

Fee Cost Analysis Worksheet

Engineering Services / RCMU

Fee Description: Service Reconnection Charge

City Personnel Costs	Labor w/Fringe Benefit & Equipment Rate	Labor w/Fringe Benefit & Equipment Rate (Overtime)
Position	Hourly	Hourly
Public Services Technician III	\$49.37	\$74.06
Meter Technician	\$46.99	\$65.42
Utility Ford Explorer	\$22.02	\$22.02

Single Phase	Normal Hours		After Hours	
Total Service Direct Cost	\$	24.69	\$	74.06
Recommended Fee Per Hour	\$	15.00	\$	50.00
Current Fee Amount	\$	35.00	\$	70.00
Fee (Decrease)	\$	(20.00)	\$	(20.00)

Three Phase	Normal Hours		After Hours	
Total Service Direct Cost		\$69.01		\$87.44
Recommended Fee Per Hour	\$	55.00	\$	55.00
Current Fee Amount	\$	55.00	\$	70.00
Fee (No Change/Decrease)	\$	-	\$	(15.00)

Fee Description: Trip Charge for Field Visits/Disconnections

City Personnel Costs	Labor w/Fringe Benefit & Equipment Rate
Position	Hourly
Meter Technician	\$46.99
Utility Ford Explorer	\$22.02

Total Service Direct Cost \$69.01

Recommended Fee Per Hour	\$	15.00
Current Fee Amount	\$	15.00
Fee (No Change)	\$	-

*Fee title change only

Fee Description: Temporary Turn On/Off of Electric Service for Repairs during normal business hours.

Contractor Costs	Labor & Equipment Rates (Normal Business Hours)
Position	Hourly
Cable Splicing Foreman	\$110.00
Splicer/Lineman	\$100.00
Groundman	\$70.00
Splicing Truck	\$52.00

Labor & Equipment Rates (After Hours or Weekends)
Hourly
\$165.00
\$150.00
\$115.00
\$78.00

Total Service Direct Cost \$332.00

Total Service Direct Cost \$508.00

Recommended Fee Per Hour	\$	330.00	Recommended Fee Per Hour	\$	500.00
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Current Fee Amount \$ 95.00
 Fee Increase (Increase) \$ 235.00

Current Fee Amount \$ 130.00
 Fee Increase (Increase) \$ 370.00

Fee Description:	Generating Facility Interconnection Plan Check and Inspection Rate
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Contractor Costs	Labor Rates
Position	Hourly
Electrical Engineer	\$166.00

Total Service Direct Cost \$166.00

Recommended Fee Per Hour \$ 165.00
 Current Fee Amount \$ 150.00
 Fee Increase (Increase) \$ 15.00

Fee Description:	Meter Installation Fee
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City Personnel Costs	Labor w/Fringe Benefit & Equipment Rate
Position	Hourly
Meter Technician	\$46.99
Utility Ford Explorer	\$22.02

Total Service Direct Cost \$138.02

Recommended Fee Per Hour \$ 75.00
 Current Fee Amount \$ - *New Fee
 Fee (No Change) \$ 75.00

COMMUNITY SERVICES

The Community Services Department reviews the fee schedule on an annual basis with consideration to community need, usage and cost. Staff proposes the following changes:

Increased Fees:

- Various optional equipment rentals to reflect current market rates.
- Group 5 fees were added to park shelter rentals

Modification of existing fees:

- Equipment rented by City for customer use previously were charged a flat fee. This doesn't allow for increased costs being recovered dynamically. Fee modified to be "cost of rental + 17% overhead". Example: easy ups, linen rental, etc.

New Fees:

- A Partial Hall (1/3 of Event Hall- Large) has been added to Premium Hours at Central Park.
- Day Porter Fee created
- Cap was added to Microphone (lavalier, wireless, wired) and Projector fees to accommodate a weekly rate.

Deleted Fees:

- Front of House Staff Services Fee- this was grouped as a package. Package removed. Staff will be charged based on usage & need.
- Irrelevant service fees- VG Cultural Center Marketing Direct Mailer, and Central Park Special Event Package, Snack Bar Fee, City Park Storage Fee
- Whereas formerly park shelters had a peak and non-peak season, analysis shows that usage is high nearly year-round therefore non-peak season was removed.

Additional Language Added:

Fee Group Classification changes

- Group 2, formerly Eligible non-profits, was changed to Resident non-profits.
- Clarifying language was added to each of the group event types to more easily determine which group pricing the event is eligible for.

Waiver of Fees

- The Community Services Director may approve to waive or reduce the room deposit amount if multiple rooms are rented. Theatre: For extended periods of rental, negotiated fees may be approved by the Community Services Director.
- The City Manager is authorized to adjust fees as appropriate on a case-by-case basis, including but not limited to partnerships, funerals, large revenue

generating rentals, emergencies, and other unique circumstances, to meet the community need.

User Fee Cost Analysis Worksheet

Department/Division	Fund	User Fee Description	Date
Planning	4509	Conditional Use Permit - CC	10/28/2021

Description of service, demand, recommended subsidy (if any), and other comments:

Preparation of documents for a Conditional Use Permit application that requires the review and action by the City Council. Includes preparation of a staff report and resolution(s), review of these documents by City and Department management, and review by the City Attorney. Also includes staff time to present the report to City Council, respond to questions from the City Council, and (if necessary) the public or other interested entities. Includes the base fee for a Conditional Use Permit that only requires review and action by the Planning Commission. This base fee (less GP Maintenance and Technology Fee) is \$7096. Does not include the cost for public noticing as that fee is assessed separately.

Task	Cost Analysis		
	Estimated Hours	Established Hourly Rate	Total Labor Cost/Task
Preparation of City Council Staff Report and Resolution(s) & Presentation Materials	5.0	\$ 191.00	\$ 955.00
City/Department Management Review of Staff Report and Resolution(s)	2.5	\$ 191.00	\$ 477.50
City Council Public Hearing (staff time)	1.0	\$ 191.00	\$ 191.00
City Attorney Review	1.0	\$ 220.00	\$ 220.00
Total burdened personnel cost per unit of service:			\$ 1,843.50

Base Fee for CUP	\$	7,096.00
Total Service Direct Cost for CC	\$	1,843.50
Recommended Fee	\$	8,939.50
General Plan Maintenance Fee	\$	893.95
Technology Fee	\$	625.77
Total New Fee (Rounded to the nearest dollar)	\$	10,459.00

User Fee Cost Analysis Worksheet

Department/Division	Fund	User Fee Description	Date
Planning	4509	Conditional Use Permit Modification -CC	10/28/2021

Description of service, demand, recommended subsidy (if any), and other comments:

Preparation of documents for a Conditional Use Permit - Modification application that requires the review and action by the City Council. Includes preparation of a staff report and resolution(s), review of these documents by City and Department management, and review by the City Attorney. Also includes staff time to present the report to City Council, respond to questions from the City Council, and (if necessary) the public or other interested entities. Includes the base fee for a Conditional Use Permit that only requires review and action by the Planning Commission. This base fee (less GP Maintenance and Technology Fee) is \$3661. Does not include the cost for public noticing as that fee is assessed separately.

Task	Cost Analysis		
	Estimated Hours	Established Hourly Rate	Total Labor Cost/Task
Preparation of City Council Staff Report and Resolution(s)	5.0	\$ 191.00	\$ 955.00
City/Department Management Review of Staff Report and Resolution(s)	2.5	\$ 191.00	\$ 477.50
City Council Public Hearing (staff time)	1.0	\$ 191.00	\$ 191.00
City Attorney Review	1.0	\$ 220.00	\$ 220.00
Total burdened personnel cost per unit of service:			\$ 1,843.50

Base Fee for CUP	\$	3,661.00
Total Service Direct Cost	\$	1,843.50
Recommended Fee	\$	5,504.50
General Plan Maintenance Fee	\$	550.45
Technology Fee	\$	385.32
Total New Fee (Rounded to the nearest dollar)	\$	6,440.00

User Fee Cost Analysis Worksheet

Department/Division	Fund	User Fee Description	Date
Planning	314	Transfer of Development Rights (TDR)	10/28/2021

Description of service, demand, recommended subsidy (if any), and other comments:

The Transfer of Development Rights (TDR) program is intended to encourage the preservation of land within the Rural/Conservation area of the Etiwanda Heights Neighborhood Conservation Plan (EHNCP) by allowing the transfer of value of development rights from lots within the Rural/Conservation area of the plan to the Neighborhood area of the plan, where development is intended. The TDR program fee covers staff time used in order to administer and maintain the TDR program.

Task	Cost Analysis		
	Estimated Hours	Established Hourly Rate	Total Labor Cost/Task
Application	2.0	\$ 191.00	\$ 382.00
Calculation of Development Rights	2.0	\$ 191.00	\$ 382.00
Valuation of Development Rights	0.3	\$ 191.00	\$ 47.75
Sending Site Property Owner Approval and Submittal of Appraisal for TDR Authority Review	1.0	\$ 191.00	\$ 191.00
TDR Certification and Notification	2.0	\$ 191.00	\$ 382.00
Willingness to Pay Offer	1.5	\$ 191.00	\$ 286.50
TDR Transfer Ratio Determination	2.5	\$ 191.00	\$ 477.50
Purchase Process	2.0	\$ 191.00	\$ 382.00
City Attorney Review	1.0	\$ 220.00	\$ 220.00
Total burdened personnel cost per unit of service:			\$ 2,750.75

Total Service Direct Cost	\$	2,750.75
Recommended Fee	\$	2,750.75
General Plan Maintenance Fee	\$	275.08
Technology Fee	\$	192.55
Total New Fee (Rounded to the nearest dollar)	\$	3,218.00



KEYSER MARSTON ASSOCIATESTM

NON-RESIDENTIAL LINKAGE FEE

NEXUS STUDY

Prepared for:

City of Rancho Cucamonga

Prepared by:

Keyser Marston Associates, Inc.

October 5, 2021

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I. EXECUTIVE SUMMARY

The following report summarizes an analysis of the linkages between non-residential development in Rancho Cucamonga and the demand for additional affordable housing. The analysis, which demonstrates support for a “Non-Residential Linkage Fee,” has been prepared by Keyser Marston Associates, Inc. (KMA) for the City of Rancho Cucamonga (City) in accordance with a contractual agreement.

A. Non-Residential Nexus Study

The purpose of a nexus analysis is to quantify and document the linkages among the construction of new non-residential projects (e.g. retail/commercial, office, industrial, warehouse, and research and development), the employees that work in them, and the increased demand for affordable housing. Since the jobs in these types of projects cover a range in compensation levels, and the households of the workers range in size, housing needs are generated at all affordability levels. This analysis quantifies the need for affordable housing created by each type of workplace building.

This analysis is conducted to meet the requirements imposed by several United States Supreme Court decisions, and by California Government Code Section 66000 et seq., which is sometimes referred to as “the Mitigation Fee Act.” These analyses are commonly referred to as linkage or nexus analyses.

B. Building Types and Affordability Levels

This analysis evaluates a cross section of non-residential development types that have occurred in Rancho Cucamonga in recent years, and/or that are expected to be built in the near-term future. For the purposes of the analysis, the following building types were identified:

- Retail/Commercial
- Office
- Industrial
- Warehouse
- Research and Development (R&D)

The household income categories addressed in the analysis include: Extremely Low Income, Very Low Income, Low Income, and Moderate Income.

C. Maximum Nexus Costs

The following table identifies the maximum legally supportable nexus costs derived from the Non-Residential Nexus Study. These nexus costs represent the maximum legally supportable Non-Residential Linkage Fee amounts:

Table 1: Maximum Legally Supportable Non-Residential Linkage Fees Per Square Foot ¹	
Retail/Commercial	\$157
Office	\$162
Industrial	\$127
Warehouse	\$37
Research and Development	\$53

D. Financially Feasible Non-Residential Linkage Fees

As indicated in the previous section, the nexus analysis establishes the maximum legally supportable Non-Residential Linkage Fee levels. These amounts reflect the full cost associated with fulfilling the need for affordable housing created by the new non-residential development. However, this does not take into account the impact the Non-Residential Linkage Fee will have on the financial feasibility of new development. It is important to establish a balance between the public policy objectives and the economic impact that will be experienced by property owners and developers.

To that end, KMA prepared a financial feasibility analysis (See “Financial Feasibility Analysis of Non-Residential Linkage Fees”) to assess the impact of proposed Non-Residential Linkage Fee amounts on each non-residential land use.

The most common approach to establishing fee levels is based on comparing the Non-Residential Linkage Fee against the development costs associated with each land use. This

¹ Fee amounts are rounded down to whole numbers.

approach facilitates an evaluation of whether the amount is likely to affect development decisions.

As such, KMA first prepared a base pro forma analysis of each land use prototype that does not include a Non-Residential Linkage Fee. Next, KMA estimated a range of potential Non-Residential Linkage Fees based on a percentage of total development costs ranging from 0.5% to 3% of total development costs.

Table 2: Non-Residential Linkage Fee Per SF as a Percentage of Development Costs (Base Scenario)					
% Of Development Costs	Retail / Commercial Prototype	Office Prototype	Industrial Prototype	Warehouse Prototype	Research and Development Prototype
0.5% of Development Costs	\$2.21	\$1.98	\$0.70	\$0.66	\$0.69
1.0% of Development Costs	\$4.41	\$3.96	\$1.39	\$1.33	\$1.38
1.5% of Development Costs	\$6.62	\$5.95	\$2.09	\$1.99	\$2.07
2.0% of Development Costs	\$8.82	\$7.93	\$2.78	\$2.66	\$2.76
2.5% of Development Costs	\$11.03	\$9.91	\$3.48	\$3.32	\$3.45
3.0% of Development Costs	\$13.23	\$11.89	\$4.17	\$3.99	\$4.14

Based on these estimates and discussions with City staff, KMA analyzed the impact on each development prototype's financial feasibility for the following Non-Residential Linkage Fee amounts: \$1 per square foot, \$2 per square foot, and \$3 per square foot.

For reference, to evaluate the financial feasibility of each fee amount, KMA set the threshold return requirements for each development prototype as follows:

Table 3: Threshold Return Requirements					
	Retail / Commercial Prototype	Office Prototype	Industrial Prototype	Warehouse Prototype	Research and Development Prototype
Feasible Range (Green)	≥ 8.00%	≥ 9.00%	≥ 6.50%	≥ 6.50%	≥ 6.50%
Marginally Feasible Range (Yellow)	7.00% - 7.99%	8.00% - 8.99%	6.00% - 6.49%	6.00% - 6.49%	6.00% - 6.49%
Infeasible Range (Red)	≤ 6.99%	≤ 7.99%	≤ 5.99%	≤ 5.99%	≤ 5.99%

The following table summarizes the results of the financial feasibility analysis:

Table 4: Estimated Returns on Investment By Non-Residential Linkage Fee Amount					
	Retail / Commercial Prototype	Office Prototype	Industrial Prototype	Warehouse Prototype	Research and Development Prototype
Base: No Linkage Fee	5.67%	3.40%	7.28%	8.16%	6.81%
Linkage Fee @ \$1/SF	5.65%	3.39%	7.22%	8.10%	6.76%
Linkage Fee @ \$2/SF	5.64%	3.38%	7.17%	8.03%	6.71%
Linkage Fee @ \$3/SF	5.63%	3.37%	7.11%	7.97%	6.65%

E. Recommended Non-Residential Linkage Fees

In summary, the following factors were considered in establishing recommended Non-Residential Linkage Fee amounts:

1. The strength of the local real estate market for the building types that will pay the fee²; and
2. The local policy objectives

Based on the preceding factors, KMA recommends that the City set the Non-Residential Linkage Fee amounts as follows:

Table 5: Recommended Non-Residential Linkage Fees Per Square Foot	
Retail/Commercial	No Fee
Office	No Fee
Industrial	\$1 - \$3
Warehouse	\$1 - \$3
Research and Development	\$1 - \$3

² See Financial Feasibility Analysis of Non-Residential Linkage Fees .

It is important to note that this recommendation does not take into account any other public fees that may be under review by the City. Any changes in other fee levels may impact this recommendation.

II. INTRODUCTION AND OVERVIEW

As the region recovers from the global coronavirus pandemic, it is expected that non-residential development will continue to escalate. This non-residential development supports additional jobs within Rancho Cucamonga, which generates a need for additional housing accessible to all income levels.

Similarly, the recovery from the pandemic will likely result in a rapid escalation of residential rents and sales prices in Rancho Cucamonga. However, as rents and sales prices increase, it becomes exponentially more difficult to achieve the Regional Housing Needs Assessment (RHNA) goals for extremely low, very low, low and moderate income units.

Typically, outside affordable housing resources are utilized to assist in the development of affordable units. Recently, the State of California (State) and the Federal government have increased the amount of financial resources available for affordable housing. However, the need for affordable housing continues to outpace the outside financial resources available to the City. As such, the City has begun exploring the options for generating additional revenue to be utilized for the creation of additional affordable housing.

The purpose of this Non-Residential Nexus Study is to provide the City with a legal basis to levy Non-Residential Linkage Fees on non-residential development. It is assumed that a non-residential linkage fee program will be one piece of the City's comprehensive affordable housing program.

A. Benefits of Affordable Housing to Non-Residential Development

The primary objective for implementing a Non-Residential Linkage Fee on non-residential development is to increase the amount of affordable housing within Rancho Cucamonga. This increase in affordable housing benefits non-residential development by strengthening the local jobs-housing balance, which benefits both employers and workers. With a larger and more diverse pool of Rancho Cucamonga residents to draw upon, employers will have increased ability to fill job openings.

A lack of local affordable housing can result in overcrowded living conditions, or workers that must endure long commutes. Both of these conditions affect a worker's quality of life, which may ultimately force a worker to quit their job. Giving workers access to affordable housing opportunities close to their place of employment can result in greater workplace stability, and less worker turnover for the employer. It has been estimated that it can cost between 15% and 30% of a worker's annual salary to replace that worker. As such, limiting worker turnover with the development of affordable housing can produce meaningful cost savings for employers.

B. Analysis Organization

The non-residential uses that are the subject of this analysis represent a cross section of typical non-residential development that has occurred in Rancho Cucamonga in recent years and/or is expected to be built in the near-term future. For the purposes of the analysis, the following building types were identified:

- Retail/Commercial
- Office
- Industrial
- Warehouse
- Research and Development

The household income categories addressed in the analysis include: Extremely Low Income, Very Low Income, Low Income and Moderate Income.

C. Data Sources and Qualifications

The analyses in this report have been prepared using the best and most recent data available. Local and current data was used whenever possible. Sources such as the 2010 United States Census (Census), the 2015-2019 American Community Survey of the Census (ACS), California Employment Development Department (EDD) and the United States Bureau of Labor Statistics (BLS) data were used extensively. Other sources and analyses are noted when used in the text and footnotes. The data sources and uses are those that provide a reasonable basis to support the nexus between jobs and housing.

While we believe all sources utilized are sufficiently accurate for the purposes of the analyses, we cannot guarantee their accuracy. KMA assumes no liability for information from these and other sources.

III. THE NON-RESIDENTIAL NEXUS STUDY

A. The Nexus Concept

Introduction

This section outlines the nexus concept and some of the key issues surrounding the linking of new non-residential development to the demand for affordable residential units in Rancho Cucamonga. The nexus analysis and discussion focus on the relationships among development growth, employment, income of workers and demand for affordable housing. The analysis connects the new construction of the types of buildings in which there are workers to the need for additional affordable housing. This connection is quantified both in terms of number of units, and the amount of subsidy assistance needed to make the units affordable.

The Legal Basis and Context

The first jobs-housing linkage programs were adopted in the cities of San Francisco and Boston in the mid-1980s. To support the linkage between non-residential development and the demand for affordable housing, the City of San Francisco commissioned an analysis to show the relationships, or what might now be characterized as an early version of a nexus analysis. Since that time there have been several court cases and California statutes that affect what local jurisdictions must demonstrate when imposing impact fees on development projects.

The most important United States Supreme Court cases are *Nollan v. California Coastal Commission* and *Dolan v. City of Tigard* (Oregon). The rulings on these cases, and others, help clarify what governments must find in the way of the nature of the relationship between the problem to be mitigated and the action contributing to the problem. Here, the problem is the shortage of affordable housing, and the action contributing to the problem is building workspaces that create more jobs and worker households needing affordable housing.

Following the *Nollan* decision in 1987, the California legislature enacted AB 1600, which requires local agencies proposing an impact fee on a development project to identify the purpose of the fee, the use of the fee, and to determine that there is a reasonable relationship between the fee's use and the development project on which the fee is imposed. The local

agency must also demonstrate that there is a reasonable relationship between the fee amount and the cost of mitigating the problem that the fee addresses. Studies by local governments designed to fulfill the requirements of AB 1600 are often referred to as “AB 1600” or “Nexus” studies.

One court case that involved housing linkage fees was *Commercial Builders of Northern California v. City of Sacramento*. The commercial builders of Sacramento sued the City of Sacramento following the City’s adoption of a housing linkage fee. Both the United States District Court and the Ninth Circuit Court of Appeals upheld the City of Sacramento, and rejected the builders’ petition. The United States Supreme Court denied a petition to hear the case, letting stand the lower court’s opinion.

Since the Sacramento case in 1991, there have been several additional court rulings reaffirming and clarifying the ability of California cities to adopt impact fees. Notable cases can be described as follows:

1. In 2004, in *San Remo Hotel v. the City and County of San Francisco*, the court upheld the impact fee levied by the City and County of San Francisco on the conversion of residence hotels to tourist hotels and other uses. The court found that a suitable nexus, or deleterious impact, had been demonstrated.
2. In 2009, in *Building Industry Association of Central California v. the City of Patterson*, the Court invalidated the City of Patterson’s fee because a valid nexus linking the impact of the proposed project to the fee had not been demonstrated.
3. In 2010, a court ruling upheld most of the impact fees levied by the City of Lemoore, in Southern California. Of particular note is the judges’ opinion that a “fee” may be “established for a broad class of projects by legislation of general applicability....the fact that specific construction plans are not in place does not render the fee unreasonable.” In other words, cities do not have to identify specific affordable housing projects to be constructed at the time of adoption of an impact fee.

In summary, the case law at this time appears to be fully supportive of the imposition of non-residential linkage Fees.

The Nexus Methodology

An overview of the basic nexus concept and methodology is helpful to understand the discussion and concepts presented in this section. This overview consists of a quick “walk through” of the major steps of the analysis. The nexus analysis links new non-residential buildings with new workers in the City; these workers demand additional housing in proximity to the jobs, a portion of which needs to be affordable to the workers in lower income households.

The methodology utilized in this analysis is a “micro” analysis that examines individual buildings. The micro nexus analysis readily lends itself to quantification that serves as a basis for the nexus cost, or the maximum fee amount for each building type.

To illustrate the micro nexus analysis, very simply, we can walk through the major calculations of the analysis. We begin by assuming a prototypical building of a defined size, and then we make the following calculations:

1. We estimate the total number of employees working in the building based on average employment density data.
2. We use occupation and income information for typical job types in the building to calculate how many of those jobs pay compensation at the levels addressed in the nexus analysis.
 - a. Compensation data is provided by EDD, and is specific to the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA) as of 2021.
 - b. Worker occupations by building type are derived from the 2020 Occupational Employment Survey (OES) prepared by the BLS.
3. We know from the Census that many workers are members of households where more than one person is employed, and there is also a range of household sizes. We use factors derived from the Census to translate the number of workers into households of various sizes represented in each income category.
4. Then, we calculate how many of the Extremely Low, Very Low, Low, and Moderate Income households are associated with the building and divide by the building size to arrive at coefficients of housing units per square foot of building area.

5. In the last step, we multiply the identified number of households times the cost of delivering housing units affordable to these income groups.

The Relationship Between Construction and Job Growth

Many factors underlie the reasons for employment growth in a given region; these factors are complex, interrelated, and often associated with forces at the national and international levels. The nexus argument does not make the case that the construction of new buildings is solely responsible for employment growth. However, new construction is uniquely important in the equation, first, as one of the factors contributing to growth, and second, as a unique and essential condition precedent to growth.

As to the first, construction itself encourages growth. When the state economy is growing, the areas that experience the most rapid growth are those where new construction activity is vigorous and acts as a vital industry. In regions such as San Bernardino County, where multiple forces of growth exist, the development industry frequently serves as a proactive force inducing growth to occur, or to be attracted to specific areas, by providing new workspaces, particularly those of a speculative nature.

Second, the development of workplace buildings bears a direct relationship to job growth, because job growth does not occur in modern service economies without buildings to house new workers. Unlike other growth factors, new buildings play a unique role in that employment growth cannot occur without them for a sustained period of time. Conversely, it is well established that the inability to construct new workplace buildings will constrain, or even halt, job growth.

Discount for Changing Industries

The local economy, like that of the United States as a whole, is constantly evolving. In San Bernardino County, over the past 20 years, employment in various sectors of the economy has declined. However, jobs lost over the last decade in these declining sectors were replaced by job growth in other industry sectors.

Long-term declines in employment experienced in some sectors of the economy mean that some of the jobs created in burgeoning industries are being filled by workers that have been displaced from another industry and who are presumed to already be housed locally. Recognizing that jobs added in the community are not necessarily net new jobs, this step in the

analysis makes an adjustment to take these declines, changes and shifts within all sectors of the economy into account.

To assist in making the adjustment, KMA analyzed data published by the EDD annually for San Bernardino County for the 20 year period between 2000 and 2019. Over this period, approximately 17,600 jobs were lost in declining industry sectors while growing and stable industries added 274,700 jobs over the same period. The decline was largely focused in the manufacturing sector. The figures are used to establish the ratio between jobs lost in declining industries to jobs gained in growing and stable industries at 10%.³ In effect, this adjustment assumes that 10% of new jobs are filled by a worker downsized from a declining industry and who already lives locally. As the objective is to identify longer-term declines, the declines in employment that occurred after March 2020 due to the coronavirus pandemic were not used as the basis for this adjustment as many of the jobs lost have been or are expected to be restored as the economy recovers from damage caused by the pandemic.

The discount for changing industries represents a conservative assumption because many displaced workers may exit the workforce entirely by retiring. Development of new workspace buildings will typically occur only to the extent that there is positive net demand after re-occupancy of buildings vacated by businesses in declining sectors of the economy. To the extent buildings are re-occupied, the discount for changing industries is unnecessary because new buildings would represent net new growth in employment. The 10% adjustment is conservative in that it is mainly necessary to cover a special case in which buildings vacated by declining industries cannot be readily occupied by other uses due to their special purpose nature, because of obsolescence, or because they are torn down or converted to a residential use.

Other Factors and Assumptions

The “Addendum” at the end of this report provides a discussion of other specific nexus concepts that must also be considered. These factors include:

1. Addressing the housing needs of a new population versus the existing population;
2. Substitution factor, indirect employment and multiplier effects;

³ The 10% ratio is calculated as 17,600 jobs lost in declining sectors divided by 274,700 jobs gained in growing and stable sectors = 6% (rounded up to 10%).

3. Changes in labor force participation;
4. Commuting; and
5. Economic cycles.

B. Non-Residential Nexus Analysis

This section presents a summary of the analysis of the linkage between the five types of workplace buildings, and the estimated number of worker households in the income categories that will, on average, be employed within those buildings. This section should not be read or reproduced without the narrative presented in the previous sections of this study.

Analysis Approach and Framework

The analysis establishes the jobs-housing linkages for individual building types or land use activities. In turn, this is used to quantify the connection between employment growth in Rancho Cucamonga and the resulting demand for affordable housing.

The analysis approach is to examine the employment associated with the development of workplace building prototypes. Then, through a series of linkage steps, the number of employees is converted to households and housing units by affordability level. The findings are expressed in terms of numbers of households related to building area. In the final step, we convert the number of households for an entire building to the number of households per square foot of building area. For ease of understanding, KMA conducts the analysis on 100,000 square foot building modules. The building size is used solely to facilitate understanding of the analysis by being able to avoid cumbersome fractions.

The prototypes are meant to cover a wide variety of building types. Together, the five categories are designed to encompass most new non-residential buildings to be constructed by the private sector in Rancho Cucamonga. The categories under analysis are:

1. The Retail/Commercial category includes retail, restaurants, dry cleaners, health clubs and other personal care and service uses that commonly occupy retail/commercial space.
2. The Office category is designed to represent the range of office tenants locating in Rancho Cucamonga, from small professional offices to larger corporate and medical offices.

3. The Industrial category encompasses a broad range of uses occupying industrial buildings as well as auto repair and service, and other uses of a semi-industrial character.
4. The Warehouse category represents large structures primarily devoted to storage or logistics activities, typically with a small amount of office space.
5. The Research and Development covers facilities for scientific or medical research, product design, prototype production, development and testing.

Household Income Limits

When workers form households, their income, either alone or in combination with other workers, produces the household income. In addition, of course, there may be children and/or other household members who are not employed. The nexus analysis estimates demand for affordable housing focusing on the following household income categories:

- Extremely Low Income
- Very Low Income
- Low Income
- Moderate Income

Household income criteria for these affordability categories are based on the San Bernardino County area median income (Median) as published by the California Department of Housing and Community Development (HCD). The income categories presented in the following table are applied for most housing programs administered by HCD and by the United States Department of Housing and Urban Development (HUD). For a four-person household, the maximum qualifying income levels for 2021 are:

Table 6: Summary of Affordability Categories		
Income Category	Percent of Median	Income Range (Four-Person Household)
Extremely Low Income	0% to 30% of Median	\$0 to \$26,500
Very Low Income	Above 30% to 50% of Median	\$26,501 to \$39,500
Low Income	Above 50% to 80% of Median	\$39,501 to \$63,200
Moderate Income	Above 80% to 120% of Median	\$63,201 to \$93,000

Analysis Steps

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

Table 1 in Appendix A summarizes the nexus analysis steps for the five building types. Following is a description of each step in the analysis:

Step 1 – Estimate of Total New Employees

Appendix A - Table 1 estimates the total number of employees who will work in the companies that occupy the building types being analyzed. This is done by dividing the building size by the average square feet of space provided to each employee. As the amount of space allocated to each employee is reduced, the supportable nexus cost is increased. The employment densities used in the analysis can be described as follows:

1. Retail/Commercial at 500 square feet per employee. This employment density estimate reflects consideration of a range of sources including the Institute of Transportation Engineers (ITE) Trip Generation Manual, restaurant employment densities derived from National Association of Restaurants data, and the City's parking requirements for retail uses. The density range within this category is wide, with some types of retail such as restaurant space as much as five times as dense as other types such as furniture or building material supply stores. The estimate used is at the upper end of the range of

sources considered and will tend to understate the number of employees relative to many types of retail.

2. Office at 300 square feet per employee. For the purposes of this figure, KMA reviewed employment density estimates from the ITE Trip Generation Manual as well as the City's parking requirements for office uses. The employment densities cited in these studies ranged from approximately 200 square feet per employee to 330 square feet per employee. The 300 square foot figure utilized by KMA in the nexus analysis is at the upper end of this range.
3. Industrial at 500 square feet per employee. This density covers flex space, light industrial and manufacturing activities. KMA reviewed planning documents for recent projects proposed in Rancho Cucamonga, as well as the ITE Trip Generation Manual.
4. Warehouse at 2,000 square feet per employee. This reflects that the primary activity in the building is assumed to be storage or logistics. A small amount of office or administrative space is assumed within warehouse structures. Sources consulted include the ITE Trip Generation Manual, a Portland Metro Employment Density Study, the United States Department of Energy, the City's parking requirements, and planning documents for recent projects proposed in Rancho Cucamonga.
5. Research and Development at 500 square feet per employee. KMA reviewed the City's parking requirement for this use, as well as the ITE Trip Generation Manual.

The density factors used in this analysis represent averages, and individual uses can be expected to be fairly divergent from the average from time to time. Specific projects may have more or fewer employees than the employment densities assumed in this analysis. In these instances, the City may wish to include a provision in the ordinance that provides a waiver or a custom impact fee to adjust for employment densities that vary greatly from the averages used in this analysis. That is, projects with much lower employment densities may be allowed to pay a lower impact fee, and projects with much greater employment densities may be required to pay a higher fee.

As discussed above, KMA conducted the analysis on 100,000 square foot prototype buildings. The prototypes facilitate the presentation of the nexus findings, as it allows us to count jobs and housing units in whole numbers that can be readily communicated and understood. At the conclusion of the analysis, the findings are divided by the 100,000 square foot building size to express the linkages per square foot, which are very small fractions of housing units.

The following table summarizes the employment estimates used in the nexus analysis:

Table 7: Employment Estimate for Prototypical 100,000 Square Foot Buildings		
Building Type	Employment	
	Density	Number of Employees
Retail / Commercial	500	200
Office	300	333
Industrial	500	200
Warehouse	2,000	50
Research and Development	500	200

Potential Impacts of Coronavirus Pandemic

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

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

Step 2 – Adjustment for Changing Industries

This step is an adjustment to take into account any declines, changes and shifts within all sectors of the economy and to recognize that new space is not always 100% equivalent to net new employees. As discussed previously, a 10% adjustment is utilized to recognize the long-term shifts in employment occurring in the San Bernardino County region and the likelihood of continuing changes to the local economy.

For demolition of existing structures, the City may wish to provide a credit or offset to the fee when demolition of existing structures occurs as part of a project. Typically, the fee would only be charged against net new space added by a project.

The following table summarizes the net new jobs after adjusting for declining industries:

Table 8: Net New Jobs		
Building Type	Number of Employees	Net New Employees after 10% Declining Industries Adjustment
Retail / Commercial	200	180
Office	333	300
Industrial	200	180
Warehouse	50	45
Research and Development	200	180

Step 3 – Adjustment from Employees to Employee Households

This step, as shown in Appendix A - Table 1, converts the number of employees to the number of employee households that will work at or in the building type being analyzed. This step recognizes that there is, on average, more than one worker per household, and thus the number of housing units in demand for new workers must be reduced to reflect this fact.

The workers per household characteristic provides the link between the number of employees and the number of households associated with the net new employees. Worker households are defined as those households with one or more persons with work-related income, including the self-employed, as reported in the 2015-2019 ACS. In other words, worker households are distinguished from total households in that the universe of worker households does not include elderly or other households in which members are retired or do not work for other reasons. Student households and unemployed households on public assistance are also excluded from

the definition of worker households. If the overall average number of workers per household were used, it would have produced a greater demand for housing units.

The number of workers per household in a given geographic area is a function of household size, labor force participation rate and employment availability, as well as other factors. According to the 2015-2019 ACS, the average number of workers per worker household in San Bernardino County was 1.84. Since workers employed in Rancho Cucamonga live all over San Bernardino County and beyond, the County average is used in the analysis.

The following table summarizes the number of housing units needed:

Table 9: Number of Housing Units Needed		
Building Type	Net New Jobs (Table 4)	Housing Units Needed (1.84 workers per unit)
Retail / Commercial	180	98.1
Office	300	163.5
Industrial	180	98.1
Warehouse	45	24.5
Research and Development	180	98.1

Step 4 – Occupational Distribution of Employees

Estimating the occupational breakdown of employees is the first step to arriving at estimated income levels. The occupational make up of jobs by building type is estimated by combining two data sources: BLS data on the distribution of occupations by industry category and data on employment by industry for San Bernardino County from the Quarterly Census of Employment and Wages (QCEW).⁴ Industry categories are weighted to reflect the mix of employers in San Bernardino County. The occupations that reflect the expected mix of activities in the new buildings are presented in Appendices B - F.

1. For retail/commercial buildings, a wide range of retail categories are included, as well as restaurants and personal services.
2. For office buildings, the mix of industries reflects a wide range of financial, professional service, technology and medical offices.

⁴ QCEW data was not available for the City.

3. The industrial category encompasses a range of light industrial, wholesale, manufacturing, automotive, and maintenance and repair services.
4. For warehouse, the applicable industry category is Warehouse & Storage.
5. Research and Development reflects the industry category for research and development in the physical, engineering and life sciences.

Step 4 estimates are presented in Appendix A - Table 1 and Appendices B – F. The following table summarizes the percentage distribution of jobs by occupation:

Table 10: Percent of Jobs by Occupation					
	Retail / Commercial	Office	Industrial	Warehouse	R&D
Management Occupations	2.8%	9.3%	6.3%	2.4%	17.4%
Business and Financial	0.7%	13.4%	4.3%	2.1%	10.7%
Computer and Mathematical	0.1%	7.6%	2.1%	0.6%	12.9%
Architecture and Engineering	0.0%	3.5%	3.7%	0.2%	13.9%
Sciences	0.0%	1.0%	0.6%	0.1%	25.5%
Community & Social Services	0.0%	0.9%	0.0%	0.0%	0.2%
Legal	0.0%	2.1%	0.1%	0.0%	0.6%
Education, and Library	0.0%	0.3%	0.0%	0.0%	0.3%
Arts, Design, Entertainment	0.4%	1.7%	0.7%	0.1%	1.2%
Healthcare Practitioners	1.8%	11.3%	0.1%	0.0%	2.5%
Healthcare Support	0.3%	6.5%	0.0%	0.0%	0.9%
Protective Service	0.3%	0.8%	0.1%	0.7%	0.4%
Food Prep and Serving	39.9%	0.5%	0.7%	0.0%	0.1%
Building and Grounds.	0.4%	1.0%	0.4%	0.7%	0.3%
Personal Care and Service	2.8%	0.8%	0.0%	0.0%	0.2%
Sales and Related	30.9%	6.5%	10.5%	1.1%	1.7%
Office and Admin Support	4.9%	27.0%	12.1%	12.4%	7.4%
Farming, Fishing, Forestry	0.0%	0.0%	0.1%	0.0%	0.2%
Construction and Extraction	0.1%	0.5%	1.4%	0.1%	0.3%
Installation, Maint. and Repair	3.1%	3.3%	11.4%	2.6%	1.0%
Production	2.0%	0.9%	30.4%	1.9%	1.8%
Transportation	<u>9.4%</u>	<u>1.3%</u>	<u>15.2%</u>	<u>74.9%</u>	<u>0.5%</u>
Totals	100%	100%	100%	100%	100%

To determine the distribution of worker households by occupation category, the percentage distribution of workers' occupations identified in Table 10 above is multiplied by the total number of worker households in Table 9. The result is the distribution in the number of worker households by worker occupation category as shown in the table below:

Table 11: Number of Worker Households by Worker Occupation Category					
	Retail / Commercial	Office	Industrial	Warehouse	R&D
Management Occupations	2.7	15.1	6.2	0.6	17.1
Business and Financial	0.7	21.9	4.2	0.5	10.5
Computer and Mathematical	0.1	12.4	2.1	0.2	12.6
Architecture and Engineering	0.0	5.8	3.6	0.0	13.7
Sciences	0.0	1.6	0.6	0.0	25.0
Community & Social Services	0.0	1.4	0.0	0.0	0.2
Legal	0.0	3.5	0.0	0.0	0.6
Education, and Library	0.0	0.5	0.0	0.0	0.3
Arts, Design, Entertainment	0.4	2.7	0.7	0.0	1.1
Healthcare Practitioners	1.7	18.5	0.1	0.0	2.5
Healthcare Support	0.3	10.6	0.0	0.0	0.9
Protective Service	0.3	1.3	0.1	0.2	0.4
Food Prep and Serving	39.1	0.8	0.6	0.0	0.1
Building and Grounds.	0.4	1.6	0.4	0.2	0.3
Personal Care and Service	2.7	1.3	0.0	0.0	0.2
Sales and Related	30.3	10.7	10.3	0.3	1.7
Office and Admin Support	4.8	44.1	11.8	3.0	7.3
Farming, Fishing, Forestry	0.0	0.0	0.1	0.0	0.2
Construction and Extraction	0.1	0.8	1.4	0.0	0.2
Installation, Maint. and Repair	3.0	5.3	11.2	0.6	1.0
Production	2.0	1.4	29.8	0.5	1.8
Transportation	<u>9.2</u>	<u>2.2</u>	<u>14.9</u>	<u>18.4</u>	<u>0.5</u>
Totals	98.1	163.5	98.1	24.5	98.1

Step 5 – Estimate Of Employee Household Income

In this step, occupations are translated to incomes based on recent San Bernardino County wage and salary information published by EDD for the first quarter of 2021 for the occupations associated with each building type. This step in the analysis calculates the number of employee households that fall into each income category.

For each occupational category shown in Tables 10 and 11, the OES data provides a distribution of specific occupations within the category. For example, within the Food Preparation and Serving Category, there are Supervisors, Cooks, Servers, Dishwashers, etc. Each of these individual categories has a different distribution of wages which was obtained from EDD and is specific to workers in San Bernardino County as of 2021. Worker compensations used in the analysis assume full-time employment (40 hours per week) based on EDD's convention for reporting annual compensation. Compensations are adjusted where applicable to reflect the current \$14 per hour State minimum wage for businesses with 26 or more employees, which results in a minimum annual income of \$29,120 assuming full-time employment.

The following is a summary of the worker compensation levels for the top two occupation groups by building type. The percentages refer to the share of employment within the building in the occupation group. Appendices B – F show the more detailed wage and salary information that were used as the income inputs to the model.

Table 12: San Bernardino County Worker Compensation by Building Type (2021)			
Building Type	Major Occupation Group	% of Employment in Building	Average Annual Worker Compensation ⁵
Retail/Commercial	Food Preparation and Serving	40%	\$32,200
	Sales and Related Occupations	31%	\$37,100
Office	Office and Administrative Support	27%	\$44,300
	Business and Financial Operations	13%	\$75,000
Industrial	Production Occupations	30%	\$41,900
	Transportation and Material Moving Occupations	15%	\$41,100
Warehouse	Transportation and Material Moving Occupations	75%	\$39,100
	Office and Administrative Support	12%	\$43,700
Research and Development	Life, Physical and Social Science Occupations	26%	\$92,600
	Management Occupations	17%	\$136,900
Source: California Employment Development Department, 2020 Occupational Employment Statistics Survey, Wages First Quarter 2021			

Employee income is then translated into an estimate of household income using ratios between individual employee income and household income derived from Census data. Ratios reflect an analysis of data for the workforce in San Bernardino County with annual household incomes under \$250,000. Households with income of \$250,000 or more are not included to avoid a disproportionate influence on averages by a small percentage of households with incomes well over levels addressed in this analysis.

⁵ Compensation is based on the full-time equivalent of 40 hours per week.

Table 13: Ratio of Household Income to Individual Worker Income			
Individual Worker Income	One Worker Households	Two Worker Households	Three or More Workers
\$25,000 to \$30,000	1.30	2.56	3.56
\$30,000 to \$40,000	1.26	1.32	3.04
\$40,000 to \$50,000	1.17	2.04	2.51
\$50,000 to \$60,000	1.14	1.92	2.24
\$60,000 to \$80,000	1.12	1.74	1.97
\$80,000 to \$100,000	1.07	1.63	1.80
\$100,000 to \$125,000	1.06	1.53	1.61
\$125,000 to \$150,000	1.07	1.45	1.51
\$150,000 to \$250,000	1.06	1.34	1.38
\$250,000 and above	1.05	1.20	1.24
Source: KMA analysis of 2015 – 2019 American Community Survey PUMS data for San Bernardino County			

A ratio of 1.0 in Table 13 indicates that the household has no additional income beyond that of the individual worker. A ratio of 2.0 means that total household income is twice what the individual worker earns. With a two-earner household, a ratio of 2.0 indicates each worker in the household earns about the same amount. A ratio above 2.0 would indicate the other worker in the household earns more, on average, while a ratio less than 2.0 indicates the other worker earned less. The ratio between worker income and overall household income decreases as worker pay increases. This is because workers with higher pay are more likely to represent the largest source of household income

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

Household income estimates for workers within each detailed occupation category are summarized in Appendix G. A separate estimate is provided for households with one, two, and three or more workers. Estimates are compared to HUD income criteria summarized in the following table to estimate the percent of worker households that would fall into each income

category. This is done for each potential combination of household size and number of workers in the household.

Table 14: 2021 Household Income Limits for San Bernardino County						
Household Income Category	Household Size (Persons)					
	1	2	3	4	5	6 +
Extremely Low (Under 30% AMI)	\$16,600	\$19,000	\$21,960	\$26,500	\$31,040	\$35,580
Very Low (30%-50% AMI)	\$27,650	\$31,600	\$35,550	\$39,500	\$42,700	\$45,850
Low (50%-80% AMI)	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350
Moderate (80%-120% AMI)	\$65,100	\$74,400	\$83,700	\$93,000	\$100,450	\$107,900
Median (100% of Median)	\$54,250	\$62,000	\$69,750	\$77,500	\$83,700	\$89,900

Source: California Department of Housing and Community Development.

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

Step 6 – Estimate of Household Size Distribution

In this step, household size distribution is estimated using 2015 – 2019 ACS data for San Bernardino County. Data for the County is used since workers are more representative of the larger area in which workers live (the County) than the City of Rancho Cucamonga. In addition to the distribution of household sizes, the data also accounts for a range in the number of workers in households of various sizes. The following table indicates the percentage distribution utilized in the analysis. Application of these percentage factors accounts for the following:

1. Households have a range in size and a range in number of workers.
2. Larger households generally have more workers than smaller households.

Table 15: Percent of Households by Size and No. of Workers		
No. of Persons in Household	No. of Workers in Household	Percent of Total Households
1	1	11.42%
2	1	13.15%
	2	11.13%
3	1	8.75%
	2	8.83%
	3+	2.46%
4	1	6.55%
	2	7.44%
	3+	4.85%
5	1	4.31%
	2	4.89%
	3+	3.19%
6	1	4.53%
	2	5.15%
	3+	3.35%
Total		100%
Source: 2015-2019 American Community Survey for San Bernardino County		

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

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

Step 7 calculates the number of employee households that fall into each income category for each size household. This calculation is based on combining the household income distribution (Step 5) with the worker household size distribution (Step 6) to arrive at a distribution of worker households by income category. These analyses are presented in Appendix A – Tables 2A – 2D, and summarized in Appendix A – Table 3.

Housing Demand by Income Level

Appendix A - Table 3 illustrates the results of the analysis for the four income categories and the five prototypical buildings being analyzed in this study. The table presents the estimated number of households in each affordability category, the total number up to 120% of the Median, and the remaining households earning over 120% of Median.

Table 16: Number of Households by Income Category Per 100,000 Square Feet of Building

	Retail / Commercial	Office	Industrial	Warehouse	R&D
Extremely Low	4.4	2.0	2.0	0.7	0.5
Very Low Income	20.5	10.4	10.3	3.6	1.7
Low Income	31.9	33.2	27.4	8.9	6.5
Moderate Income	19.0	34.4	22.7	5.0	17.2
Subtotal	75.8	80.0	62.5	18.2	25.9
Above 120% AMI	22.3	83.5	35.6	6.3	72.2
Total	98.1	163.5	98.1	24.5	98.1

Appendix A - Table 3 also presents the percentages of total new worker households that fall into each income category. As indicated, approximately 75% of Retail/Commercial and Warehouse worker households earn less than 120% of the Median. In addition, approximately 50% of Office and 65% Industrial worker households earn less than 120% of the Median.

Table 17: Percentage of Households by Income Category

	Retail / Commercial	Office	Industrial	Warehouse	R&D
Extremely Low	4.5%	1.2%	2.0%	2.7%	0.5%
Very Low Income	20.9%	6.3%	10.5%	14.7%	1.8%
Low Income	32.5%	20.3%	28.0%	36.2%	6.6%
Moderate Income	19.4%	21.0%	23.2%	20.6%	17.5%
Subtotal	77.2%	48.9%	63.7%	74.1%	26.4%
Above 120% AMI	22.8%	51.1%	36.3%	25.9%	73.6%
Total	100%	100%	100%	100%	100%

Housing Demand by Square Foot Building Area

The analysis thus far has worked with 100,000 square foot prototypical buildings. In this step, the conclusions are translated to a per-square-foot level and expressed as coefficients. These coefficients state the portion of a household, or housing unit, by affordability level for which each square foot of building area is associated (see Appendix A - Table 4).

This is the summary of the affordable housing nexus analysis, or the linkage of buildings to employment growth to housing demand disaggregated by income level. We believe that our analysis provides a conservative approximation (understates at the low end) of the households by income and affordability levels associated with these building types.

Table 18: New Worker Households Per Square Foot					
	Retail / Commercial	Office	Industrial	Warehouse	R&D
Extremely Low	0.0000437	0.0000204	0.0000201	0.0000065	0.0000051
Very Low Income	0.0002045	0.0001037	0.0001034	0.0000360	0.0000172
Low Income	0.0003192	0.0003318	0.0002743	0.0000888	0.0000648
Moderate Income	<u>0.0001902</u>	<u>0.0003441</u>	<u>0.0002273</u>	<u>0.0000505</u>	<u>0.0001715</u>
Total	0.0007576	0.0008000	0.0006250	0.0001818	0.0002587

C. Maximum Nexus Costs

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

Affordability Gaps

A key component of the analysis is the size of the gap between what households can afford and the cost of producing additional housing in Rancho Cucamonga; this is known as the “affordability gap.” The assumption is that the City will assist in the development of affordable units at development cost levels based on similar development projects and the City’s recent experience.

KMA conducted a series of affordability gap analyses, which are presented in Appendix H. For the Extremely Low Income and Very Low Income tiers it is assumed that Tax-Exempt Multifamily Bonds and 4% Tax Credits will be available (leveraged projects). For the Low Income tier, KMA analyzed both a leveraged project assuming rents set at 60% AMI and an unleveraged project with rents set at 80% AMI. The leveraged project (at 60% AMI) had a lower affordability gap than the unleveraged project, which is used in this analysis. Since 4% Tax Credits are not available to units above 80% AMI, the Moderate Income tier is structured as an unleveraged rental project.

The resulting affordability gaps per unit are presented in the following table:

Table 19: Affordability Gaps	
Extremely Low Income (0% to 30% Median)	(\$272,700)
Very Low Income (Above 30% to 50% Median)	(\$219,300)
Low Income (Above 50% to 80% Median)	(\$192,600)
Moderate Income (Above 80% to 120% Median)	(\$205,600)

Total Affordable Housing Nexus Costs

Previous steps in the nexus analysis estimated the following:

1. The number of Extremely Low, Very Low, Low and Moderate Income households that will be employed in each of the four types of buildings; and
2. The affordability gaps associated with providing housing at the various income levels.

The final step in the nexus analysis translates these factors into the estimated cost to fulfill the affordable housing demand created by the prototype developments (Appendix A – Table 5). These results are then converted into the affordability gaps per square foot of building area for the new development of retail/commercial, office, industrial, warehouse, and research and development uses. This is defined as the affordable housing nexus cost, which represents the maximum allowable Non-Residential Linkage Fee. Based on the results of the KMA analysis, the maximum fees for the five building types are as follows:

Table 20: Maximum Fees Per Square Foot of Building Area ⁶	
Retail/Commercial	\$157
Office	\$162
Industrial	\$127
Warehouse	\$37
R&D	\$53

Total nexus and mitigation costs are driven by employment densities, the compensation level of jobs, and the cost of developing residential units. Higher employment densities contribute to higher nexus costs. These fee amounts represent the maximum amounts that can be charged under the nexus requirements imposed by the United States Supreme Court and the California Government Code.

IV. RECOMMENDED NON-RESIDENTIAL LINKAGE FEE LEVELS

The following sections discuss methods in which the City could set the Non-Residential Linkage Fee amounts:

A. Fee-Setting Context

The preceding study establishes the maximum fee amounts the City could charge under the nexus requirements imposed by the United States Supreme Court and the California Government Code. Recognizing that the Non-Residential Linkage Fee is not the only tool the City will use to fulfill affordable housing needs, it is KMA's assumption that the City will choose to set the fee at less than the ceiling applied by the nexus test. In KMA's opinion, the fee amounts should be selected based on the following:

1. The strength of the local real estate market for the building types that will pay the fee;
2. The total fees imposed on new development as compared to jurisdictions that are competing for the uses; and
3. The local policy objectives.

⁶ Fee amounts are rounded down to whole numbers.

The following information is provided to assist the City in selecting the fee amounts to be imposed.

B. Financial Feasibility Analysis

As indicated in the previous section, the nexus analysis establishes the maximum legally supportable Non-Residential Linkage Fee levels. These amounts reflect the full cost associated with fulfilling the need for affordable housing created by the new non-residential development. However, this does not take into account the impact the Non-Residential Linkage Fee will have on the financial feasibility of new development. It is important to establish a balance between the public policy objectives and the economic impact that will be experienced by property owners and developers.

To that end, KMA prepared a financial feasibility analysis (See “Financial Feasibility Analysis of Non-Residential Linkage Fees”) to assess the impact of proposed Non-Residential Linkage Fee amounts on each non-residential land use.

Development Cost Analysis

A common approach to establishing fee levels is based on comparing the Non-Residential Linkage Fee against the development costs associated with each land use. This approach facilitates an evaluation of whether the amount is likely to affect development decisions.

Based on a review of historical development project information provided by City staff, KMA prepared prototypical projects and development budgets for representative non-residential product types currently being developed in Rancho Cucamonga. These prototypes are utilized as the basis for which to test the impact of potential impact fees on development costs.

The development prototypes utilized for this analysis are summarized as follows:

1. Retail/Commercial Prototype;
2. Office Prototype;
3. Industrial Prototype;
4. Warehouse Prototype; and
5. Research and Development Prototype.

Table 21: Non-Residential Linkage Fee Per SF as a Percentage of Development Costs (Base Scenario)

% Of Development Costs	Retail / Commercial Prototype	Office Prototype	Industrial Prototype	Warehouse Prototype	Research and Development Prototype
0.5% of Development Costs	\$2.21	\$1.98	\$0.70	\$0.66	\$0.69
1.0% of Development Costs	\$4.41	\$3.96	\$1.39	\$1.33	\$1.38
1.5% of Development Costs	\$6.62	\$5.95	\$2.09	\$1.99	\$2.07
2.0% of Development Costs	\$8.82	\$7.93	\$2.78	\$2.66	\$2.76
2.5% of Development Costs	\$11.03	\$9.91	\$3.48	\$3.32	\$3.45
3.0% of Development Costs	\$13.23	\$11.89	\$4.17	\$3.99	\$4.14

Based on these estimates and discussions with City staff, KMA analyzed the impact on each development prototype's financial feasibility for the following Non-Residential Linkage Fee amounts: \$1 per square foot, \$2 per square foot, and \$3 per square foot.

For reference, to evaluate the financial feasibility of each fee amount, KMA set the threshold return requirements for each development prototype as follows:

Table 22: Threshold Return Requirements

	Retail / Commercial Prototype	Office Prototype	Industrial Prototype	Warehouse Prototype	Research and Development Prototype
Feasible Range (Green)	≥ 8.00%	≥ 9.00%	≥ 6.50%	≥ 6.50%	≥ 6.50%
Marginally Feasible Range (Yellow)	7.00% - 7.99%	8.00% - 8.99%	6.00% - 6.49%	6.00% - 6.49%	6.00% - 6.49%
Infeasible Range (Red)	≤ 6.99%	≤ 7.99%	≤ 5.99%	≤ 5.99%	≤ 5.99%

The following table summarizes the results of the financial feasibility analysis:

Table 23: Estimated Returns on Investment By Non-Residential Linkage Fee Amount

	Retail / Commercial Prototype	Office Prototype	Industrial Prototype	Warehouse Prototype	Research and Development Prototype
Base: No Linkage Fee	5.67%	3.40%	7.28%	8.16%	6.81%
Linkage Fee @ \$1/SF	5.65%	3.39%	7.22%	8.10%	6.76%
Linkage Fee @ \$2/SF	5.64%	3.38%	7.17%	8.03%	6.71%
Linkage Fee @ \$3/SF	5.63%	3.37%	7.11%	7.97%	6.65%

As such, KMA concludes that the retail/commercial and office land uses are likely to be financially infeasible even without the imposition of a Non-Residential Linkage Fee. In contrast, the imposition of a Non-Residential Linkage Fee in the range of \$1 to \$3 per square foot of building area has a very minimal impact on the financial feasibility of the industrial, warehouse, and research and development land uses.

C. Fees in Other Jurisdictions

It is important to note that historically Non-Residential Linkage Fee programs were primarily found in Northern California jurisdictions. However, more Southern California jurisdictions have enacted Non-Residential Linkage Fee programs in recent years. The following summarizes the requirements of these programs:

Table 24: Comparison of Fees in Other Jurisdictions

Jurisdiction	Fee Amount Per Square Foot of GBA	Exemptions
Culver City	\$5	<ul style="list-style-type: none"> • Non-residential developments less than 10,000 square feet • Community land uses that serve the public • Reconstruction of building area destroyed by act of nature • Housing portions of a mixed-use project
Los Angeles	\$3 - \$5	<ul style="list-style-type: none"> • Non-residential developments less than 15,000 square feet • Hospitals • Grocery stores (if non within 1/3 mile) • Public institutional projects
Glendale	\$4	<ul style="list-style-type: none"> • Non-residential developments less than 1,250 square feet • Hotels • Auto Dealerships • Institutional Uses • Reconstruction of building area destroyed by act of nature
San Diego	Office - \$2.12 Hotel - \$1.28 Research and Development - \$0.80 Retail - \$1.28	<ul style="list-style-type: none"> • Non-profit hospitals • Manufacturing/warehouse uses • Government uses
Santa Monica	Retail - \$9.75 Office - \$11.21 Hotel/Lodging - \$3.07 Hospital - \$6.15 Industrial - \$7.53 Institutional - \$10.23 Creative Office - \$9.59 Medical Office - \$6.89	<ul style="list-style-type: none"> • Institutional Projects • Commercial portions of apartment projects developed by non-profit housing providers if public assistance is provided
West Hollywood	\$8.68	<ul style="list-style-type: none"> • Non-residential development less than 10,000 square feet

The non-residential linkage fees in the six Southern California jurisdictions range from a low of \$0.80 per square foot of GBA for research and development uses in San Diego to a high of \$11.21 per square foot of GBA for office development uses in Santa Monica.

It should be noted that some jurisdictions set a threshold project size below which Commercial Impact Fees are not imposed. A commonly used threshold is 10,000 square feet of GBA.

D. Recommended Fee Levels

Based on the context of the financial feasibility analysis, development cost analysis, the fees survey for nearby jurisdictions, the relative strength of the Rancho Cucamonga real estate market, and taking into account the City's policy objectives, we recommend that the City consider a fee in the \$1 to \$3 per square foot range for industrial, warehouse, and research and development uses.

Table 25: Recommended Non-Residential Linkage Fees Per Square Foot	
Retail/Commercial	No Fee
Office	No Fee
Industrial	\$1 - \$3
Warehouse	\$1 - \$3
Research and Development	\$1 - \$3

However, it is important to note that this recommendation does not take into account any other fees currently under review by the City. Any changes on other fee levels would impact this recommendation.

E. Potential Indices for Annual Updates to Non-Residential Linkage Fees

Administrative objectives that should be taken into consideration in selecting an appropriate index for updating the Non-Residential Linkage Fees are as follows:

1. The update methodology should be simple and easily administered;

2. The terms of the update should be clear and objective, not subject to interpretation; and
3. The update should be tied to a readily accessible and neutral third-party published source.

The following table summarizes common indices that could be used to adjust the Non-Residential Linkage Fee amounts each year:

Table 26: Potential Indices for Annual Escalation			
Index	Concept/Description	Advantages	Disadvantages
Building Cost Index (BCI)	<ul style="list-style-type: none"> Fees go up or down based on changes in building construction costs Published by Engineering News Record (ENR) Available as a national average for 20 cities 	<ul style="list-style-type: none"> Very well established Consistent fee burden is imposed relative to changes in construction costs 	<ul style="list-style-type: none"> May not trend with changes in development cost components such as land and soft costs May not trend with the cost associated with producing affordable units
Construction Cost Index (CCI)	<ul style="list-style-type: none"> Also published by ENR and similar to the Building Cost Index, but with different weighting toward labor costs 	<ul style="list-style-type: none"> Very well established Consistent fee burden is imposed relative to changes in construction costs 	<ul style="list-style-type: none"> The BCI is likely the more appropriate of the two ENR indices since it is more closely linked to commercial construction costs
Consumer Price Index (CPI)	<ul style="list-style-type: none"> Published by the United States Bureau of Labor Statistics. Available for major metropolitan areas 	<ul style="list-style-type: none"> Very well established Tracks with inflation generally Produced by a neutral government agency 	<ul style="list-style-type: none"> May not trend with commercial construction costs, or the cost to produce affordable housing units

If the City uses one of the indices above to escalate other impact fees, KMA recommends using that same index to escalate the Non-Residential Linkage Fee.

V. ADDENDUM: FACTORS RELATING TO THE NEXUS CONCEPT

This Addendum provides a discussion of various specific factors and assumptions related to the nexus concept. This discussion supplements the overview provided in the previous sections of the report.

A. Addressing the Housing Needs of a New Population versus the Existing Population

The City, in its draft 2021-2029 Housing Element, has documented that the housing needs of existing lower income households are not currently being met. The Housing Element states that approximately 25% of all the households in Rancho Cucamonga are defined as extremely low, very low or low income households. The existing housing shortage, especially at the lowest income levels, is manifested in numerous ways such as residents paying far more than the affordable rent set forth in federal and state guidelines, overcrowding, and other factors that are extensively documented by the Census and other reports.

It is important to understand that this nexus study does not address the housing needs of the existing population. Rather, the study focuses exclusively on documenting and quantifying the housing needs of new households where an employee works in a new workplace building.

Local analyses of housing conditions indicate that new housing affordable to lower income households is not being added to the supply in sufficient quantity to meet the needs of new employee households. If significant numbers of units were being added to the supply to accommodate the Extremely Low to Moderate Income groups, or if residential units in Rancho Cucamonga were experiencing higher than typical long-term vacancy levels, particularly in affordable units, then the need for new units would be questionable.

B. Substitution Factor

Any given new workplace buildings in Rancho Cucamonga may be occupied partly, or even perhaps totally, by employees relocating from elsewhere in the city. Buildings are often leased entirely to firms relocating from other buildings in the same jurisdiction. However, when a firm relocates to a new building from elsewhere in the region, a vacant space is created that will ultimately be occupied by another firm. In turn, that building may be filled with some combination of newcomers to the area and existing workers. Somewhere in the chain there are jobs new to the region. The net effect is that new buildings accommodate new employees, although not necessarily inside of the new buildings themselves.

C. Indirect Employment and Multiplier Effects

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

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

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

In addition, the nexus analysis addresses direct “inside” employment only. In the case of an office building, for example, direct employment covers the various managerial, professional and clerical people that work in the building; it does not include the security guards, the delivery services, the landscape maintenance workers, and many others that are associated with the normal functioning of an office building. By confining the analysis to the “inside” direct employees, the demand for affordable housing created by lower income workers associated with each type of building will be understated. This provides a more conservative perspective on the demand for affordable housing created by the development of new workplaces. If these factors were included, the maximum allowable Non-Residential Linkage Fee would be higher than the amount estimated in this report.

D. Changes in Labor Force Participation

In the 1960s through the 1980s, there were significant increases in labor force participation, primarily among women. As a result, some of the new workers were entering the labor force and already had local housing. This acts to reduce the demand for housing associated with job growth. In earlier nexus analyses prepared by KMA, we would adjust the analysis to account for

this factor. However, increases in participation rates by women have stabilized, and even declined slightly, while labor force participation rates for men have been on a downward trajectory since 1970. As such, an adjustment for increase in labor force participation is no longer warranted in a nexus analysis.

E. Commuting

Workers in Rancho Cucamonga commute from locations throughout the San Bernardino County region. Nexus analyses sometimes make a downward adjustment to reflect the fact that an assumed portion of housing needs will be satisfied by other jurisdictions. Such an adjustment is not required for nexus purposes; all housing demand generated by a project may be included in the nexus. No adjustment for commuting has been reflected in the study.

F. Economic Cycles

A nexus analysis of this nature is intended to support the imposition of a one-time fee that addresses the impacts generated over the 40+ year life of a project. Short-term conditions, such as a recession or a vigorous boom period, are not appropriate bases for estimating impacts over the life of a building. These cycles can produce impacts that are higher or lower on a temporary basis.

Development of new workspace buildings tends to be minimal during a recession, and generally remains minimal until conditions improve or there is confidence that improved conditions are imminent. To the limited extent that new workspace buildings are built during a recession, housing impacts from these new buildings may not be fully experienced immediately. New buildings delivered during a recession can sometimes sit vacant for a period after completion. Even if new buildings are immediately occupied, the net absorption of space can still be zero or negative if other buildings are vacated in the process. Jobs added may also be filled in part by unemployed or underemployed workers who are already housed locally.

As the economy recovers, firms will begin to expand and hire again filling unoccupied space as unemployment is reduced. New space delivered during the recession still adds to the total supply of employment space in the region. Though the jobs are not realized immediately, as the economy recovers and vacant space is filled, this new employment space absorbs or accommodates job growth. Although there may be a delay in time, the fundamental relationship between new buildings, added jobs, and housing needs remains over the long term.

In contrast, during a vigorous economic boom period, conditions exist in which elevated impacts are experienced on a temporary basis. As an example, compression of employment densities can occur as firms add employees while making do with existing space. Compressed employment densities mean more jobs are added for a given amount of building area. Boom periods also tend to go hand-in-hand with rising development costs and increasing home prices. These factors can bring market rate housing out of reach for a larger percentage of the workforce and increase the cost of delivering affordable units.

G. Conservative Assumptions

KMA employed many conservative assumptions in the estimation of the total affordable housing nexus costs. As a result, the total affordable housing nexus costs identified in this study are significantly lower than the amounts that would have been derived if less conservative assumptions had been applied. These conservative assumptions can be summarized as follows:

1. The study only counts employees that are employed in the companies that occupy the new development. The development of new commercial space will also generate indirect jobs from the suppliers to the businesses located in the new workspace buildings, and induced jobs related to the local spending on goods and services by the direct employees.
2. The annual incomes for workers used in this analysis reflect full-time employment based on the California Employment Development Department's convention for reporting compensation information. Of course, many workers work less than full time; therefore, the annual compensation estimates used in the analysis are overstated, especially for retail/commercial uses, which tend to have a high number of part-time employees.
3. The conservative assumptions applied to the affordability gap analysis are:
 - a. The affordability gaps were estimated based on rents that are affordable to households at the top of each income range. If the mid-point of the income ranges had been used, the affordability gaps would have been larger, which would increase the resulting nexus costs.
 - b. The affordability gap analysis for Extremely Low, Very Low and Low Income households includes Tax-Exempt Multifamily Bonds and 4% Tax Credit financing. The inclusion of these outside leveraging sources reduces the affordability gap that would need to be filled by the city.

VI. MITIGATION FEE ACT FINDINGS

This section provides findings language consistent with the requirements of the Mitigation Fee Act as set forth in Government Code § 66000 et seq.

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

The purpose of the Non-Residential Linkage Fee is to fund construction of affordable housing to mitigate the increased demand for affordable housing from workers in newly developed workplace buildings.

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

Non-Residential Linkage Fees are used to increase the supply of housing affordable to qualifying Extremely Low, Very Low, Low and Moderate-Income households earning from 0% through 120% of median income.

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

The foregoing Non-Residential Nexus Study has demonstrated that there is a reasonable relationship between the use of the fee, which is to increase the supply of affordable housing in Rancho Cucamonga, and the development of new non-residential buildings which increases the need for affordable housing. Development of new non-residential buildings increases the number of jobs in Rancho Cucamonga. A share of the new workers in these new jobs will have household incomes that qualify as Extremely Low, Very Low, Low and Moderate Income and result in an increased need for affordable housing.

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

The analysis has demonstrated that there is a reasonable relationship between the development of non-residential workspace buildings in Rancho Cucamonga and the need for additional affordable units. Development of new workspace buildings accommodates additional jobs in Rancho Cucamonga. Five different non-residential development types were analyzed (Retail/Commercial, Office, Industrial, Warehouse and Research and Development). The number of jobs added in various types of new non-residential buildings is documented in Appendix A – Table 1. Based on household income levels for the new workers in these new

jobs, a significant share of the need is for housing affordable to Extremely Low, Very Low, Low and Moderate Income levels. The Non-Residential Nexus Study concludes that for every 100,000 square feet of new retail/commercial space, 75.8 incremental affordable units are needed. Similarly, for office, 80.0 affordable units are needed per 100,000 square feet of space developed, 62.5 for Industrial, 18.2 for Warehouse, and 25.9 for Research and Development.

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

There is a reasonable relationship between the amount of the fee and the cost of the needed affordable housing attributable to the new non-residential development. The nexus analysis has quantified the increased need for affordable units in relation to each type of new non-residential use being developed and determined maximum fee levels based on the cost of providing the needed affordable housing. Costs reflect the net subsidy required to produce the affordable units based on recent cost information for development of affordable housing in Rancho Cucamonga. Non-Residential Linkage Fees do not exceed the cost of providing the affordable housing that is attributable to the new development.

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

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

APPENDIX A

NON-RESIDENTIAL NEXUS STUDY

RANCHO CUCAMONGA, CALIFORNIA

APPENDIX A - TABLE 1
NET NEW HOUSEHOLDS AND OCCUPATION DISTRIBUTION BY BUILDING TYPE
NON-RESIDENTIAL NEXUS STUDY
RANCHO CUCAMONGA, CALIFORNIA

Per 100,000 SF of Building

	Retail / Commercial	Office	Industrial	Warehouse	Research and Development
Step 1 - Estimate of Number of Employees					
Employment Density (SF/Employee)	500	300	500	2,000	500
Number of Employees (100,000 SF Building)	200	333	200	50	200
Step 2 - Net New Employees after Declining Industries Adjustment (10%)	180	300	180	45	180
Step 3 - Adjustment for Number of Households (1.84)	98.1	163.5	98.1	24.5	98.1
Step 4 - Percent of Jobs by Occupation ⁽¹⁾					
Management Occupations	2.8%	9.3%	6.3%	2.4%	17.4%
Business and Financial Operations	0.7%	13.4%	4.3%	2.1%	10.7%
Computer and Mathematical	0.1%	7.6%	2.1%	0.6%	12.9%
Architecture and Engineering	0.0%	3.5%	3.7%	0.2%	13.9%
Life, Physical, and Social Science	0.0%	1.0%	0.6%	0.1%	25.5%
Community and Social Services	0.0%	0.9%	0.0%	0.0%	0.2%
Legal	0.0%	2.1%	0.1%	0.0%	0.6%
Education, Training, and Library	0.0%	0.3%	0.0%	0.0%	0.3%
Arts, Design, Entertainment, Sports, and Media	0.4%	1.7%	0.7%	0.1%	1.2%
Healthcare Practitioners and Technical	1.8%	11.3%	0.1%	0.0%	2.5%
Healthcare Support	0.3%	6.5%	0.0%	0.0%	0.9%
Protective Service	0.3%	0.8%	0.1%	0.7%	0.4%
Food Preparation and Serving Related	39.9%	0.5%	0.7%	0.0%	0.1%
Building and Grounds Cleaning and Maint.	0.4%	1.0%	0.4%	0.7%	0.3%
Personal Care and Service	2.8%	0.8%	0.0%	0.0%	0.2%
Sales and Related	30.9%	6.5%	10.5%	1.1%	1.7%
Office and Administrative Support	4.9%	27.0%	12.1%	12.4%	7.4%
Farming, Fishing, and Forestry	0.0%	0.0%	0.1%	0.0%	0.2%
Construction and Extraction	0.1%	0.5%	1.4%	0.1%	0.3%
Installation, Maintenance, and Repair	3.1%	3.3%	11.4%	2.6%	1.0%
Production	2.0%	0.9%	30.4%	1.9%	1.8%
Transportation and Material Moving	9.4%	1.3%	15.2%	74.9%	0.5%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%

APPENDIX A - TABLE 1
NET NEW HOUSEHOLDS AND OCCUPATION DISTRIBUTION BY BUILDING TYPE
NON-RESIDENTIAL NEXUS STUDY
RANCHO CUCAMONGA, CALIFORNIA

Per 100,000 SF of Building

Retail / Commercial	Office	Industrial	Warehouse	Research and Development
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APPENDIX A - TABLE 1, PAGE 2

Step 4 - Number of Jobs by Occupation⁽¹⁾

Management Occupations	2.7	15.1	6.2	0.6	17.1
Business and Financial Operations	0.7	21.9	4.2	0.5	10.5
Computer and Mathematical	0.1	12.4	2.1	0.2	12.6
Architecture and Engineering	0.0	5.8	3.6	0.0	13.7
Life, Physical, and Social Science	0.0	1.6	0.6	0.0	25.0
Community and Social Services	0.0	1.4	0.0	0.0	0.2
Legal	0.0	3.5	0.0	0.0	0.6
Education, Training, and Library	0.0	0.5	0.0	0.0	0.3
Arts, Design, Entertainment, Sports, and Media	0.4	2.7	0.7	0.0	1.1
Healthcare Practitioners and Technical	1.7	18.5	0.1	0.0	2.5
Healthcare Support	0.3	10.6	0.0	0.0	0.9
Protective Service	0.3	1.3	0.1	0.2	0.4
Food Preparation and Serving Related	39.1	0.8	0.6	0.0	0.1
Building and Grounds Cleaning and Maint.	0.4	1.6	0.4	0.2	0.3
Personal Care and Service	2.7	1.3	0.0	0.0	0.2
Sales and Related	30.3	10.7	10.3	0.3	1.7
Office and Administrative Support	4.8	44.1	11.8	3.0	7.3
Farming, Fishing, and Forestry	0.0	0.0	0.1	0.0	0.2
Construction and Extraction	0.1	0.8	1.4	0.0	0.2
Installation, Maintenance, and Repair	3.0	5.3	11.2	0.6	1.0
Production	2.0	1.4	29.8	0.5	1.8
Transportation and Material Moving	<u>9.2</u>	<u>2.2</u>	<u>14.9</u>	<u>18.4</u>	<u>0.5</u>
Totals	98.1	163.5	98.1	24.5	98.1

Notes:

(1) Appendices B - F contain additional information regarding worker occupation categories.

APPENDIX A - TABLE 2A
ESTIMATE OF QUALIFYING HOUSEHOLDS - EXTREMELY LOW INCOME
NON-RESIDENTIAL NEXUS STUDY
RANCHO CUCAMONGA, CALIFORNIA

Analysis for Households Earning up to 30% of Median

	<u>Retail / Commercial</u>	<u>Office</u>	<u>Industrial</u>	<u>Warehouse</u>	<u>Research and Development</u>
<i>Per 100,000 SF Building</i>					
Households Earning up to 30% of Median (Step 5, 6, & 7) ⁽¹⁾					
Management	0.02	0.02	-	-	-
Business and Financial Operations	-	0.33	0.07	0.01	0.16
Computer and Mathematical	-	0.07	0.01	-	0.03
Architecture and Engineering	-	0.06	0.00	-	0.00
Life, Physical and Social Science	-	-	-	-	0.13
Community and Social Services	-	-	-	-	-
Legal	-	0.04	-	-	-
Education Training and Library	-	-	-	-	-
Arts, Design, Entertainment, Sports, and Media	-	-	-	-	-
Healthcare Practitioners and Technical	-	0.04	-	-	0.02
Healthcare Support	-	0.16	-	-	-
Protective Service	-	-	-	-	-
Food Preparation and Serving Related	2.34	-	-	-	-
Building Grounds and Maintenance	-	-	-	-	-
Personal Care and Service	0.12	-	-	-	-
Sales and Related	1.17	0.30	0.20	-	-
Office and Admin	0.09	0.76	0.21	0.05	0.12
Farm, Fishing, and Forestry	-	-	-	-	-
Construction and Extraction	-	-	-	-	-
Installation Maintenance and Repair	0.03	0.07	0.15	0.00	-
Production	0.08	-	0.79	-	-
Transportation and Material Moving	0.33	-	0.49	0.55	-
HH earning up to 30% of Median - major occupations	4.18	1.84	1.93	0.62	0.46
HH earning up to 30% of Median - all other occupations	0.19	0.19	0.08	0.04	0.05
Total Households Earning up to 30% of Median	4.4	2.0	2.0	0.7	0.5

Notes:

(1) Appendices B - F contain additional information on worker occupation categories, compensation levels and estimated household incomes.

APPENDIX A - TABLE 2B
ESTIMATE OF QUALIFYING HOUSEHOLDS - VERY LOW INCOME
NON-RESIDENTIAL NEXUS STUDY
RANCHO CUCAMONGA, CALIFORNIA

Analysis for Households Earning 30% to 50% of Median

	Retail / Commercial	Office	Industrial	Warehouse	Research and Development
<i>Per 100,000 SF Building</i>					
Households Earning 30% to 50% of Median (Step 5, 6, & 7) ⁽¹⁾					
Management	0.05	0.06	-	-	-
Business and Financial Operations	-	0.90	0.20	0.02	0.48
Computer and Mathematical	-	0.19	0.04	-	0.07
Architecture and Engineering	-	0.22	0.01	-	0.02
Life, Physical and Social Science	-	-	-	-	0.31
Community and Social Services	-	-	-	-	-
Legal	-	0.10	-	-	-
Education Training and Library	-	-	-	-	-
Arts, Design, Entertainment, Sports, and Media	-	-	-	-	-
Healthcare Practitioners and Technical	-	0.22	-	-	0.08
Healthcare Support	-	1.25	-	-	-
Protective Service	-	-	-	-	-
Food Preparation and Serving Related	9.88	-	-	-	-
Building Grounds and Maintenance	-	-	-	-	-
Personal Care and Service	0.59	-	-	-	-
Sales and Related	6.19	1.30	0.86	-	-
Office and Admin	0.58	4.78	1.33	0.35	0.59
Farm, Fishing, and Forestry	-	-	-	-	-
Construction and Extraction	-	-	-	-	-
Installation Maintenance and Repair	0.25	0.36	0.75	0.04	-
Production	0.37	-	4.31	-	-
Transportation and Material Moving	1.68	-	2.41	2.99	-
HH earning 30% to 50% of Median - major occupations	19.58	9.38	9.91	3.39	1.56
HH earning 30% to 50% of Median - all other occupations	0.87	0.99	0.42	0.20	0.17
Total Households Earning 30% to 50% of Median	20.5	10.4	10.3	3.6	1.7

Notes:

(1) Appendices B - F contain additional information on worker occupation categories, compensation levels and estimated household incomes.

APPENDIX A - TABLE 2C
ESTIMATE OF QUALIFYING HOUSEHOLDS - LOW INCOME
NON-RESIDENTIAL NEXUS STUDY
RANCHO CUCAMONGA, CALIFORNIA

Analysis for Households Earning 50% to 80% of Median

	Retail / Commercial	Office	Industrial	Warehouse	Research and Development
<i>Per 100,000 SF Building</i>					
Households Earning 50% to 80% of Median (Step 5, 6, & 7) ⁽¹⁾					
Management	0.28	0.50	0.16	0.02	0.17
Business and Financial Operations	-	3.12	0.67	0.07	1.51
Computer and Mathematical	-	0.76	0.15	-	0.37
Architecture and Engineering	-	0.50	0.13	-	0.25
Life, Physical and Social Science	-	-	-	-	1.00
Community and Social Services	-	-	-	-	-
Legal	-	0.36	-	-	-
Education Training and Library	-	-	-	-	-
Arts, Design, Entertainment, Sports, and Media	-	-	-	-	-
Healthcare Practitioners and Technical	-	0.85	-	-	0.35
Healthcare Support	-	4.18	-	-	-
Protective Service	-	-	-	-	-
Food Preparation and Serving Related	12.09	-	-	-	-
Building Grounds and Maintenance	-	-	-	-	-
Personal Care and Service	0.94	-	-	-	-
Sales and Related	10.65	2.68	2.23	-	-
Office and Admin	1.75	15.73	4.30	1.16	2.21
Farm, Fishing, and Forestry	-	-	-	-	-
Construction and Extraction	-	-	-	-	-
Installation Maintenance and Repair	0.84	1.34	2.60	0.17	-
Production	0.72	-	10.83	-	-
Transportation and Material Moving	3.29	-	5.24	6.97	-
HH earning 50% to 80% of Median - major occupations	30.56	30.01	26.30	8.38	5.86
HH earning 50% to 80% of Median - all other occupations	1.36	3.17	1.12	0.50	0.62
Total Households Earning 50% to 80% of Median	31.9	33.2	27.4	8.9	6.5

Notes:

(1) Appendices B - F contain additional information on worker occupation categories, compensation levels and estimated household incomes.

APPENDIX A - TABLE 2D
ESTIMATE OF QUALIFYING HOUSEHOLDS - MODERATE INCOME
NON-RESIDENTIAL NEXUS STUDY
RANCHO CUCAMONGA, CALIFORNIA

Analysis for Households Earning 80% to 120% of Median

	Retail / Commercial	Office	Industrial	Warehouse	Research and Development
<i>Per 100,000 SF Building</i>					
Households Earning 80% to 120% of Median (Step 5, 6, & 7) ⁽¹⁾					
Management	0.62	2.21	0.95	0.10	1.40
Business and Financial Operations	-	5.99	1.20	0.15	2.88
Computer and Mathematical	-	2.43	0.43	-	2.18
Architecture and Engineering	-	1.12	0.80	-	2.30
Life, Physical and Social Science	-	-	-	-	4.31
Community and Social Services	-	-	-	-	-
Legal	-	0.53	-	-	-
Education Training and Library	-	-	-	-	-
Arts, Design, Entertainment, Sports, and Media	-	-	-	-	-
Healthcare Practitioners and Technical	-	1.55	-	-	0.43
Healthcare Support	-	2.30	-	-	-
Protective Service	-	-	-	-	-
Food Preparation and Serving Related	7.13	-	-	-	-
Building Grounds and Maintenance	-	-	-	-	-
Personal Care and Service	0.50	-	-	-	-
Sales and Related	5.80	2.59	2.46	-	-
Office and Admin	1.15	10.84	2.83	0.68	2.00
Farm, Fishing, and Forestry	-	-	-	-	-
Construction and Extraction	-	-	-	-	-
Installation Maintenance and Repair	0.81	1.55	3.34	0.18	-
Production	0.37	-	6.53	-	-
Transportation and Material Moving	1.83	-	3.25	3.66	-
HH earning 80% to 120% of Median - major occupations	18.21	31.12	21.80	4.76	15.51
HH earning 80% to 120% of Median - all other occupations	0.81	3.29	0.93	0.29	1.64
Total Households Earning 80% to 120% of Median	19.0	34.4	22.7	5.0	17.2

Notes:

(1) Appendices B - F contain additional information on worker occupation categories, compensation levels and estimated household incomes.

APPENDIX A - TABLE 3
WORKER HOUSEHOLDS BY AFFORDABILITY LEVEL
NON-RESIDENTIAL NEXUS STUDY
RANCHO CUCAMONGA, CALIFORNIA

<i>Per 100,000 S.F. Building</i>					
	Retail / Commercial	Office	Industrial	Warehouse	Research and Development
NUMBER OF HOUSEHOLDS BY INCOME TIER ⁽¹⁾					
Up to 30% Median Income	4.4	2.0	2.0	0.7	0.5
30% to 50% Median Income	20.5	10.4	10.3	3.6	1.7
50% to 80% Median Income	31.9	33.2	27.4	8.9	6.5
80% to 120% Median Income	19.0	34.4	22.7	5.0	17.2
Subtotal to 120% of Median	75.8	80.0	62.5	18.2	25.9
Above 120% of Median	22.3	83.5	35.6	6.3	72.2
Total New Worker Households	98.1	163.5	98.1	24.5	98.1
PERCENTAGE OF HOUSEHOLDS BY INCOME TIER					
Up to 30% Median Income	4.5%	1.2%	2.0%	2.7%	0.5%
30% to 50% Median Income	20.9%	6.3%	10.5%	14.7%	1.8%
50% to 80% Median Income	32.5%	20.3%	28.0%	36.2%	6.6%
80% to 120% Median Income	19.4%	21.0%	23.2%	20.6%	17.5%
Subtotal to 120% of Median	77.2%	48.9%	63.7%	74.1%	26.4%
Above 120% of Median	22.8%	51.1%	36.3%	25.9%	73.6%
Total	100%	100%	100%	100%	100%

Notes:
(1) See Appendices B - G for information regarding worker compensation levels and estimated household incomes.

APPENDIX A - TABLE 4
HOUSING DEMAND NEXUS FACTORS PER SQ.FT. OF BUILDING AREA
NON-RESIDENTIAL NEXUS STUDY
RANCHO CUCAMONGA, CALIFORNIA

	Number of Housing Units per Square Foot of Building Area⁽¹⁾				
	Retail / Commercial	Office	Industrial	Warehouse	Research and Development
Up to 30% Median Income	0.00004369	0.00002040	0.00002010	0.00000655	0.00000511
30% to 50% Median Income	0.00020451	0.00010370	0.00010336	0.00003598	0.00001724
50% to 80% Median Income	0.00031916	0.00033179	0.00027427	0.00008881	0.00006482
80% to 120% Median Income	0.00019019	0.00034409	0.00022727	0.00005048	0.00017151
Total	0.00075755	0.00079999	0.00062499	0.00018181	0.00025868

Notes:

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

APPENDIX A - TABLE 5
TOTAL HOUSING NEXUS COST
NON-RESIDENTIAL NEXUS STUDY
RANCHO CUCAMONGA, CALIFORNIA

INCOME CATEGORY	Affordability Gap Per Unit ¹	Nexus Cost Per Sq.Ft. of Building Area ²				
		Retail / Commercial	Office	Industrial	Warehouse	Research and Development
Up to 30% Median Income	\$272,700	\$11.90	\$5.60	\$5.50	\$1.80	\$1.40
30% to 50% Median Income	\$219,300	\$44.80	\$22.70	\$22.70	\$7.90	\$3.80
50% to 80% Median Income	\$192,600	\$61.50	\$63.90	\$52.80	\$17.10	\$12.50
80% to 120% Median Income	\$205,600	\$39.10	\$70.70	\$46.70	\$10.40	\$35.30
Total Mitigation Cost / Maximum Supported Fee		\$157.30	\$162.90	\$127.70	\$37.20	\$53.00

Notes:

¹ See Appendix H for supporting analysis.

² Calculated by multiplying housing demand factors from Table 4 by the affordability gap per unit estimated in Appendix H.

APPENDICES B - F

OCCUPATION AND COMPENSATION TABLES

NON-RESIDENTIAL NEXUS STUDY

RANCHO CUCAMONGA, CALIFORNIA

APPENDIX B - TABLE 1
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2020
RETAIL/COMMERCIAL WORKERS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

	<div>Worker Occupation Distribution</div> <div>Retail</div>
Major Occupations (2% or more)	
Management Occupations	2.8%
Food Preparation and Serving Related Occupations	39.9%
Personal Care and Service Occupations	2.8%
Sales and Related Occupations	30.9%
Office and Administrative Support Occupations	4.9%
Installation, Maintenance, and Repair Occupations	3.1%
Production Occupations	2.0%
Transportation and Material Moving Occupations	9.4%
All Other Worker Occupations - Retail	<u>4.3%</u>
TOTAL	100.0%

APPENDIX B - TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021
RETAIL/COMMERCIAL WORKER OCCUPATIONS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Retail Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 2						
<i>Management Occupations</i>						
General and Operations Managers	\$120,600	\$128,000	\$184,000	\$195,000	55.3%	1.5%
Sales Managers	\$121,300	\$129,000	\$185,000	\$196,000	9.6%	0.3%
Food Service Managers	\$57,400	\$65,000	\$110,000	\$128,000	24.5%	0.7%
Other Management Occupations	<u>\$103,300</u>	<u>\$110,000</u>	<u>\$158,000</u>	<u>\$167,000</u>	<u>10.5%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$103,300	\$111,000	\$163,000	\$176,000	100.0%	2.8%
<i>Food Preparation and Serving Related Occupations</i>						
First-Line Supervisors of Food Preparation and Serving Workers	\$42,500	\$50,000	\$87,000	\$107,000	8.2%	3.3%
Cooks, Fast Food	\$30,000	\$38,000	\$70,000	\$91,000	6.1%	2.4%
Cooks, Restaurant	\$32,600	\$41,000	\$76,000	\$99,000	11.0%	4.4%
Food Preparation Workers	\$31,400	\$39,000	\$73,000	\$96,000	6.4%	2.6%
Bartenders	\$30,800	\$39,000	\$72,000	\$94,000	3.2%	1.3%
Fast Food and Counter Workers	\$31,700	\$40,000	\$74,000	\$96,000	34.1%	13.6%
Waiters and Waitresses	\$30,500	\$38,000	\$71,000	\$93,000	18.6%	7.4%
Dining Room and Cafeteria Attendants and Bartender Helpers	\$30,000	\$38,000	\$70,000	\$91,000	2.7%	1.1%
Dishwashers	\$29,800	\$39,000	\$76,000	\$106,000	3.5%	1.4%
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$30,000	\$38,000	\$70,000	\$91,000	3.2%	1.3%
Other Food Preparation and Serving Related Occupations	<u>\$32,200</u>	<u>\$40,000</u>	<u>\$75,000</u>	<u>\$98,000</u>	<u>2.9%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$32,200	\$40,000	\$74,000	\$96,000	100.0%	39.9%
<i>Personal Care and Service Occupations</i>						
Supervisors of Personal Service and Entertainment and Rec Workers	\$48,700	\$57,000	\$100,000	\$122,000	6.0%	0.2%
Animal Caretakers	\$33,200	\$42,000	\$77,000	\$101,000	8.3%	0.2%
Amusement and Recreation Attendants	\$31,200	\$39,000	\$72,000	\$95,000	2.4%	0.1%
Funeral Attendants	\$38,800	\$49,000	\$90,000	\$118,000	2.7%	0.1%
Morticians, Undertakers, and Funeral Arrangers	\$56,400	\$64,000	\$109,000	\$126,000	2.1%	0.1%
Barbers	\$33,700	\$42,000	\$78,000	\$103,000	2.0%	0.1%
Hairdressers, Hairstylists, and Cosmetologists	\$33,700	\$42,000	\$78,000	\$103,000	38.5%	1.1%
Manicurists and Pedicurists	\$30,000	\$38,000	\$70,000	\$91,000	9.8%	0.3%
Skincare Specialists	\$38,200	\$48,000	\$89,000	\$116,000	4.8%	0.1%
Exercise Trainers and Group Fitness Instructors	\$44,500	\$52,000	\$91,000	\$112,000	4.7%	0.1%
Other Personal Care and Service Occupations	<u>\$35,900</u>	<u>\$45,000</u>	<u>\$83,000</u>	<u>\$109,000</u>	<u>18.7%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$35,900	\$44,000	\$81,000	\$106,000	100.0%	2.8%
<i>Sales and Related Occupations</i>						
First-Line Supervisors of Retail Sales Workers	\$53,900	\$61,000	\$104,000	\$121,000	11.9%	3.7%
Cashiers	\$32,800	\$41,000	\$76,000	\$100,000	34.9%	10.8%
Counter and Rental Clerks	\$41,600	\$49,000	\$85,000	\$104,000	2.4%	0.7%
Parts Salespersons	\$41,700	\$49,000	\$85,000	\$105,000	2.7%	0.8%
Retail Salespersons	\$35,500	\$45,000	\$82,000	\$108,000	44.1%	13.7%
Other Sales and Related Occupations	<u>\$37,100</u>	<u>\$47,000</u>	<u>\$86,000</u>	<u>\$113,000</u>	<u>4.0%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$37,100	\$46,000	\$83,000	\$107,000	100.0%	30.9%

APPENDIX B - TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021
RETAIL/COMMERCIAL WORKER OCCUPATIONS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Retail Workers
		One Worker	Two Workers	Three+ Workers		
Page 2 of 2						
<i>Office and Administrative Support Occupations</i>						
First-Line Supervisors of Office and Admin Support Workers	\$63,300	\$71,000	\$110,000	\$125,000	7.8%	0.4%
Bookkeeping, Accounting, and Auditing Clerks	\$47,800	\$56,000	\$98,000	\$120,000	11.3%	0.6%
Customer Service Representatives	\$42,000	\$49,000	\$86,000	\$105,000	27.9%	1.4%
Receptionists and Information Clerks	\$33,900	\$43,000	\$79,000	\$103,000	7.9%	0.4%
Shipping, Receiving, and Inventory Clerks	\$37,900	\$48,000	\$88,000	\$115,000	9.0%	0.4%
Secretaries and Admin Assistants, Except Legal, Medical	\$44,800	\$53,000	\$92,000	\$112,000	5.9%	0.3%
Office Clerks, General	\$40,000	\$47,000	\$82,000	\$100,000	16.5%	0.8%
Other Office and Administrative Support Occupations	<u>\$43,300</u>	<u>\$51,000</u>	<u>\$89,000</u>	<u>\$109,000</u>	<u>13.8%</u>	<u>0.7%</u>
Weighted Mean Annual Wage	\$43,300	\$51,000	\$89,000	\$109,000	100.0%	4.9%
<i>Installation, Maintenance, and Repair Occupations</i>						
First-Line Supervisors of Mechanics, Installers, and Repairers	\$84,900	\$91,000	\$138,000	\$153,000	7.9%	0.2%
Computer, Automated Teller, and Office Machine Repairers	\$43,800	\$51,000	\$90,000	\$110,000	2.8%	0.1%
Automotive Body and Related Repairers	\$46,500	\$55,000	\$95,000	\$117,000	3.5%	0.1%
Automotive Service Technicians and Mechanics	\$51,200	\$58,000	\$99,000	\$115,000	41.2%	1.3%
Tire Repairers and Changers	\$34,200	\$43,000	\$79,000	\$104,000	11.7%	0.4%
Maintenance and Repair Workers, General	\$48,800	\$57,000	\$100,000	\$123,000	7.8%	0.2%
Installation, Maintenance, and Repair Workers, All Other	\$44,200	\$52,000	\$90,000	\$111,000	2.6%	0.1%
Other Installation, Maintenance, and Repair Occupations	<u>\$51,100</u>	<u>\$58,000</u>	<u>\$98,000</u>	<u>\$114,000</u>	<u>22.5%</u>	<u>0.7%</u>
Weighted Mean Annual Wage	\$51,100	\$58,000	\$99,000	\$117,000	100.0%	3.1%
<i>Production Occupations</i>						
First-Line Supervisors of Production and Operating Workers	\$69,300	\$78,000	\$121,000	\$136,000	6.8%	0.1%
Miscellaneous Assemblers and Fabricators	\$33,800	\$42,000	\$78,000	\$103,000	3.8%	0.1%
Bakers	\$34,400	\$43,000	\$80,000	\$105,000	17.1%	0.3%
Butchers and Meat Cutters	\$38,400	\$48,000	\$89,000	\$117,000	20.7%	0.4%
Meat, Poultry, and Fish Cutters and Trimmers	\$30,800	\$39,000	\$72,000	\$94,000	2.8%	0.1%
Food Batchmakers	\$36,000	\$45,000	\$84,000	\$110,000	2.2%	0.0%
Laundry and Dry-Cleaning Workers	\$31,400	\$39,000	\$73,000	\$96,000	17.6%	0.4%
Pressers, Textile, Garment, and Related Materials	\$30,600	\$38,000	\$71,000	\$93,000	5.5%	0.1%
Tailors, Dressmakers, and Custom Sewers	\$37,400	\$47,000	\$87,000	\$114,000	3.5%	0.1%
Inspectors, Testers, Sorters, Samplers, and Weighers	\$43,100	\$51,000	\$88,000	\$108,000	2.6%	0.1%
Other Production Occupations	<u>\$37,700</u>	<u>\$47,000</u>	<u>\$88,000</u>	<u>\$115,000</u>	<u>17.5%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$37,700	\$46,000	\$85,000	\$109,000	100.0%	2.0%
<i>Transportation and Material Moving Occupations</i>						
First-Line Supervisors of Transportation & Material Moving Workers	\$61,800	\$69,000	\$108,000	\$122,000	3.0%	0.3%
Driver/Sales Workers	\$38,000	\$48,000	\$88,000	\$116,000	11.7%	1.1%
Light Truck Drivers	\$47,800	\$56,000	\$98,000	\$120,000	10.6%	1.0%
Automotive and Watercraft Service Attendants	\$35,000	\$44,000	\$81,000	\$106,000	2.0%	0.2%
Cleaners of Vehicles and Equipment	\$32,700	\$41,000	\$76,000	\$99,000	4.8%	0.5%
Laborers and Freight, Stock, and Material Movers, Hand	\$36,500	\$46,000	\$85,000	\$111,000	8.7%	0.8%
Packers and Packagers, Hand	\$30,500	\$38,000	\$71,000	\$93,000	4.2%	0.4%
Stockers and Order Fillers	\$35,200	\$44,000	\$82,000	\$107,000	46.6%	4.4%
Other Transportation and Material Moving Occupations	<u>\$37,700</u>	<u>\$47,000</u>	<u>\$88,000</u>	<u>\$115,000</u>	<u>8.3%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$37,700	\$47,000	\$85,000	\$110,000	100.0%	9.4%
						95.7%

APPENDIX B - TABLE 2**AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021****RETAIL/COMMERCIAL WORKER OCCUPATIONS****NON-RESIDENTIAL NEXUS STUDY****CITY OF RANCHO CUCAMONGA**

Occupation ³	2021 Avg.	Household Income Estimate ⁴			% of Total	% of Total
	Worker	One	Two	Three+	Occupation	Retail
	<u>Compensation¹</u>	<u>Worker</u>	<u>Workers</u>	<u>Workers</u>	<u>Group ²</u>	<u>Workers</u>

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

² Occupation percentages are based on the 2020 National Industry - Specific Occupational Employment Survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Bernardino County as of 2020 and are adjusted by EDD to the first quarter of 2021.

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

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Appendix G - Table 1.

APPENDIX C - TABLE 1
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2020
OFFICE WORKERS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

	<div>Worker Occupation Distribution</div> <div>Office</div>
Major Occupations (2% or more)	
Management Occupations	9.3%
Business and Financial Operations Occupations	13.4%
Computer and Mathematical Occupations	7.6%
Architecture and Engineering Occupations	3.5%
Legal Occupations	2.1%
Healthcare Practitioners and Technical Occupations	11.3%
Healthcare Support Occupations	6.5%
Sales and Related Occupations	6.5%
Office and Administrative Support Occupations	27.0%
Installation, Maintenance, and Repair Occupations	3.3%
All Other Worker Occupations - Office	<u>9.6%</u>
TOTAL	100.0%

APPENDIX C - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021

OFFICE WORKER OCCUPATIONS

NON-RESIDENTIAL NEXUS STUDY

CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴ One Worker	Two Workers	Three+ Workers	% of Total Occupation Group ²	% of Total Office Workers
Page 1 of 4						
<i>Management Occupations</i>						
Chief Executives	\$206,700	\$219,000	\$278,000	\$285,000	2.9%	0.3%
General and Operations Managers	\$120,600	\$128,000	\$184,000	\$195,000	26.6%	2.5%
Marketing Managers	\$132,100	\$142,000	\$191,000	\$199,000	5.1%	0.5%
Sales Managers	\$121,300	\$129,000	\$185,000	\$196,000	4.3%	0.4%
Administrative Services and Facilities Managers	\$105,100	\$112,000	\$161,000	\$170,000	4.0%	0.4%
Computer and Information Systems Managers	\$141,200	\$152,000	\$204,000	\$213,000	8.6%	0.8%
Financial Managers	\$131,300	\$141,000	\$190,000	\$198,000	13.7%	1.3%
Human Resources Managers	\$121,800	\$130,000	\$186,000	\$197,000	2.5%	0.2%
Architectural and Engineering Managers	\$163,300	\$173,000	\$219,000	\$225,000	3.0%	0.3%
Medical and Health Services Managers	\$131,400	\$141,000	\$190,000	\$198,000	5.4%	0.5%
Property, Real Estate, and Community Association Managers	\$77,800	\$87,000	\$136,000	\$153,000	10.3%	1.0%
Personal Service Managers; Entertainment and Recr Managers	\$119,600	\$127,000	\$183,000	\$193,000	5.5%	0.5%
Other Management Occupations	<u>\$124,000</u>	<u>\$132,000</u>	<u>\$189,000</u>	<u>\$200,000</u>	<u>8.2%</u>	<u>0.8%</u>
Weighted Mean Annual Wage	\$124,000	\$133,000	\$186,000	\$196,000	100.0%	9.3%
<i>Business and Financial Operations Occupations</i>						
Buyers and Purchasing Agents	\$63,500	\$71,000	\$111,000	\$125,000	2.2%	0.3%
Claims Adjusters, Examiners, and Investigators	\$81,600	\$87,000	\$133,000	\$147,000	4.4%	0.6%
Compliance Officers	\$76,700	\$86,000	\$134,000	\$151,000	2.5%	0.3%
Human Resources Specialists	\$68,700	\$77,000	\$120,000	\$135,000	6.0%	0.8%
Management Analysts	\$87,700	\$94,000	\$143,000	\$158,000	10.7%	1.4%
Training and Development Specialists	\$70,400	\$79,000	\$123,000	\$139,000	3.0%	0.4%
Market Research Analysts and Marketing Specialists	\$56,600	\$65,000	\$109,000	\$127,000	9.4%	1.3%
Project Management and Business Operations Specialists	\$74,300	\$83,000	\$130,000	\$146,000	14.1%	1.9%
Accountants and Auditors	\$76,200	\$85,000	\$133,000	\$150,000	19.2%	2.6%
Loan Officers	\$81,600	\$87,000	\$133,000	\$147,000	6.6%	0.9%
Financial and Investment Analysts	\$79,600	\$89,000	\$139,000	\$157,000	5.7%	0.8%
Other Business and Financial Operations Occupations	<u>\$75,000</u>	<u>\$84,000</u>	<u>\$131,000</u>	<u>\$148,000</u>	<u>16.3%</u>	<u>2.2%</u>
Weighted Mean Annual Wage	\$75,000	\$83,000	\$130,000	\$146,000	100.0%	13.4%
<i>Computer and Mathematical Occupations</i>						
Computer Systems Analysts	\$92,000	\$98,000	\$150,000	\$166,000	13.4%	1.0%
Information Security Analysts	\$125,000	\$134,000	\$181,000	\$189,000	3.7%	0.3%
Computer Network Support Specialists	\$65,500	\$73,000	\$114,000	\$129,000	4.2%	0.3%
Computer User Support Specialists	\$63,000	\$71,000	\$110,000	\$124,000	12.3%	0.9%
Computer Network Architects	\$117,900	\$126,000	\$180,000	\$190,000	4.1%	0.3%
Network and Computer Systems Administrators	\$91,800	\$98,000	\$149,000	\$165,000	7.3%	0.6%
Database Administrators and Architects	\$103,500	\$110,000	\$158,000	\$167,000	2.9%	0.2%
Computer Programmers	\$92,500	\$99,000	\$150,000	\$167,000	3.9%	0.3%
Software Developers and Software Quality Assurance Analysts	\$104,600	\$111,000	\$160,000	\$169,000	32.6%	2.5%
Web Developers and Digital Interface Designers	\$69,400	\$78,000	\$121,000	\$137,000	3.3%	0.2%
Computer Occupations, All Other	\$83,000	\$89,000	\$135,000	\$149,000	6.6%	0.5%
Operations Research Analysts	\$92,800	\$99,000	\$151,000	\$167,000	2.0%	0.2%
Other Computer and Mathematical Occupations	<u>\$92,800</u>	<u>\$99,000</u>	<u>\$151,000</u>	<u>\$167,000</u>	<u>3.7%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$92,800	\$100,000	\$147,000	\$160,000	100.0%	7.6%

APPENDIX C - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021

OFFICE WORKER OCCUPATIONS

NON-RESIDENTIAL NEXUS STUDY

CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴ One Worker	Two Workers	Three+ Workers	% of Total Occupation Group ²	% of Total Office Workers
<i>Architecture and Engineering Occupations</i>						
Architects, Except Landscape and Naval	\$29,100	\$38,000	\$74,000	\$104,000	10.2%	0.4%
Surveyors	\$96,300	\$103,000	\$156,000	\$173,000	3.7%	0.1%
Civil Engineers	\$116,700	\$124,000	\$178,000	\$188,000	18.9%	0.7%
Electrical Engineers	\$102,300	\$109,000	\$156,000	\$165,000	6.3%	0.2%
Electronics Engineers, Except Computer	\$117,600	\$125,000	\$180,000	\$190,000	4.5%	0.2%
Environmental Engineers	\$106,000	\$113,000	\$162,000	\$171,000	2.7%	0.1%
Industrial Engineers	\$84,000	\$90,000	\$137,000	\$151,000	4.0%	0.1%
Mechanical Engineers	\$92,600	\$99,000	\$150,000	\$167,000	8.9%	0.3%
Engineers, All Other	\$99,600	\$106,000	\$162,000	\$179,000	4.1%	0.1%
Architectural and Civil Drafters	\$57,400	\$65,000	\$110,000	\$128,000	8.4%	0.3%
Civil Engineering Technologists and Technicians	\$63,900	\$72,000	\$111,000	\$126,000	3.6%	0.1%
Electrical and Electronic Engineering Technologists	\$76,700	\$86,000	\$134,000	\$151,000	2.6%	0.1%
Surveying and Mapping Technicians	\$57,600	\$66,000	\$111,000	\$129,000	4.0%	0.1%
Calibration and Engineering Technologists, Technicians	\$81,600	\$87,000	\$133,000	\$147,000	2.3%	0.1%
Other Architecture and Engineering Occupations	<u>\$85,700</u>	<u>\$91,000</u>	<u>\$139,000</u>	<u>\$154,000</u>	<u>15.9%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$85,700	\$93,000	\$141,000	\$156,000	100.0%	3.5%
<i>Legal Occupations</i>						
Lawyers	\$168,500	\$179,000	\$226,000	\$232,000	57.8%	1.2%
Paralegals and Legal Assistants	\$62,400	\$70,000	\$109,000	\$123,000	33.6%	0.7%
Title Examiners, Abstractors, and Searchers	\$55,400	\$63,000	\$107,000	\$124,000	6.0%	0.1%
Legal Support Workers, All Other	\$57,300	\$65,000	\$110,000	\$128,000	2.0%	0.0%
Other Legal Occupations	<u>\$123,500</u>	<u>\$132,000</u>	<u>\$189,000</u>	<u>\$199,000</u>	<u>0.6%</u>	<u>0.0%</u>
Weighted Mean Annual Wage	\$123,500	\$133,000	\$177,000	\$187,000	100.0%	2.1%
<i>Healthcare Practitioners and Technical Occupations</i>						
Dentists, General	\$179,900	\$191,000	\$242,000	\$248,000	6.6%	0.7%
Physician Assistants	\$142,100	\$153,000	\$206,000	\$215,000	3.5%	0.4%
Physical Therapists	\$105,800	\$113,000	\$162,000	\$171,000	3.7%	0.4%
Veterinarians	\$144,400	\$155,000	\$209,000	\$218,000	2.1%	0.2%
Registered Nurses	\$112,100	\$119,000	\$171,000	\$181,000	11.9%	1.3%
Nurse Practitioners	\$149,000	\$160,000	\$216,000	\$225,000	5.4%	0.6%
Family Medicine Physicians	\$263,600	\$277,000	\$316,000	\$328,000	3.4%	0.4%
Physicians, All Other; and Ophthalmologists, Except Pediatric	\$216,300	\$230,000	\$290,000	\$298,000	9.2%	1.0%
Dental Hygienists	\$114,300	\$122,000	\$175,000	\$184,000	13.9%	1.6%
Radiologic Technologists and Technicians	\$86,300	\$92,000	\$140,000	\$155,000	2.1%	0.2%
Veterinary Technologists and Technicians	\$39,600	\$50,000	\$92,000	\$120,000	3.2%	0.4%
Ophthalmic Medical Technicians	\$43,000	\$50,000	\$88,000	\$108,000	2.5%	0.3%
Licensed Practical and Licensed Vocational Nurses	\$63,500	\$71,000	\$111,000	\$125,000	4.7%	0.5%
Dosimetrists, Records Specialists, and Health Technologists	\$52,900	\$60,000	\$102,000	\$118,000	4.6%	0.5%
Other Healthcare Practitioners and Technical Occupations	<u>\$129,500</u>	<u>\$139,000</u>	<u>\$187,000</u>	<u>\$196,000</u>	<u>23.4%</u>	<u>2.6%</u>
Weighted Mean Annual Wage	\$129,500	\$139,000	\$189,000	\$199,000	100.0%	11.3%

APPENDIX C - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021

OFFICE WORKER OCCUPATIONS

NON-RESIDENTIAL NEXUS STUDY

CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴ One Worker	Two Workers	Three+ Workers	% of Total Occupation Group ²	% of Total Office Workers
<i>Healthcare Support Occupations</i>						
Nursing Assistants	\$38,000	\$48,000	\$88,000	\$116,000	2.1%	0.1%
Physical Therapist Assistants	\$67,500	\$76,000	\$118,000	\$133,000	3.2%	0.2%
Physical Therapist Aides	\$35,600	\$45,000	\$83,000	\$108,000	2.2%	0.1%
Massage Therapists	\$50,800	\$58,000	\$98,000	\$114,000	2.1%	0.1%
Dental Assistants	\$41,500	\$49,000	\$85,000	\$104,000	37.5%	2.4%
Medical Assistants	\$39,000	\$49,000	\$91,000	\$119,000	40.9%	2.6%
Veterinary Assistants and Laboratory Animal Caretakers	\$36,000	\$45,000	\$84,000	\$110,000	5.0%	0.3%
Other Healthcare Support Occupations	<u>\$41,000</u>	<u>\$48,000</u>	<u>\$84,000</u>	<u>\$103,000</u>	<u>7.1%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$41,000	\$50,000	\$89,000	\$112,000	100.0%	6.5%
<i>Sales and Related Occupations</i>						
First-Line Supervisors of Non-Retail Sales Workers	\$72,200	\$81,000	\$126,000	\$142,000	4.2%	0.3%
Counter and Rental Clerks	\$41,600	\$49,000	\$85,000	\$104,000	8.9%	0.6%
Retail Salespersons	\$35,500	\$45,000	\$82,000	\$108,000	2.8%	0.2%
Insurance Sales Agents	\$68,400	\$77,000	\$119,000	\$135,000	19.6%	1.3%
Securities, Commodities, Financial Services Sales Agents	\$65,900	\$74,000	\$115,000	\$130,000	12.6%	0.8%
Sales Representatives of Services	\$66,900	\$75,000	\$117,000	\$132,000	20.3%	1.3%
Sales Reps, Wholesale & Manufacturing, Technical	\$104,400	\$111,000	\$159,000	\$168,000	2.1%	0.1%
Sales Reps, Wholesale & Manufacturing, Non-Technical	\$74,800	\$84,000	\$130,000	\$147,000	3.5%	0.2%
Real Estate Brokers	\$29,100	\$38,000	\$74,000	\$104,000	3.1%	0.2%
Real Estate Sales Agents	\$29,100	\$38,000	\$74,000	\$104,000	10.7%	0.7%
Telemarketers	\$33,600	\$42,000	\$78,000	\$102,000	3.1%	0.2%
Other Sales and Related Occupations	<u>\$58,200</u>	<u>\$66,000</u>	<u>\$112,000</u>	<u>\$130,000</u>	<u>8.9%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$58,200	\$66,000	\$107,000	\$126,000	100.0%	6.5%
<i>Office and Administrative Support Occupations</i>						
First-Line Supervisors of Office and Admin Support Workers	\$63,300	\$71,000	\$110,000	\$125,000	8.5%	2.3%
Billing and Posting Clerks	\$40,200	\$47,000	\$82,000	\$101,000	4.8%	1.3%
Bookkeeping, Accounting, and Auditing Clerks	\$47,800	\$56,000	\$98,000	\$120,000	8.0%	2.2%
Tellers	\$37,600	\$47,000	\$87,000	\$114,000	5.2%	1.4%
Customer Service Representatives	\$42,000	\$49,000	\$86,000	\$105,000	16.2%	4.4%
Loan Interviewers and Clerks	\$48,000	\$56,000	\$98,000	\$121,000	2.2%	0.6%
Receptionists and Information Clerks	\$33,900	\$43,000	\$79,000	\$103,000	10.5%	2.8%
Executive Secretaries and Executive Administrative Assistants	\$67,800	\$76,000	\$118,000	\$133,000	2.4%	0.6%
Medical Secretaries and Administrative Assistants	\$42,300	\$50,000	\$86,000	\$106,000	7.5%	2.0%
Secretaries/Admin Assistants, Except Legal/Med./Exec	\$44,800	\$53,000	\$92,000	\$112,000	7.3%	2.0%
Insurance Claims and Policy Processing Clerks	\$47,900	\$56,000	\$98,000	\$120,000	2.5%	0.7%
Office Clerks, General	\$40,000	\$47,000	\$82,000	\$100,000	11.8%	3.2%
Other Office and Administrative Support Occupations	<u>\$44,300</u>	<u>\$52,000</u>	<u>\$91,000</u>	<u>\$111,000</u>	<u>13.1%</u>	<u>3.5%</u>
Weighted Mean Annual Wage	\$44,300	\$52,000	\$90,000	\$110,000	100.0%	27.0%

APPENDIX C - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021

OFFICE WORKER OCCUPATIONS

NON-RESIDENTIAL NEXUS STUDY

CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴ One Worker	Two Workers	Three+ Workers	% of Total Occupation Group ²	% of Total Office Workers
<i>Installation, Maintenance, and Repair Occupations</i>						
First-Line Supervisors of Mechanics, Installers, and Repairers	\$84,900	\$91,000	\$138,000	\$153,000	8.5%	0.3%
Telecom Equipment Installers/Repairers, Except Line Installers	\$58,300	\$66,000	\$112,000	\$130,000	15.1%	0.5%
Telecommunications Line Installers and Repairers	\$64,700	\$72,000	\$113,000	\$127,000	9.0%	0.3%
Maintenance and Repair Workers, General	\$48,800	\$57,000	\$100,000	\$123,000	58.1%	1.9%
Other Installation, Maintenance, and Repair Occupations	<u>\$55,400</u>	<u>\$63,000</u>	<u>\$107,000</u>	<u>\$124,000</u>	<u>9.3%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$55,400	\$63,000	\$107,000	\$127,000	100.0%	3.3%

90.4%

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

² Occupation percentages are based on the 2020 National Industry - Specific Occupational Employment Survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Bernardino County as of 2020 and are adjusted by EDD to the first quarter of 2021.

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

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Appendix G - Table 1.

APPENDIX D - TABLE 1
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2020
INDUSTRIAL WORKERS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

	Worker Occupation Distribution Industrial
Major Occupations (2% or more)	
Management Occupations	6.3%
Business and Financial Operations Occupations	4.3%
Computer and Mathematical Occupations	2.1%
Architecture and Engineering Occupations	3.7%
Sales and Related Occupations	10.5%
Office and Administrative Support Occupations	12.1%
Installation, Maintenance, and Repair Occupations	11.4%
Production Occupations	30.4%
Transportation and Material Moving Occupations	15.2%
All Other Worker Occupations - Industrial	<u>4.1%</u>
TOTAL	100.0%

APPENDIX D - TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021
INDUSTRIAL WORKER OCCUPATIONS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Industrial Workers
Occupation ³		One Worker	Two Workers	Three+ Workers		
Page 1 of 3						
Management Occupations						
Chief Executives	\$206,700	\$219,000	\$278,000	\$285,000	2.2%	0.1%
General and Operations Managers	\$120,600	\$128,000	\$184,000	\$195,000	44.6%	2.8%
Marketing Managers	\$132,100	\$142,000	\$191,000	\$199,000	3.6%	0.2%
Sales Managers	\$121,300	\$129,000	\$185,000	\$196,000	10.0%	0.6%
Administrative Services and Facilities Managers	\$105,100	\$112,000	\$161,000	\$170,000	2.8%	0.2%
Computer and Information Systems Managers	\$141,200	\$152,000	\$204,000	\$213,000	3.5%	0.2%
Financial Managers	\$131,300	\$141,000	\$190,000	\$198,000	5.4%	0.3%
Industrial Production Managers	\$110,300	\$117,000	\$168,000	\$178,000	10.6%	0.7%
Purchasing Managers	\$128,700	\$138,000	\$186,000	\$194,000	2.0%	0.1%
Transportation, Storage, and Distribution Managers	\$99,400	\$106,000	\$162,000	\$179,000	2.8%	0.2%
Architectural and Engineering Managers	\$163,300	\$173,000	\$219,000	\$225,000	4.7%	0.3%
Personal Service & Entertainment Managers, Except Gambling	\$119,600	\$127,000	\$183,000	\$193,000	3.7%	0.2%
Other Management Occupations	<u>\$124,500</u>	<u>\$133,000</u>	<u>\$190,000</u>	<u>\$201,000</u>	<u>4.2%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$124,500	\$132,000	\$186,000	\$197,000	100.0%	6.3%
Business and Financial Operations Occupations						
Buyers and Purchasing Agents	\$63,500	\$71,000	\$111,000	\$125,000	18.7%	0.8%
Compliance Officers	\$76,700	\$86,000	\$134,000	\$151,000	2.5%	0.1%
Cost Estimators	\$71,200	\$80,000	\$124,000	\$140,000	8.1%	0.4%
Human Resources Specialists	\$68,700	\$77,000	\$120,000	\$135,000	8.0%	0.3%
Logisticians	\$80,800	\$86,000	\$131,000	\$145,000	6.0%	0.3%
Management Analysts	\$87,700	\$94,000	\$143,000	\$158,000	4.1%	0.2%
Training and Development Specialists	\$70,400	\$79,000	\$123,000	\$139,000	3.4%	0.1%
Market Research Analysts and Marketing Specialists	\$56,600	\$65,000	\$109,000	\$127,000	11.5%	0.5%
Project Management and Business Operations Specialists	\$74,300	\$83,000	\$130,000	\$146,000	15.7%	0.7%
Accountants and Auditors	\$76,200	\$85,000	\$133,000	\$150,000	16.7%	0.7%
Financial and Investment Analysts, and Financial Specialists	\$79,600	\$89,000	\$139,000	\$157,000	2.8%	0.1%
Other Business and Financial Operations Occupations	<u>\$70,800</u>	<u>\$79,000</u>	<u>\$124,000</u>	<u>\$139,000</u>	<u>2.5%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$70,800	\$79,000	\$124,000	\$140,000	100.0%	4.3%
Computer and Mathematical Occupations						
Computer Systems Analysts	\$92,000	\$98,000	\$150,000	\$166,000	9.8%	0.2%
Computer Network Support Specialists	\$65,500	\$73,000	\$114,000	\$129,000	4.1%	0.1%
Computer User Support Specialists	\$63,000	\$71,000	\$110,000	\$124,000	17.9%	0.4%
Computer Network Architects	\$117,900	\$126,000	\$180,000	\$190,000	2.7%	0.1%
Network and Computer Systems Administrators	\$91,800	\$98,000	\$149,000	\$165,000	8.8%	0.2%
Database Administrators and Architects	\$103,500	\$110,000	\$158,000	\$167,000	2.5%	0.1%
Computer Programmers	\$92,500	\$99,000	\$150,000	\$167,000	4.3%	0.1%
Software Developers and Software Quality Assurance Analysts	\$104,600	\$111,000	\$160,000	\$169,000	35.5%	0.7%
Web Developers and Digital Interface Designers	\$69,400	\$78,000	\$121,000	\$137,000	2.9%	0.1%
Computer Occupations, All Other	\$83,000	\$89,000	\$135,000	\$149,000	5.6%	0.1%
Other Computer and Mathematical Occupations	<u>\$89,900</u>	<u>\$96,000</u>	<u>\$146,000</u>	<u>\$162,000</u>	<u>5.9%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$89,900	\$97,000	\$144,000	\$157,000	100.0%	2.1%

APPENDIX D - TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021
INDUSTRIAL WORKER OCCUPATIONS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Industrial Workers
		One Worker	Two Workers	Three+ Workers		
Page 2 of 3						
<i>Architecture and Engineering Occupations</i>						
Aerospace Engineers	\$119,300	\$127,000	\$182,000	\$192,000	3.2%	0.1%
Electrical Engineers	\$102,300	\$109,000	\$156,000	\$165,000	8.7%	0.3%
Electronics Engineers, Except Computer	\$117,600	\$125,000	\$180,000	\$190,000	4.9%	0.2%
Industrial Engineers	\$84,000	\$90,000	\$137,000	\$151,000	24.4%	0.9%
Mechanical Engineers	\$92,600	\$99,000	\$150,000	\$167,000	19.3%	0.7%
Engineers, All Other	\$99,600	\$106,000	\$162,000	\$179,000	5.5%	0.2%
Mechanical Drafters	\$64,700	\$72,000	\$113,000	\$127,000	3.6%	0.1%
Electrical Engineering Technologists and Technicians	\$76,700	\$86,000	\$134,000	\$151,000	5.8%	0.2%
Industrial Engineering Technologists and Technicians	\$74,200	\$83,000	\$129,000	\$146,000	5.1%	0.2%
Mechanical Engineering Technologists and Technicians	\$60,200	\$67,000	\$105,000	\$119,000	2.5%	0.1%
Calibration and Engineering Technicians, Except Drafters	\$81,600	\$87,000	\$133,000	\$147,000	3.2%	0.1%
Other Architecture and Engineering Occupations	<u>\$89,400</u>	<u>\$95,000</u>	<u>\$145,000</u>	<u>\$161,000</u>	<u>13.8%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$89,400	\$96,000	\$145,000	\$159,000	100.0%	3.7%
<i>Sales and Related Occupations</i>						
First-Line Supervisors of Non-Retail Sales Workers	\$72,200	\$81,000	\$126,000	\$142,000	4.6%	0.5%
Cashiers	\$32,800	\$41,000	\$76,000	\$100,000	3.3%	0.3%
Counter and Rental Clerks	\$41,600	\$49,000	\$85,000	\$104,000	4.0%	0.4%
Parts Salespersons	\$41,700	\$49,000	\$85,000	\$105,000	7.1%	0.7%
Retail Salespersons	\$35,500	\$45,000	\$82,000	\$108,000	6.5%	0.7%
Sales Reps of Services	\$66,900	\$75,000	\$117,000	\$132,000	3.0%	0.3%
Sales Reps, Wholesale & Manufacturing, Technical	\$104,400	\$111,000	\$159,000	\$168,000	8.1%	0.8%
Sales Reps, Wholesale and Manufacturing, Other	\$74,800	\$84,000	\$130,000	\$147,000	57.3%	6.0%
Other Sales and Related Occupations	<u>\$68,800</u>	<u>\$77,000</u>	<u>\$120,000</u>	<u>\$135,000</u>	<u>6.0%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$68,800	\$77,000	\$121,000	\$138,000	100.0%	10.5%
<i>Office and Administrative Support Occupations</i>						
Supervisors of Office and Administrative Support Workers	\$63,300	\$71,000	\$110,000	\$125,000	6.9%	0.8%
Bookkeeping, Accounting, and Auditing Clerks	\$47,800	\$56,000	\$98,000	\$120,000	12.2%	1.5%
Customer Service Representatives	\$42,000	\$49,000	\$86,000	\$105,000	16.3%	2.0%
Order Clerks	\$40,900	\$48,000	\$84,000	\$103,000	2.8%	0.3%
Receptionists and Information Clerks	\$33,900	\$43,000	\$79,000	\$103,000	2.0%	0.2%
Production, Planning, and Expediting Clerks	\$52,100	\$59,000	\$100,000	\$117,000	5.8%	0.7%
Shipping, Receiving, and Inventory Clerks	\$37,900	\$48,000	\$88,000	\$115,000	16.5%	2.0%
Secretaries and Admin Assistants, Except Legal, Medical	\$44,800	\$53,000	\$92,000	\$112,000	8.5%	1.0%
Office Clerks, General	\$40,000	\$47,000	\$82,000	\$100,000	19.7%	2.4%
Other Office and Administrative Support Occupations	<u>\$43,900</u>	<u>\$52,000</u>	<u>\$90,000</u>	<u>\$110,000</u>	<u>9.3%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$43,900	\$52,000	\$90,000	\$111,000	100.0%	12.1%
<i>Installation, Maintenance, and Repair Occupations</i>						
First-Line Supervisors of Mechanics, Installers, and Repairers	\$84,900	\$91,000	\$138,000	\$153,000	8.2%	0.9%
Computer, Automated Teller, and Office Machine Repairers	\$43,800	\$51,000	\$90,000	\$110,000	2.5%	0.3%
Automotive Body and Related Repairers	\$46,500	\$55,000	\$95,000	\$117,000	9.3%	1.1%
Automotive Service Technicians and Mechanics	\$51,200	\$58,000	\$99,000	\$115,000	22.5%	2.6%
Bus and Truck Mechanics and Diesel Engine Specialists	\$53,000	\$60,000	\$102,000	\$119,000	7.6%	0.9%
Mobile Heavy Equipment Mechanics, Except Engines	\$66,800	\$75,000	\$117,000	\$132,000	3.6%	0.4%
Heating, Air Conditioning, and Refrigeration Mechanics	\$53,400	\$61,000	\$103,000	\$119,000	2.0%	0.2%
Industrial Machinery Mechanics	\$66,500	\$74,000	\$116,000	\$131,000	13.5%	1.5%
Maintenance and Repair Workers, General	\$48,800	\$57,000	\$100,000	\$123,000	9.2%	1.1%
Installation, Maintenance, and Repair Workers, All Other	\$44,200	\$52,000	\$90,000	\$111,000	3.2%	0.4%
Other Installation, Maintenance, and Repair Occupations	<u>\$56,700</u>	<u>\$65,000</u>	<u>\$109,000</u>	<u>\$127,000</u>	<u>18.5%</u>	<u>2.1%</u>
Weighted Mean Annual Wage	\$56,700	\$64,000	\$107,000	\$124,000	100.0%	11.4%

APPENDIX D - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021

INDUSTRIAL WORKER OCCUPATIONS

NON-RESIDENTIAL NEXUS STUDY

CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Industrial Workers
		One Worker	Two Workers	Three+ Workers		
<i>Page 3 of 3</i>						
<i>Production Occupations</i>						
First-Line Supervisors of Production and Operating Workers	\$69,300	\$78,000	\$121,000	\$136,000	7.2%	2.2%
Electrical, Electronic, and Electromechanical Assemblers	\$37,600	\$47,000	\$87,000	\$114,000	3.7%	1.1%
Miscellaneous Assemblers and Fabricators	\$33,800	\$42,000	\$78,000	\$103,000	15.5%	4.7%
Bakers	\$34,400	\$43,000	\$80,000	\$105,000	2.2%	0.7%
Food Batchmakers	\$36,000	\$45,000	\$84,000	\$110,000	2.3%	0.7%
Cutting/Punching/Press Machine Setters, Operators/Tenders	\$39,000	\$49,000	\$91,000	\$119,000	2.8%	0.8%
Machinists	\$47,100	\$55,000	\$96,000	\$118,000	6.4%	2.0%
Welders, Cutters, Solderers, and Brazers	\$45,100	\$53,000	\$92,000	\$113,000	4.5%	1.4%
Cabinetmakers and Bench Carpenters	\$35,300	\$44,000	\$82,000	\$107,000	2.6%	0.8%
Inspectors, Testers, Sorters, Samplers, and Weighers	\$43,100	\$51,000	\$88,000	\$108,000	5.7%	1.7%
Packaging and Filling Machine Operators and Tenders	\$36,400	\$46,000	\$85,000	\$111,000	4.3%	1.3%
Coating/Painting/Spraying Machine Setters, Operators/Tenders	\$38,100	\$48,000	\$88,000	\$116,000	2.5%	0.7%
Computer Numerically Controlled Tool Operators	\$41,500	\$49,000	\$85,000	\$104,000	2.9%	0.9%
Helpers--Production Workers	\$33,900	\$43,000	\$79,000	\$103,000	2.6%	0.8%
Other Production Occupations	<u>\$41,900</u>	<u>\$49,000</u>	<u>\$86,000</u>	<u>\$105,000</u>	<u>34.7%</u>	<u>10.5%</u>
Weighted Mean Annual Wage	\$41,900	\$50,000	\$88,000	\$110,000	100.0%	30.4%
<i>Transportation and Material Moving Occupations</i>						
Supervisors of Transportation & Material Moving Workers	\$61,800	\$69,000	\$108,000	\$122,000	5.3%	0.8%
Heavy and Tractor-Trailer Truck Drivers	\$54,700	\$62,000	\$105,000	\$122,000	13.9%	2.1%
Light Truck Drivers	\$47,800	\$56,000	\$98,000	\$120,000	9.8%	1.5%
Automotive and Watercraft Service Attendants	\$35,000	\$44,000	\$81,000	\$106,000	2.4%	0.4%
Industrial Truck and Tractor Operators	\$40,600	\$48,000	\$83,000	\$102,000	7.9%	1.2%
Cleaners of Vehicles and Equipment	\$32,700	\$41,000	\$76,000	\$99,000	10.4%	1.6%
Laborers and Freight, Stock, and Material Movers, Hand	\$36,500	\$46,000	\$85,000	\$111,000	28.2%	4.3%
Packers and Packagers, Hand	\$30,500	\$38,000	\$71,000	\$93,000	6.1%	0.9%
Stockers and Order Fillers	\$35,200	\$44,000	\$82,000	\$107,000	10.5%	1.6%
Other Transportation and Material Moving Occupations	<u>\$41,100</u>	<u>\$48,000</u>	<u>\$84,000</u>	<u>\$103,000</u>	<u>5.7%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$41,100	\$49,000	\$88,000	\$110,000	100.0%	15.2%

95.9%

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

² Occupation percentages are based on the 2020 National Industry - Specific Occupational Employment Survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Bernardino County as of 2020 and are adjusted by EDD to the first quarter of 2021.

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

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Appendix G - Table 1.

APPENDIX E - TABLE 1
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2020
WAREHOUSE WORKERS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

	<div>Worker Occupation Distribution</div> <div>Warehouse</div>
Major Occupations (2% or more)	
Management Occupations	2.4%
Business and Financial Operations Occupations	2.1%
Office and Administrative Support Occupations	12.4%
Installation, Maintenance, and Repair Occupations	2.6%
Transportation and Material Moving Occupations	74.9%
All Other Worker Occupations - Warehouse	<u>5.7%</u>
TOTAL	100.0%

APPENDIX E - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021

WAREHOUSE WORKER OCCUPATIONS

NON-RESIDENTIAL NEXUS STUDY

CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Warehouse Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 2						
<i>Management Occupations</i>						
General and Operations Managers	\$120,600	\$128,000	\$184,000	\$195,000	33.3%	0.8%
Sales Managers	\$121,300	\$129,000	\$185,000	\$196,000	3.6%	0.1%
Administrative Services and Facilities Managers	\$105,100	\$112,000	\$161,000	\$170,000	4.4%	0.1%
Computer and Information Systems Managers	\$141,200	\$152,000	\$204,000	\$213,000	2.2%	0.1%
Financial Managers	\$131,300	\$141,000	\$190,000	\$198,000	2.5%	0.1%
Transportation, Storage, and Distribution Managers	\$99,400	\$106,000	\$162,000	\$179,000	39.9%	1.0%
Human Resources Managers	\$121,800	\$130,000	\$186,000	\$197,000	3.1%	0.1%
Personal Service, Entertainment and Recreation Managers	\$119,600	\$127,000	\$183,000	\$193,000	3.5%	0.1%
Other Management Occupations	<u>\$111,500</u>	<u>\$119,000</u>	<u>\$170,000</u>	<u>\$180,000</u>	<u>7.6%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$111,500	\$119,000	\$174,000	\$187,000	100.0%	2.4%
<i>Business and Financial Operations Occupations</i>						
Buyers and Purchasing Agents	\$63,500	\$71,000	\$111,000	\$125,000	10.0%	0.2%
Compliance Officers	\$76,700	\$86,000	\$134,000	\$151,000	2.3%	0.0%
Human Resources Specialists	\$68,700	\$77,000	\$120,000	\$135,000	14.9%	0.3%
Logisticians	\$80,800	\$86,000	\$131,000	\$145,000	13.6%	0.3%
Management Analysts	\$87,700	\$94,000	\$143,000	\$158,000	2.5%	0.1%
Training and Development Specialists	\$70,400	\$79,000	\$123,000	\$139,000	20.0%	0.4%
Market Research Analysts and Marketing Specialists	\$56,600	\$65,000	\$109,000	\$127,000	3.7%	0.1%
Project Management and Business Ops Specialists	\$74,300	\$83,000	\$130,000	\$146,000	20.6%	0.4%
Accountants and Auditors	\$76,200	\$85,000	\$133,000	\$150,000	9.0%	0.2%
Other Business and Financial Operations Occupations	<u>\$72,300</u>	<u>\$81,000</u>	<u>\$126,000</u>	<u>\$142,000</u>	<u>3.5%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$72,300	\$80,000	\$125,000	\$141,000	100.0%	2.1%
<i>Office and Administrative Support Occupations</i>						
First-Line Supervisors of Office and Admin Support Workers	\$63,300	\$71,000	\$110,000	\$125,000	11.8%	1.5%
Bookkeeping, Accounting, and Auditing Clerks	\$47,800	\$56,000	\$98,000	\$120,000	2.0%	0.2%
Customer Service Representatives	\$42,000	\$49,000	\$86,000	\$105,000	13.0%	1.6%
Order Clerks	\$40,900	\$48,000	\$84,000	\$103,000	5.7%	0.7%
Production, Planning, and Expediting Clerks	\$52,100	\$59,000	\$100,000	\$117,000	7.1%	0.9%
Shipping, Receiving, and Inventory Clerks	\$37,900	\$48,000	\$88,000	\$115,000	33.9%	4.2%
Weighers, Measurers, Checkers, Samplers, Recordkeeping	\$38,600	\$49,000	\$90,000	\$117,000	7.3%	0.9%
Secretaries & Admin Assistants, Except Legal, Medical, Executive	\$44,800	\$53,000	\$92,000	\$112,000	3.3%	0.4%
Office Clerks, General	\$40,000	\$47,000	\$82,000	\$100,000	7.3%	0.9%
Other Office and Administrative Support Occupations	<u>\$43,700</u>	<u>\$51,000</u>	<u>\$89,000</u>	<u>\$110,000</u>	<u>8.6%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$43,700	\$52,000	\$91,000	\$113,000	100.0%	12.4%

APPENDIX E - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021

WAREHOUSE WORKER OCCUPATIONS

NON-RESIDENTIAL NEXUS STUDY

CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total Warehouse Workers
		One Worker	Two Workers	Three+ Workers		
<i>Installation, Maintenance, and Repair Occupations</i>						
First-Line Supervisors of Mechanics, Installers, and Repairers	\$84,900	\$91,000	\$138,000	\$153,000	9.0%	0.2%
Bus and Truck Mechanics and Diesel Engine Specialists	\$53,000	\$60,000	\$102,000	\$119,000	6.2%	0.2%
Industrial Machinery Mechanics	\$66,500	\$74,000	\$116,000	\$131,000	3.0%	0.1%
Maintenance Workers, Machinery	\$56,900	\$65,000	\$109,000	\$127,000	2.8%	0.1%
Maintenance and Repair Workers, General	\$48,800	\$57,000	\$100,000	\$123,000	63.9%	1.6%
Installation, Maintenance, and Repair Workers, All Other	\$44,200	\$52,000	\$90,000	\$111,000	2.7%	0.1%
Other Installation, Maintenance, and Repair Occupations	<u>\$53,500</u>	<u>\$61,000</u>	<u>\$103,000</u>	<u>\$120,000</u>	<u>12.5%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$53,500	\$61,000	\$104,000	\$125,000	100.0%	2.6%
<i>Transportation and Material Moving Occupations</i>						
Supervisors of Transportation and Material Moving Workers	\$61,800	\$69,000	\$108,000	\$122,000	4.6%	3.5%
Heavy and Tractor-Trailer Truck Drivers	\$54,700	\$62,000	\$105,000	\$122,000	6.6%	5.0%
Industrial Truck and Tractor Operators	\$40,600	\$48,000	\$83,000	\$102,000	20.5%	15.3%
Laborers and Freight, Stock, and Material Movers, Hand	\$36,500	\$46,000	\$85,000	\$111,000	31.1%	23.3%
Packers and Packagers, Hand	\$30,500	\$38,000	\$71,000	\$93,000	7.3%	5.5%
Stockers and Order Fillers	\$35,200	\$44,000	\$82,000	\$107,000	25.5%	19.1%
Other Transportation and Material Moving Occupations	<u>\$39,100</u>	<u>\$49,000</u>	<u>\$91,000</u>	<u>\$119,000</u>	<u>4.4%</u>	<u>3.3%</u>
Weighted Mean Annual Wage	\$39,100	\$48,000	\$85,000	\$108,000	100.0%	74.9%
						94.3%

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

² Occupation percentages are based on the 2020 National Industry - Specific Occupational Employment Survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Bernardino County as of 2020 and are adjusted by EDD to the first quarter of 2021.

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

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Appendix G - Table 1.

APPENDIX F - TABLE 1
ESTIMATED WORKER OCCUPATION DISTRIBUTION, 2020
R&D WORKERS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

	<div>Worker Occupation Distribution</div> <div>R&D</div>
Major Occupations (2% or more)	
Management Occupations	17.4%
Business and Financial Operations Occupations	10.7%
Computer and Mathematical Occupations	12.9%
Architecture and Engineering Occupations	13.9%
Life, Physical, and Social Science Occupations	25.5%
Healthcare Practitioners and Technical Occupations	2.5%
Office and Administrative Support Occupations	7.4%
All Other Worker Occupations - R&D	<u>9.6%</u>
TOTAL	100.0%

APPENDIX F - TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021
R&D WORKER OCCUPATIONS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total R&D Workers
		One Worker	Two Workers	Three+ Workers		
Page 1 of 3						
<i>Management Occupations</i>						
Chief Executives	\$206,700	\$219,000	\$278,000	\$285,000	2.1%	0.4%
General and Operations Managers	\$120,600	\$128,000	\$184,000	\$195,000	15.5%	2.7%
Marketing Managers	\$132,100	\$142,000	\$191,000	\$199,000	4.7%	0.8%
Sales Managers	\$121,300	\$129,000	\$185,000	\$196,000	2.8%	0.5%
Administrative Services and Facilities Managers	\$105,100	\$112,000	\$161,000	\$170,000	3.6%	0.6%
Computer and Information Systems Managers	\$141,200	\$152,000	\$204,000	\$213,000	8.7%	1.5%
Financial Managers	\$131,300	\$141,000	\$190,000	\$198,000	6.2%	1.1%
Industrial Production Managers	\$110,300	\$117,000	\$168,000	\$178,000	3.4%	0.6%
Human Resources Managers	\$121,800	\$130,000	\$186,000	\$197,000	2.3%	0.4%
Architectural and Engineering Managers	\$163,300	\$173,000	\$219,000	\$225,000	9.0%	1.6%
Medical and Health Services Managers	\$131,400	\$141,000	\$190,000	\$198,000	4.6%	0.8%
Natural Sciences Managers	\$153,800	\$163,000	\$207,000	\$212,000	21.7%	3.8%
Personal Service Managers; Entertainment & Rec Managers	\$119,600	\$127,000	\$183,000	\$193,000	10.0%	1.7%
Other Management Occupations	<u>\$136,900</u>	<u>\$147,000</u>	<u>\$198,000</u>	<u>\$207,000</u>	<u>5.4%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$136,900	\$146,000	\$196,000	\$204,000	100.0%	17.4%
<i>Business and Financial Operations Occupations</i>						
Buyers and Purchasing Agents	\$63,500	\$71,000	\$111,000	\$125,000	6.5%	0.7%
Compliance Officers	\$76,700	\$86,000	\$134,000	\$151,000	9.8%	1.1%
Human Resources Specialists	\$68,700	\$77,000	\$120,000	\$135,000	7.3%	0.8%
Logisticians	\$80,800	\$86,000	\$131,000	\$145,000	4.2%	0.5%
Management Analysts	\$87,700	\$94,000	\$143,000	\$158,000	7.1%	0.8%
Training and Development Specialists	\$70,400	\$79,000	\$123,000	\$139,000	4.0%	0.4%
Market Research Analysts and Marketing Specialists	\$56,600	\$65,000	\$109,000	\$127,000	7.6%	0.8%
Project Management and Business Ops Specialists	\$74,300	\$83,000	\$130,000	\$146,000	33.7%	3.6%
Accountants and Auditors	\$76,200	\$85,000	\$133,000	\$150,000	11.1%	1.2%
Financial, Investment, Risk Specialists	\$79,600	\$89,000	\$139,000	\$157,000	3.8%	0.4%
Other Business and Financial Operations Occupations	<u>\$73,500</u>	<u>\$82,000</u>	<u>\$128,000</u>	<u>\$145,000</u>	<u>4.8%</u>	<u>0.5%</u>
Weighted Mean Annual Wage	\$73,500	\$82,000	\$128,000	\$144,000	100.0%	10.7%
<i>Computer and Mathematical Occupations</i>						
Computer Systems Analysts	\$92,000	\$98,000	\$150,000	\$166,000	11.2%	1.4%
Information Security Analysts	\$125,000	\$134,000	\$181,000	\$189,000	4.6%	0.6%
Computer and Information Research Scientists	\$114,700	\$122,000	\$175,000	\$185,000	6.0%	0.8%
Computer User Support Specialists	\$63,000	\$71,000	\$110,000	\$124,000	4.2%	0.5%
Computer Network Architects	\$117,900	\$126,000	\$180,000	\$190,000	4.5%	0.6%
Network and Computer Systems Administrators	\$91,800	\$98,000	\$149,000	\$165,000	5.9%	0.8%
Database Administrators and Architects	\$103,500	\$110,000	\$158,000	\$167,000	2.8%	0.4%
Computer Programmers	\$92,500	\$99,000	\$150,000	\$167,000	4.1%	0.5%
Software Developers & Software Quality Assurance Analysts	\$104,600	\$111,000	\$160,000	\$169,000	35.5%	4.6%
Computer Occupations, All Other	\$83,000	\$89,000	\$135,000	\$149,000	5.6%	0.7%
Operations Research Analysts	\$92,800	\$99,000	\$151,000	\$167,000	3.2%	0.4%
Statisticians	\$86,600	\$92,000	\$141,000	\$156,000	6.3%	0.8%
Data Scientists and Mathematical Science Occupations, All Other	\$118,500	\$126,000	\$181,000	\$191,000	3.2%	0.4%
Other Computer and Mathematical Occupations	<u>\$99,900</u>	<u>\$107,000</u>	<u>\$162,000</u>	<u>\$180,000</u>	<u>3.0%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$99,900	\$107,000	\$156,000	\$168,000	100.0%	12.9%

APPENDIX F - TABLE 2
AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021
R&D WORKER OCCUPATIONS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total R&D Workers
		One Worker	Two Workers	Three+ Workers		
<i>Page 2 of 3</i>						
<i>Architecture and Engineering Occupations</i>						
Aerospace Engineers	\$119,300	\$127,000	\$182,000	\$192,000	4.9%	0.7%
Bioengineers and Biomedical Engineers	\$99,500	\$106,000	\$162,000	\$179,000	3.2%	0.4%
Chemical Engineers	\$87,600	\$93,000	\$142,000	\$158,000	2.7%	0.4%
Computer Hardware Engineers	\$117,600	\$125,000	\$180,000	\$190,000	6.2%	0.9%
Electrical Engineers	\$102,300	\$109,000	\$156,000	\$165,000	8.7%	1.2%
Electronics Engineers, Except Computer	\$117,600	\$125,000	\$180,000	\$190,000	6.4%	0.9%
Industrial Engineers	\$84,000	\$90,000	\$137,000	\$151,000	8.5%	1.2%
Mechanical Engineers	\$92,600	\$99,000	\$150,000	\$167,000	16.3%	2.3%
Nuclear Engineers	\$99,500	\$106,000	\$162,000	\$179,000	2.7%	0.4%
Engineers, All Other	\$99,600	\$106,000	\$162,000	\$179,000	12.4%	1.7%
Electrical and Electronic Engineering Technologists and Technicians	\$76,700	\$86,000	\$134,000	\$151,000	4.3%	0.6%
Mechanical Engineering Technologists and Technicians	\$60,200	\$67,000	\$105,000	\$119,000	2.7%	0.4%
Other Architecture and Engineering Occupations	<u>\$97,900</u>	<u>\$104,000</u>	<u>\$159,000</u>	<u>\$176,000</u>	<u>21.1%</u>	<u>2.9%</u>
Weighted Mean Annual Wage	\$97,900	\$105,000	\$157,000	\$171,000	100.0%	13.9%
<i>Life, Physical, and Social Science Occupations</i>						
Biochemists and Biophysicists	\$76,200	\$85,000	\$133,000	\$150,000	10.8%	2.8%
Microbiologists	\$76,200	\$85,000	\$133,000	\$150,000	3.7%	0.9%
Biological Scientists, All Other	\$76,200	\$85,000	\$133,000	\$150,000	6.5%	1.7%
Medical Scientists, Except Epidemiologists	\$112,000	\$119,000	\$171,000	\$181,000	28.4%	7.2%
Physicists	\$123,100	\$131,000	\$188,000	\$199,000	3.0%	0.8%
Chemists	\$90,300	\$96,000	\$147,000	\$163,000	6.7%	1.7%
Social Science Research Assistants	\$51,600	\$59,000	\$99,000	\$115,000	3.0%	0.8%
Life, Physical, and Social Science Technicians, All Other	\$57,600	\$66,000	\$111,000	\$129,000	4.6%	1.2%
Other Life, Physical, and Social Science Occupations	<u>\$92,600</u>	<u>\$99,000</u>	<u>\$150,000</u>	<u>\$167,000</u>	<u>33.3%</u>	<u>8.5%</u>
Weighted Mean Annual Wage	\$92,600	\$100,000	\$150,000	\$165,000	100.0%	25.5%
<i>Healthcare Practitioners and Technical Occupations</i>						
Physician Assistants	\$142,100	\$153,000	\$206,000	\$215,000	2.4%	0.1%
Veterinarians	\$144,400	\$155,000	\$209,000	\$218,000	2.2%	0.1%
Registered Nurses	\$112,100	\$119,000	\$171,000	\$181,000	17.6%	0.4%
Nurse Practitioners	\$149,000	\$160,000	\$216,000	\$225,000	3.4%	0.1%
Physicians, All Other; and Ophthalmologists, Except Pediatric	\$216,300	\$230,000	\$290,000	\$298,000	6.9%	0.2%
Clinical Laboratory Technologists and Technicians	\$60,400	\$68,000	\$105,000	\$119,000	39.2%	1.0%
Veterinary Technologists and Technicians	\$39,600	\$50,000	\$92,000	\$120,000	5.4%	0.1%
Medical Dosimetrists, Records Specialists, Health Technologists	\$52,900	\$60,000	\$102,000	\$118,000	4.6%	0.1%
Health Info Technologists, Medical Registrars, Surgical Assistants	\$59,800	\$68,000	\$115,000	\$134,000	3.9%	0.1%
Other Healthcare Practitioners and Technical Occupations	<u>\$89,900</u>	<u>\$96,000</u>	<u>\$146,000</u>	<u>\$162,000</u>	<u>14.4%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$89,900	\$98,000	\$143,000	\$157,000	100.0%	2.5%

APPENDIX F - TABLE 2

AVERAGE ANNUAL WORKER COMPENSATION AND ESTIMATED HOUSEHOLD INCOME, 2021

R&D WORKER OCCUPATIONS

NON-RESIDENTIAL NEXUS STUDY

CITY OF RANCHO CUCAMONGA

Occupation ³	2021 Avg. Worker Compensation ¹	Household Income Estimate ⁴			% of Total Occupation Group ²	% of Total R&D Workers
		One Worker	Two Workers	Three+ Workers		
<i>Office and Administrative Support Occupations</i>						
Supervisors of Office and Admin Support Workers	\$63,300	\$71,000	\$110,000	\$125,000	6.5%	0.5%
Bookkeeping, Accounting, and Auditing Clerks	\$47,800	\$56,000	\$98,000	\$120,000	6.4%	0.5%
Customer Service Representatives	\$42,000	\$49,000	\$86,000	\$105,000	5.8%	0.4%
Production, Planning, and Expediting Clerks	\$52,100	\$59,000	\$100,000	\$117,000	5.2%	0.4%
Shipping, Receiving, and Inventory Clerks	\$37,900	\$48,000	\$88,000	\$115,000	3.0%	0.2%
Executive Secretaries and Executive Administrative Assistants	\$67,800	\$76,000	\$118,000	\$133,000	17.6%	1.3%
Secretaries & Admin Assistants, Except Legal, Medical, Executive	\$44,800	\$53,000	\$92,000	\$112,000	20.5%	1.5%
Office Clerks, General	\$40,000	\$47,000	\$82,000	\$100,000	19.7%	1.5%
Other Office and Administrative Support Occupations	<u>\$50,100</u>	<u>\$57,000</u>	<u>\$96,000</u>	<u>\$112,000</u>	<u>15.3%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$50,100	\$58,000	\$97,000	\$115,000	100.0%	7.4%

90.4%

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

² Occupation percentages are based on the 2020 National Industry - Specific Occupational Employment Survey compiled by the Bureau of Labor Statistics. Wages are based on Occupational Employment Survey data applicable to San Bernardino County as of 2020 and are adjusted by EDD to the first quarter of 2021.

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

⁴ Household income estimated based average worker compensation and ratios between employee income and household income identified in Appendix G - Table 1.

APPENDIX G

HOUSEHOLD SIZE RATIOS

NON-RESIDENTIAL NEXUS STUDY

RANCHO CUCAMONGA, CALIFORNIA

APPENDIX G - TABLE 1
RATIO OF HOUSEHOLD INCOME TO INDIVIDUAL WORKER INCOME
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

<u>Income Range</u> <u>(\$thousands)</u>	Number of Workers in Household		
	<u>One</u>	<u>Two</u>	<u>Three or More</u>
25-30	1.30	2.56	3.56
30-40	1.26	2.32	3.04
40-50	1.17	2.04	2.51
50-60	1.14	1.92	2.24
60-80	1.12	1.74	1.97
80-100	1.07	1.63	1.80
100-125	1.06	1.53	1.61
125-150	1.07	1.45	1.51
150-250	1.06	1.34	1.38
250+	1.05	1.20	1.24

Source: KMA analysis of 2015 to 2019 American Community Survey Public Use Microdata Sample (PUMS) data for San Bernardino County.

APPENDIX G - TABLE 2
PERCENT OF HOUSEHOLDS BY SIZE AND NO. OF WORKERS
NON-RESIDENTIAL NEXUS STUDY
CITY OF RANCHO CUCAMONGA

Percent of Households by Size and No. of Workers		
No. of Persons in Household	No. of Workers in Household	Percent of Total Households
1	1	11.42%
2	1	13.15%
	2	11.13%
3	1	8.75%
	2	8.83%
	3+	2.46%
4	1	6.55%
	2	7.44%
	3+	4.85%
5	1	4.31%
	2	4.89%
	3+	3.19%
6	1	4.53%
	2	5.15%
	3+	3.35%
Total		100.00%

Source: 2015-2019 American Community Survey.

APPENDIX H

AFFORDABILITY GAP ANALYSIS

NON-RESIDENTIAL NEXUS STUDY

RANCHO CUCAMONGA, CALIFORNIA

APPENDIX H - EXHIBIT 1

**ESTIMATED DEVELOPMENT COSTS
RENTAL AFFORDABILITY GAP SCENARIOS
NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS
RANCHO CUCAMONGA, CALIFORNIA**

APPENDIX H - EXHIBIT 1 - TABLE 1

ESTIMATED DEVELOPMENT COSTS
RENTAL AFFORDABILITY GAP SCENARIOS
NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS
RANCHO CUCAMONGA, CALIFORNIA

I.	Land Acquisition Costs	¹	130,680 Sf Land	\$30 /Sf Land		\$3,920,000
II.	<u>Direct Costs</u>					
	Site Improvement Costs		130,680 Sf Land	\$20 /Sf Land	\$2,614,000	
	Surface Parking	²	144 Spaces	\$5,000 /Space	720,000	
	Building Costs		99,080 Sf GBA	\$160 /Sf Res GBA	15,853,000	
	Contractor Costs	³	20% Other Direct Costs		3,837,000	
	Total Direct Costs		99,080 Sf GBA	\$232 /Sf GBA		\$23,024,000
III.	<u>Indirect Costs</u>					
	Arch, Eng, & Consulting		6.00% Direct Costs		\$1,381,000	
	Permits & Fees/Impact Fees		90 Units	\$20,000 /Unit	1,800,000	
	Taxes, Ins, Legal & Acctg		3.00% Direct Costs		691,000	
	Development Management		4.00% Direct Costs		921,000	
	Soft Cost Contingency Allowance		5.00% Other Indirect Costs		240,000	
	Total Indirect Costs					\$5,033,000
IV.	<u>Financing Costs</u>					
	Land Carrying Costs	⁴	\$3,920,000 Financed	5.50% Interest	\$377,000	
	Interest During Construction	⁵	\$31,349,000 Financed	4.50% Interest	1,622,000	
	Financing Fees					
	Construction Loan		\$31,349,000 Financed	2.50 Points	784,000	
	Permanent Loan		\$20,377,000 Financed	2.50 Points	509,000	
	Total Financing Costs					\$3,292,000
V.	Total Development Costs		90 Units	\$391,900 /Unit		\$35,269,000

¹ Estimated based on a survey of recent residential land sales comparables.

² The parking count is based on the assumption that the project applies for and receives a SB1818 density bonus.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on an 18-month construction period and a 3-month absorption period with a 100% average outstanding balance.

⁵ Based on an 18-month construction period with a 60% average outstanding balance and a 3-month absorption period with a 100% average outstanding balance.

APPENDIX H - EXHIBIT 2A

RENTAL AFFORDABILITY GAP SCENARIOS

RENTS @ 30% TCAC MEDIAN

4% TAX CREDIT SCENARIO

NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS

RANCHO CUCAMONGA, CALIFORNIA

APPENDIX H - EXHIBIT 2A - TABLE 1

ESTIMATED NET OPERATING INCOME

RENTS @ 30% TCAC MEDIAN

4% TAX CREDIT SCENARIO

NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS

RANCHO CUCAMONGA, CALIFORNIA

NET OPERATING INCOME: RESIDENTIAL COMPONENT

I. <u>Rent @ 30% TCAC MEDIAN</u>					¹
Manager's Unit (Two-Bedroom)	1 Unit	0 /Unit/Month		\$0	
One-Bedroom Units	36 Units	\$351 /Unit/Month		151,600	
Two-Bedroom Units	30 Units	\$408 /Unit/Month		146,900	
Three-Bedroom Units	23 Units	\$454 /Unit/Month		125,300	
Gross Rent Income				\$423,800	
Laundry and Miscellaneous Income	90 Units	\$10 /Unit/Month		<u>10,800</u>	
Gross Residential Income				\$434,600	
(Less) Vacancy and Collection	5% Gross Residential Income			<u>(21,700)</u>	
Effective Gross Residential Income					\$412,900
II. Residential Operating Expenses					²
	90 Units	\$5,400 /Unit/Year		\$486,000	
III. Residential Net Operating Income					
					(\$73,100)

¹ The affordable rents are based on 2021 rents published by TCAC and assume the deduction of the Housing Authority of the County of San Bernardino utility allowance as of 10/1/2020.

² Assumes the project will apply for a property tax exemption accorded to non-profit housing organizations for units rented to households earning less than 80% of the Area Median Income.

APPENDIX H - EXHIBIT 2A - TABLE 2

ESTIMATED AFFORDABILITY GAP
RENTS @ 30% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS
RANCHO CUCAMONGA, CALIFORNIA

I. Available Outside Funding Sources

A. Permanent Loan	¹		
Net Operating Income		(\$73,100) NOI (See Table 2)	
Income Available for Mortgage		1.20 DCR	(\$60,917) Debt Service
Interest Rate		4.5% Interest	6.08% Mortgage Constant
Total Permanent Loan			(\$1,002,000)
B. Tax Credit Equity	²		\$13,304,000
Total Outside Funding Sources			\$12,302,000

II. Affordability Gap Calculation

Total Outside Funding Sources			\$12,302,000
Less:			
Total Development Costs			(35,269,000)
Additional Developer Fee	³		(1,579,000)
Total Affordability Gap			(\$24,546,000)
	90 Units	(\$272,700) /Unit	
	99,080 Sf GBA	(\$248) /Sf	

¹ Assumes a 30-year amortization period.

² Assumes a 4.00% tax credit rate, a 130% difficult to develop premium, and a \$0.90 tax credit equity rate.

³ Equal to the \$2,500,000 maximum amount allowed by the tax credit qualified allocation plan minus the \$921,000 Developer Fee included in the Total Development Costs.

APPENDIX H - EXHIBIT 2B

RENTAL AFFORDABILITY GAP SCENARIOS

RENTS @ 50% TCAC MEDIAN

4% TAX CREDIT SCENARIO

NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS

RANCHO CUCAMONGA, CALIFORNIA

APPENDIX H - EXHIBIT 2B - TABLE 1

ESTIMATED NET OPERATING INCOME
RENTS @ 50% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS
RANCHO CUCAMONGA, CALIFORNIA

NET OPERATING INCOME: RESIDENTIAL COMPONENT				
I.	Rent @ 50% TCAC MEDIAN	¹		
	Manager's Unit (Two-Bedroom)	1 Unit	\$0 /Unit/Month	\$0
	One-Bedroom Units	36 Units	\$647 /Unit/Month	279,500
	Two-Bedroom Units	30 Units	\$763 /Unit/Month	274,700
	Three-Bedroom Units	23 Units	\$865 /Unit/Month	238,700
	Gross Rent Income			\$792,900
	Laundry and Miscellaneous Income	90 Units	\$10 /Unit/Month	<u>10,800</u>
	Gross Residential Income			\$803,700
	(Less) Vacancy and Collection	5% Gross Residential Income		<u>(40,200)</u>
	Effective Gross Residential Income			\$763,500
II.	Residential Operating Expenses	²	90 Units	\$5,400 /Unit/Year
				\$486,000
III.	Residential Net Operating Income			\$277,500

¹ The affordable rents are based on 2021 rents published by TCAC and assume the deduction of the Housing Authority of the County of San Bernardino utility allowance as of 10/1/2020.

² Assumes the project will apply for a property tax exemption accorded to non-profit housing organizations for units rented to households earning less than 80% of the Area Median Income.

APPENDIX H - EXHIBIT 2B - TABLE 2

ESTIMATED AFFORDABILITY GAP
RENTS @ 50% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS
RANCHO CUCAMONGA, CALIFORNIA

I. Available Outside Funding Sources			
A. Tax-Exempt Bond Financing ¹			
Net Operating Income	\$277,500	NOI (See Table 2)	
Income Available for Mortgage	1.20	DCR	\$231,250 Debt Service
Interest Rate	4.5%	Interest	6.08% Mortgage Constant
Total Tax-Exempt Bond Financing			\$3,803,000
B. Tax Credit Equity ²			
			\$13,304,000
Total Outside Funding Sources			\$17,107,000
II. Affordability Gap Calculation			
Total Outside Funding Sources			\$17,107,000
Less:			
Total Development Costs			(35,269,000)
Additional Developer Fee ³			(1,579,000)
Total Affordability Gap			(\$19,741,000)
	90 Units	(\$219,300) /Unit	
	99,080 Sf GBA	(\$199) /Sf	

¹ Assumes a 30-year amortization period.

² Assumes a 4.00% tax credit rate, a 130% difficult-to-develop premium, and a \$0.90 tax credit equity rate.

³ Equal to the \$2,500,000 maximum amount allowed by the tax credit qualified allocation plan minus the \$921,000 Developer Fee included in the Total Development Costs.

APPENDIX H - EXHIBIT 2C

RENTAL AFFORDABILITY GAP SCENARIOS

RENTS @ 60% TCAC MEDIAN

4% TAX CREDIT SCENARIO

NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS

RANCHO CUCAMONGA, CALIFORNIA

APPENDIX H - EXHIBIT 2C - TABLE 1

ESTIMATED NET OPERATING INCOME

RENTS @ 60% TCAC MEDIAN

4% TAX CREDIT SCENARIO

NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS

RANCHO CUCAMONGA, CALIFORNIA

NET OPERATING INCOME: RESIDENTIAL COMPONENT

I. Rent @ 60% TCAC MEDIAN					¹
Manager's Unit (Two-Bedroom)	1 Unit	\$0 /Unit/Month		\$0	
One-Bedroom Units	36 Units	\$795 /Unit/Month		343,400	
Two-Bedroom Units	30 Units	\$941 /Unit/Month		338,800	
Three-Bedroom Units	23 Units	\$1,071 /Unit/Month		295,600	
Gross Rent Income				\$977,800	
Laundry and Miscellaneous Income	90 Units	\$10 /Unit/Month		10,800	
Gross Residential Income				\$988,600	
(Less) Vacancy and Collection	5% Gross Residential Income			(49,400)	
Effective Gross Residential Income				\$939,200	
II. Residential Operating Expenses					²
	90 Units	\$5,400 /Unit/Year		\$486,000	
III. Residential Net Operating Income				\$453,200	

¹ The affordable rents are based on 2021 rents published by TCAC and assume the deduction of the Housing Authority of the County of San Bernardino utility allowance as of 10/1/2020.

² Assumes the project will apply for a property tax exemption accorded to non-profit housing organizations for units rented to households earning less than 80% of the Area Median Income.

APPENDIX H - EXHIBIT 2C - TABLE 2

ESTIMATED AFFORDABILITY GAP
RENTS @ 60% TCAC MEDIAN
4% TAX CREDIT SCENARIO
NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS
RANCHO CUCAMONGA, CALIFORNIA

I. Available Outside Funding Sources

A. Tax-Exempt Bond Financing ¹

Net Operating Income	\$453,200	NOI (See Table 2)	
Income Available for Mortgage	1.20	DCR	\$377,667 Debt Service
Interest Rate	4.5%	Interest	6.08% Mortgage Constant

Total Tax-Exempt Bond Financing **\$6,211,000**

B. Tax Credit Equity ² **\$13,304,000**

Total Outside Funding Sources **\$19,515,000**

II. Affordability Gap Calculation

Total Outside Funding Sources \$19,515,000

Less:

Total Development Costs (35,269,000)

Additional Developer Fee ³ (1,579,000)

Total Affordability Gap	90 Units	(\$192,600) /Unit	(\$17,333,000)
	99,080 Sf GBA	(\$175) /Sf	

¹ Assumes a 30-year amortization period.

² Assumes a 4.00% tax credit rate, a 130% difficult-to-develop premium, and a \$0.90 tax credit equity rate.

³ Equal to the \$2,500,000 maximum amount allowed by the tax credit qualified allocation plan minus the \$921,000 Developer Fee included in the Total Development Costs.

APPENDIX H - EXHIBIT 2D

RENTAL AFFORDABILITY GAP SCENARIOS

RENTS @ 80% TCAC MEDIAN

UNLEVERAGED SCENARIO

NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS

RANCHO CUCAMONGA, CALIFORNIA

APPENDIX H - EXHIBIT 2D - TABLE 1

ESTIMATED NET OPERATING INCOME
RENTS @ 80% TCAC MEDIAN
UNLEVERAGED SCENARIO
NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS
RANCHO CUCAMONGA, CALIFORNIA

NET OPERATING INCOME: RESIDENTIAL COMPONENT				
I.	Rent @ 80% TCAC MEDIAN	¹		
	Manager's Unit (Two-Bedroom)	1 Unit	\$0 /Unit/Month	\$0
	One-Bedroom Units	36 Units	\$1,092 /Unit/Month	471,700
	Two-Bedroom Units	30 Units	\$1,297 /Unit/Month	466,900
	Three-Bedroom Units	23 Units	\$1,482 /Unit/Month	409,000
	Gross Rent Income			\$1,347,600
	Laundry and Miscellaneous Income	90 Units	\$10 /Unit/Month	<u>10,800</u>
	Gross Residential Income			\$1,358,400
	(Less) Vacancy and Collection	5% Gross Residential Income		<u>(67,900)</u>
	Effective Gross Residential Income			\$1,290,500
II.	Residential Operating Expenses	²	90 Units	\$5,400 /Unit/Year
				\$486,000
III.	Residential Net Operating Income			\$804,500

¹ The affordable rents are based on 2021 rents published by TCAC and assume the deduction of the Housing Authority of the County of San Bernardino utility allowance as of 10/1/2020.

² Assumes the project will apply for a property tax exemption accorded to non-profit housing organizations for units rented to households earning less than 80% of the Area Median Income.

APPENDIX H - EXHIBIT 2D - TABLE 2

ESTIMATED AFFORDABILITY GAP
RENTS @ 80% TCAC MEDIAN
UNLEVERAGED SCENARIO
NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS
RANCHO CUCAMONGA, CALIFORNIA

I. <u>Supportable Private Investment</u>			
Net Operating Income			\$804,500
Threshold Stabilized Return	1		6.50%
Total Supportable Private Investment			\$12,377,000
II. <u>Affordability Gap Calculation</u>			
Total Supportable Private Investment			\$12,377,000
(Less) Total Development Costs			(35,269,000)
Total Affordability Gap			(\$22,892,000)
	90 Units	(\$254,400) /Unit	
	99,080 Sf GBA	(\$231) /Sf	

1 Based on a 6.5% threshold return.

APPENDIX H - EXHIBIT 2E

RENTAL AFFORDABILITY GAP SCENARIOS

RENTS @ 110% TCAC MEDIAN

UNLEVERAGED SCENARIO

NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS

RANCHO CUCAMONGA, CALIFORNIA

APPENDIX H - EXHIBIT 2E - TABLE 1

ESTIMATED NET OPERATING INCOME
RENTS @ 110% TCAC MEDIAN
UNLEVERAGED SCENARIO
NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS
RANCHO CUCAMONGA, CALIFORNIA

NET OPERATING INCOME: RESIDENTIAL COMPONENT

I. <u>Rent @ 110% TCAC MEDIAN</u> ¹			
Manager's Unit (Two-Bedroom)	1 Unit	\$0 /Unit/Month	\$0
One-Bedroom Units	36 Units	\$1,535 /Unit/Month	663,100
Two-Bedroom Units	30 Units	\$1,829 /Unit/Month	658,400
Three-Bedroom Units	23 Units	\$2,097 /Unit/Month	578,800
Gross Rent Income			\$1,900,300
Laundry and Miscellaneous Income	90 Units	\$10 /Unit/Month	<u>10,800</u>
Gross Residential Income			\$1,911,100
(Less) Vacancy and Collection	5% Gross Residential Income		<u>(95,600)</u>
Effective Gross Residential Income			\$1,815,500
II. <u>Residential Operating Expenses</u>			
General Operating Expenses	90 Units	\$5,400 /Unit/Year	\$486,000
Property Taxes	90 Units	\$2,670 /Unit/Year	<u>240,000</u>
Total Residential Operating Expenses			\$726,000
III. <u>Residential Net Operating Income</u>			\$1,089,500

¹ The affordable rents are based on 2021 rents published by TCAC and assume the deduction of the Housing Authority of the County of San Bernardino utility allowance as of 10/1/2020.

² The residential property tax expense is estimated based on the residential NOI capitalized at a 5.0% rate, and a 1.10% property tax rate.

APPENDIX H - EXHIBIT 2E - TABLE 2

ESTIMATED AFFORDABILITY GAP
RENTS @ 110% TCAC MEDIAN
UNLEVERAGED SCENARIO
NON-RESIDENTIAL NEXUS STUDY - AFFORDABILITY GAP ANALYSIS
RANCHO CUCAMONGA, CALIFORNIA

I. <u>Supportable Private Investment</u>			
Net Operating Income			\$1,089,500
Threshold Stabilized Return		1	6.50%
Total Supportable Private Investment			\$16,762,000
II. <u>Affordability Gap Calculation</u>			
Total Supportable Private Investment			\$16,762,000
(Less) Total Development Costs			(35,269,000)
Total Affordability Gap			(\$18,507,000)
		90 Units	(\$205,600) /Unit
		99,080 Sf GBA	(\$187) /Sf

1 Based on a 6.5% threshold return.