0	0.0
Photographic Services	1.4	0.8	0.0	0.8	0.0	0.0
Educational Services	26.9	15.6	15.6	0.0	0.0	0.0
Accounting	2.6	1.5	0.0	1.5	0.0	0.0
Architectural, Engineering, and Related	1.5	0.9	0.0	0.0	0.0	0.9
Specialized Design Services	1.4	0.8	0.0	0.8	0.0	0.0
Death Care Services	1.9	1.1	0.0	1.1	0.0	0.0
Legal Services	0.9	0.5	0.0	0.0	0.0	0.5
<b>Total Workers and Households</b>	<b>357.0</b>	<b>191.9</b>	<b>151.9</b>	<b>29.5</b>	<b>2.6</b>	<b>8.0</b>
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		<b>183.9</b>	151.9	29.5	2.6	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		<b>18.4</b>	15.2	2.9	0.3	0.0

[1] Assumes 1.69 workers per worker household in the City of Capitola based on 2015-2019 American Community Survey. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

Source: Economic & Planning Systems, Inc.

**Table B-3**  
**Income Levels for Worker Households**  
**Worker Household Generation per 1,000 Units - For Sale \$1,000,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Moderate Income Households	Above Moderate Income Households
<b>Retail</b>						
Unspecified Retail	6.2	3.2	3.2	0.0	0.0	0.0
Food & Beverage Stores	33.0	17.1	17.1	0.0	0.0	0.0
Food Services and Drinking Places	127.1	65.9	65.9	0.0	0.0	0.0
Health and Personal Care Stores	3.5	1.8	1.8	0.0	0.0	0.0
General Merchandise	8.1	4.2	4.2	0.0	0.0	0.0
Furniture and Home Furnishings Stores	8.9	4.6	4.6	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	5.0	2.6	2.6	0.0	0.0	0.0
Electronics and Appliance Stores	13.6	7.0	7.0	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	13.5	7.0	7.0	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	4.5	2.3	0.0	2.3	0.0	0.0
Gasoline Stations	5.1	2.6	2.6	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	13.6	7.1	7.1	0.0	0.0	0.0
Miscellaneous Store Retailers	11.3	5.9	5.9	0.0	0.0	0.0
Nonstore Retailers	21.2	11.0	0.0	11.0	0.0	0.0
<b>Arts, Entertainment, &amp; Recreation</b>	23.6	12.2	12.2	0.0	0.0	0.0
<b>Medical/Health</b>						
Ambulatory Health Care Services	3.7	2.1	0.0	0.0	0.0	2.1
General Medical and Surgical Hospitals	4.2	2.4	2.4	0.0	0.0	0.0
Nursing and Residential Care Facilities	9.7	5.6	0.0	5.6	0.0	0.0
Social Assistance	7.4	4.3	4.3	0.0	0.0	0.0
<b>Services</b>						
Personal and Household Goods Repair and Maintenance	15.5	8.9	8.9	0.0	0.0	0.0
Services to Buildings and Dwellings	10.8	6.3	0.0	0.0	0.0	6.3
Waste Management and Remediation Services	4.8	2.8	0.0	0.0	2.8	0.0
Real Estate and Rental and Leasing	1.2	0.7	0.0	0.7	0.0	0.0
Personal Care Services	11.5	6.7	6.7	0.0	0.0	0.0
Dry Cleaning and Laundry Services	2.1	1.1	1.1	0.0	0.0	0.0
Auto Repair and Maintenance	13.7	8.0	0.0	8.0	0.0	0.0
Veterinary Services	2.3	1.4	0.0	1.4	0.0	0.0
Photographic Services	1.4	0.8	0.0	0.8	0.0	0.0
Educational Services	38.8	22.5	22.5	0.0	0.0	0.0
Accounting	3.8	2.2	0.0	2.2	0.0	0.0
Architectural, Engineering, and Related	2.3	1.3	0.0	0.0	0.0	1.3
Specialized Design Services	2.1	1.2	0.0	1.2	0.0	0.0
Death Care Services	2.8	1.6	0.0	1.6	0.0	0.0
Legal Services	<u>1.4</u>	<u>0.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.8</u>
<b>Total Workers and Households</b>	<b>437.3</b>	<b>235.3</b>	<b>187.2</b>	<b>34.8</b>	<b>2.8</b>	<b>10.5</b>
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		<b>224.7</b>	187.2	34.8	2.8	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		<b>22.5</b>	18.7	3.5	0.3	0.0

[1] Assumes 1.69 workers per worker household in the City of Capitola based on 2015-2019 American Community Survey. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

Source: Economic & Planning Systems, Inc.

**Table B-4**  
**Income Levels for Worker Households**  
**Worker Household Generation per 1,000 Units - For Sale \$1,250,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Moderate Income Households	Above Moderate Income Households
<b>Retail</b>						
Unspecified Retail	5.9	3.1	3.1	0.0	0.0	0.0
Food & Beverage Stores	28.0	14.5	14.5	0.0	0.0	0.0
Food Services and Drinking Places	124.1	64.4	64.4	0.0	0.0	0.0
Health and Personal Care Stores	2.6	1.4	1.4	0.0	0.0	0.0
General Merchandise	8.1	4.2	4.2	0.0	0.0	0.0
Furniture and Home Furnishings Stores	10.0	5.2	5.2	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	6.5	3.4	3.4	0.0	0.0	0.0
Electronics and Appliance Stores	18.7	9.7	9.7	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	13.8	7.1	7.1	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	4.8	2.5	0.0	2.5	0.0	0.0
Gasoline Stations	3.9	2.0	2.0	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	15.4	8.0	8.0	0.0	0.0	0.0
Miscellaneous Store Retailers	11.2	5.8	5.8	0.0	0.0	0.0
Nonstore Retailers	17.7	9.2	0.0	9.2	0.0	0.0
<b>Arts, Entertainment, &amp; Recreation</b>	37.6	19.5	19.5	0.0	0.0	0.0
<b>Medical/Health</b>						
Ambulatory Health Care Services	5.6	3.3	0.0	0.0	0.0	3.3
General Medical and Surgical Hospitals	6.4	3.7	3.7	0.0	0.0	0.0
Nursing and Residential Care Facilities	18.9	11.0	0.0	11.0	0.0	0.0
Social Assistance	18.9	11.0	11.0	0.0	0.0	0.0
<b>Services</b>						
Personal and Household Goods Repair and Maintenance	20.4	11.8	11.8	0.0	0.0	0.0
Services to Buildings and Dwellings	13.5	7.8	0.0	0.0	0.0	7.8
Waste Management and Remediation Services	4.4	2.6	0.0	0.0	2.6	0.0
Real Estate and Rental and Leasing	1.6	0.9	0.0	0.9	0.0	0.0
Personal Care Services	13.2	7.6	7.6	0.0	0.0	0.0
Dry Cleaning and Laundry Services	2.1	1.1	1.1	0.0	0.0	0.0
Auto Repair and Maintenance	10.6	6.2	0.0	6.2	0.0	0.0
Veterinary Services	2.2	1.3	0.0	1.3	0.0	0.0
Photographic Services	1.7	1.0	0.0	1.0	0.0	0.0
Educational Services	57.6	33.5	33.5	0.0	0.0	0.0
Accounting	3.3	1.9	0.0	1.9	0.0	0.0
Architectural, Engineering, and Related	2.0	1.1	0.0	0.0	0.0	1.1
Specialized Design Services	1.8	1.0	0.0	1.0	0.0	0.0
Death Care Services	2.4	1.4	0.0	1.4	0.0	0.0
Legal Services	<u>1.2</u>	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.7</u>
<b>Total Workers and Households</b>	<b>495.9</b>	<b>268.7</b>	<b>216.8</b>	<b>36.4</b>	<b>2.6</b>	<b>12.9</b>
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		<b>255.8</b>	216.8	36.4	2.6	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		<b>25.6</b>	21.7	3.6	0.3	0.0

[1] Assumes 1.69 workers per worker household in the City of Capitola based on 2015-2019 American Community Survey. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

Source: Economic & Planning Systems, Inc.

**Table B-5**  
**Income Levels for Worker Households**  
**Worker Household Generation per 1,000 Units - For Sale \$1,500,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Moderate Income Households	Above Moderate Income Households
<b>Retail</b>						
Unspecified Retail	7.1	3.7	3.7	0.0	0.0	0.0
Food & Beverage Stores	33.2	17.2	17.2	0.0	0.0	0.0
Food Services and Drinking Places	147.4	76.4	76.4	0.0	0.0	0.0
Health and Personal Care Stores	3.1	1.6	1.6	0.0	0.0	0.0
General Merchandise	9.6	5.0	5.0	0.0	0.0	0.0
Furniture and Home Furnishings Stores	11.9	6.2	6.2	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	7.8	4.0	4.0	0.0	0.0	0.0
Electronics and Appliance Stores	22.2	11.5	11.5	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	16.4	8.5	8.5	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	5.7	2.9	0.0	2.9	0.0	0.0
Gasoline Stations	4.6	2.4	2.4	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	18.2	9.5	9.5	0.0	0.0	0.0
Miscellaneous Store Retailers	13.3	6.9	6.9	0.0	0.0	0.0
Nonstore Retailers	21.0	10.9	0.0	10.9	0.0	0.0
<b>Arts, Entertainment, &amp; Recreation</b>	<b>44.7</b>	<b>23.2</b>	<b>23.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Medical/Health</b>						
Ambulatory Health Care Services	6.6	3.9	0.0	0.0	0.0	3.9
General Medical and Surgical Hospitals	7.6	4.4	4.4	0.0	0.0	0.0
Nursing and Residential Care Facilities	22.5	13.1	0.0	13.1	0.0	0.0
Social Assistance	22.4	13.0	13.0	0.0	0.0	0.0
<b>Services</b>						
Personal and Household Goods Repair and Maintenance	24.3	14.0	14.0	0.0	0.0	0.0
Services to Buildings and Dwellings	16.0	9.3	0.0	0.0	0.0	9.3
Waste Management and Remediation Services	5.2	3.0	0.0	0.0	3.0	0.0
Real Estate and Rental and Leasing	1.9	1.1	0.0	1.1	0.0	0.0
Personal Care Services	15.6	9.1	9.1	0.0	0.0	0.0
Dry Cleaning and Laundry Services	2.5	1.3	1.3	0.0	0.0	0.0
Auto Repair and Maintenance	12.6	7.3	0.0	7.3	0.0	0.0
Veterinary Services	2.6	1.5	0.0	1.5	0.0	0.0
Photographic Services	2.0	1.2	0.0	1.2	0.0	0.0
Educational Services	68.3	39.7	39.7	0.0	0.0	0.0
Accounting	3.9	2.3	0.0	2.3	0.0	0.0
Architectural, Engineering, and Related	2.3	1.4	0.0	0.0	0.0	1.4
Specialized Design Services	2.1	1.2	0.0	1.2	0.0	0.0
Death Care Services	2.9	1.7	0.0	1.7	0.0	0.0
Legal Services	<u>1.4</u>	<u>0.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.8</u>
<b>Total Workers and Households</b>	<b>588.8</b>	<b>319.0</b>	<b>257.5</b>	<b>43.2</b>	<b>3.0</b>	<b>15.3</b>
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		<b>303.7</b>	257.5	43.2	3.0	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		<b>30.4</b>	25.7	4.3	0.3	0.0

[1] Assumes 1.69 workers per worker household in the City of Capitola based on 2015-2019 American Community Survey. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

Source: Economic & Planning Systems, Inc.

**Table B-6**  
**Income Levels for Worker Households**  
**Worker Household Generation per 1,000 Units - For Sale \$1,750,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Moderate Income Households	Above Moderate Income Households
<b>Retail</b>						
Unspecified Retail	8.2	4.3	4.3	0.0	0.0	0.0
Food & Beverage Stores	38.8	20.1	20.1	0.0	0.0	0.0
Food Services and Drinking Places	172.0	89.2	89.2	0.0	0.0	0.0
Health and Personal Care Stores	3.6	1.9	1.9	0.0	0.0	0.0
General Merchandise	11.2	5.8	5.8	0.0	0.0	0.0
Furniture and Home Furnishings Stores	13.9	7.2	7.2	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	9.1	4.7	4.7	0.0	0.0	0.0
Electronics and Appliance Stores	25.9	13.4	13.4	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	19.1	9.9	9.9	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	6.6	3.4	0.0	3.4	0.0	0.0
Gasoline Stations	5.4	2.8	2.8	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	21.3	11.0	11.0	0.0	0.0	0.0
Miscellaneous Store Retailers	15.5	8.0	8.0	0.0	0.0	0.0
Nonstore Retailers	24.6	12.7	0.0	12.7	0.0	0.0
<b>Arts, Entertainment, &amp; Recreation</b>	52.1	27.0	27.0	0.0	0.0	0.0
<b>Medical/Health</b>						
Ambulatory Health Care Services	7.8	4.5	0.0	0.0	0.0	4.5
General Medical and Surgical Hospitals	8.8	5.1	5.1	0.0	0.0	0.0
Nursing and Residential Care Facilities	26.2	15.2	0.0	15.2	0.0	0.0
Social Assistance	26.2	15.2	15.2	0.0	0.0	0.0
<b>Services</b>						
Personal and Household Goods Repair and Maintenance	28.3	16.3	16.3	0.0	0.0	0.0
Services to Buildings and Dwellings	18.7	10.8	0.0	0.0	0.0	10.8
Waste Management and Remediation Services	6.1	3.6	0.0	0.0	3.6	0.0
Real Estate and Rental and Leasing	2.2	1.3	0.0	1.3	0.0	0.0
Personal Care Services	18.2	10.6	10.6	0.0	0.0	0.0
Dry Cleaning and Laundry Services	2.9	1.5	1.5	0.0	0.0	0.0
Auto Repair and Maintenance	14.8	8.6	0.0	8.6	0.0	0.0
Veterinary Services	3.0	1.7	0.0	1.7	0.0	0.0
Photographic Services	2.3	1.4	0.0	1.4	0.0	0.0
Educational Services	79.8	46.4	46.4	0.0	0.0	0.0
Accounting	4.6	2.7	0.0	2.7	0.0	0.0
Architectural, Engineering, and Related	2.7	1.6	0.0	0.0	0.0	1.6
Specialized Design Services	2.5	1.5	0.0	1.5	0.0	0.0
Death Care Services	3.3	1.9	0.0	1.9	0.0	0.0
Legal Services	1.6	1.0	0.0	0.0	0.0	1.0
<b>Total Workers and Households</b>	<b>687.2</b>	<b>372.3</b>	<b>300.5</b>	<b>50.4</b>	<b>3.6</b>	<b>17.9</b>
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		<b>354.4</b>	300.5	50.4	3.6	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		<b>35.4</b>	30.0	5.0	0.4	0.0

[1] Assumes 1.69 workers per worker household in the City of Capitola based on 2015-2019 American Community Survey. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

Source: Economic & Planning Systems, Inc.

**Table B-7**  
**Income Levels for Worker Households**  
**Worker Household Generation per 1,000 Units - For Sale \$1,200,000 Units**  
**City of Capitola For Sale Housing Fee; EPS# 201117**

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Moderate Income Households	Above Moderate Income Households
<b>Retail</b>						
Unspecified Retail	9.4	4.9	4.9	0.0	0.0	0.0
Food & Beverage Stores	44.3	23.0	23.0	0.0	0.0	0.0
Food Services and Drinking Places	196.5	101.9	101.9	0.0	0.0	0.0
Health and Personal Care Stores	4.1	2.1	2.1	0.0	0.0	0.0
General Merchandise	12.8	6.7	6.7	0.0	0.0	0.0
Furniture and Home Furnishings Stores	15.8	8.2	8.2	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	10.4	5.4	5.4	0.0	0.0	0.0
Electronics and Appliance Stores	29.6	15.4	15.4	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	21.8	11.3	11.3	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	7.6	3.9	0.0	3.9	0.0	0.0
Gasoline Stations	6.1	3.2	3.2	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	24.3	12.6	12.6	0.0	0.0	0.0
Miscellaneous Store Retailers	17.7	9.2	9.2	0.0	0.0	0.0
Nonstore Retailers	28.1	14.6	0.0	14.6	0.0	0.0
<b>Arts, Entertainment, &amp; Recreation</b>	59.6	30.9	30.9	0.0	0.0	0.0
<b>Medical/Health</b>						
Ambulatory Health Care Services	8.9	5.2	0.0	0.0	0.0	5.2
General Medical and Surgical Hospitals	10.1	5.9	5.9	0.0	0.0	0.0
Nursing and Residential Care Facilities	30.0	17.4	0.0	17.4	0.0	0.0
Social Assistance	29.9	17.4	17.4	0.0	0.0	0.0
<b>Services</b>						
Personal and Household Goods Repair and Maintenance	32.4	18.6	18.6	0.0	0.0	0.0
Services to Buildings and Dwellings	21.3	12.4	0.0	0.0	0.0	12.4
Waste Management and Remediation Services	7.0	4.1	0.0	0.0	4.1	0.0
Real Estate and Rental and Leasing	2.5	1.5	0.0	1.5	0.0	0.0
Personal Care Services	20.8	12.1	12.1	0.0	0.0	0.0
Dry Cleaning and Laundry Services	3.4	1.7	1.7	0.0	0.0	0.0
Auto Repair and Maintenance	16.9	9.8	0.0	9.8	0.0	0.0
Veterinary Services	3.4	2.0	0.0	2.0	0.0	0.0
Photographic Services	2.7	1.6	0.0	1.6	0.0	0.0
Educational Services	91.1	53.0	53.0	0.0	0.0	0.0
Accounting	5.2	3.0	0.0	3.0	0.0	0.0
Architectural, Engineering, and Related	3.1	1.8	0.0	0.0	0.0	1.8
Specialized Design Services	2.9	1.7	0.0	1.7	0.0	0.0
Death Care Services	3.8	2.2	0.0	2.2	0.0	0.0
Legal Services	1.9	1.1	0.0	0.0	0.0	1.1
<b>Total Workers and Households</b>	<b>785.3</b>	<b>425.5</b>	<b>343.4</b>	<b>57.6</b>	<b>4.1</b>	<b>20.4</b>
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		<b>405.1</b>	343.4	57.6	4.1	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		<b>40.5</b>	34.3	5.8	0.4	0.0

[1] Assumes 1.69 workers per worker household in the City of Capitola based on 2015-2019 American Community Survey. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

Source: Economic & Planning Systems, Inc.