

MEMORANDUM

To: City of Salinas

From: David Zehnder and Kate O’Beirne

Subject: HTMA Downtown 2022 Update—Initial Findings—
August 2022; EPS #222102

Date: August 30, 2022

The Economics of Land Use



Economic & Planning Systems, Inc. (EPS) was retained by the City of Salinas (City) to conduct a short-term update in advance of a more comprehensive update of the Housing Target Market Analysis (HTMA) for Downtown Salinas.

The City is located in the Salinas Valley and is the most populated community in Monterey County (County). As such, it faces acute pressures for additional affordable housing in all its districts, including downtown. At the present time, inclusionary housing is exempted in this area to allow sufficient time for “early-adopters” to successfully respond to the combined market/regulatory environment.

A central objective of this update is to determine whether the time is right to impose inclusionary requirements of the City on Downtown projects, or to allow additional time for the above-referenced market response to occur. **A key conclusion to this evaluation, discussed below, is that the inclusionary housing exemption should be extended and reconsidered at the time of the Housing Element update.**

As is well-known, the City is under pressure by the State to demonstrate its ability to facilitate affordable housing. However, it is important to have an eye toward private sector feasibility as various regulations are considered for housing prototypes in the downtown environment.

The HTMA examines existing socioeconomic trends and residential real estate market conditions to gain an understanding of local dynamics that will influence demand and test the feasibility of residential development in the Downtown Study Area to help determine potential approaches to an implementation of inclusionary requirements Downtown.

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Initial key findings derived from EPS’s market study along with a detailed technical analysis table set are presented in the sections below. At the time the City begins its evaluation of the housing element and corresponding inclusionary policy, EPS will update these initial findings and continue to solicit input or requests for additional information to finalize a draft report. The intention is to allow an opportunity to compare notes and expectations with the City before finalizing this initial update. An expanded report would provide ample time and opportunity to more fully assess evolving market conditions, regulatory opportunities and constraints, and private sector feasibility responses.

Recommendations

Since about 2020, the housing development in Downtown Salinas has started to gain momentum following the completion of the initial HTMA in 2017. Recent residential development projects, such as the Bruhn and Rabobank buildings, which are currently under construction and together will provide an addition of about 70 units to the Downtown, and there are additional units in the pipeline. **The below examination of the existing conditions and pro forma analysis predicated on the larger city market, as well as discussions with local developers, indicate that at this time implementing inclusionary housing Downtown would constrain the current momentum of residential development in the Downtown as the early adopters establish proof of market in this nascent environment.**

The City’s population increases have contributed to an undersupply of housing units reflected by rising housing costs and a continuous decline in residential vacancy rates since 2010, with a low rate of 3.3 percent currently for all unit types. The undersupply of housing most prominently affects underserved populations, including students, teachers, young families, low-income families and individuals, seniors, people with disabilities, and the unhoused population indicating the need for focused strategies to increase a variety of housing types at different levels of affordability. Providing affordable housing, whether subsidized by the government or affordable by design (e.g., housing that is affordable based on physical design, tenancy, or financing elements), is a necessity now with more than half of renters and more than a quarter of homeowners defined as housing cost burdened.

The initial feasibility analysis shows some positive indicators without costs associated with inclusionary requirements, especially for the development of micro rental units and missing middle ownership product, though our preliminary recommendation is to continue to provide exemptions for parking, outdoor space, and inclusionary requirements for residential development within the Central City Overlay as well as Adaptive Reuse. Extending these exemptions will continue to provide incentive to build in the Downtown, as discussions with developers revealed that these exemptions are a large factor in getting the residential

projects "to pencil". While providing inclusionary housing is extremely important at this time, the addition of all net new units to the Downtown can help alleviate some of the demand. The City should hold off on implementing inclusionary requirements until the examination of the housing element and inclusionary ordinance, which will then provide an opportunity to analyze the market, product types, and how the current policies affect development more closely.

Existing Socioeconomic Conditions

- **The City has experienced significant growth in its population and household populations, with a slight decline in persons per household over the last 12 years.** With its central location and role as County Seat, the City is the most populous city in the County, home to about 160,000 residents as of 2022. Over the past decade, the City added almost 9,500 residents and more than 2,880 households, comprising more than half of the County's population growth (as of 2022) and almost 40 percent of household growth. Persons per household in both the City and the County declined by about 1 percent. See **Table 1-1**.
- **Household incomes have increased over the past decade.** Median household income in the City increased by about 7.5 percent between 2010 and 2020, rising from \$63,180 to \$67,900 (in 2020 dollars). The increase in incomes is also reflected while looking at where City households lie in the income range categories. The fastest growing income range category was for households earning \$200,000 or more annually with an absolute increase of over 1,905 households and the percentage of households earning \$100,000 or more annually increased from 17 percent up to 30 percent. See **Table 1-2**.
- **Resident worker growth in Salinas was more than double the growth in jobs within Salinas.** The City has almost 62,600 resident workers with an increase of over 10,000 workers between 2010 and 2019 compared to the City's 58,800 jobs, which only grew by 4,600 over the same period. The top industry for both resident workers and jobs remains Agriculture, Forestry, Fishing, and Hunting. The top growth industry for resident workers was Health Care and Social Assistance, with the addition of 2,900 resident workers, matched as the top growth industry for jobs with an increase of 2,430 jobs. While nearly 60 percent of employed residents commute outside of the City for work about 57 percent of local jobs are filled by workers that do not live in the City. Amongst the 58,800 jobs in the City, about 43 percent (25,350) are residents who both live and work in the City, and the remaining are in-commuters (33,380) traveling into the City for work from cities and CDPs such as Soledad, Prunedale, Seaside, Marina, San José, Greenfield, Monterey, and Hollister. See **Tables 1-3, 1-4, and 1-5**.

- **A little more than half of the households in Salinas are renter-occupied dwelling units but detached single dwelling units are the most occupied unit type.** Approximately 52 percent of households in the City are renter-occupied following a similar pattern to the County’s 48 percent. Approximately 57 percent of all households live in detached single dwelling units and about 28 percent of those are renter-occupied. Single detached dwelling units comprise 30 percent of renter-occupied households, making single dwelling units the second most occupied unit type for renters following multifamily buildings with 5 or more units (44 percent). See **Table 2-1**.
- **Almost half of the households in Salinas have 4 or more occupants, and overcrowding has increased by almost 20 percent over the last decade.** In both renter- and owner-occupied households the highest proportion of households are those with 5 or more occupants, more than 50 percent of renter-households, and 42 percent of owner-occupied households have 4 or more occupants. An overcrowded household is defined by the U.S. Census as having 1 or more persons per room (excluding bathrooms and kitchens). The number of households considered overcrowded has increased in both renter- and owner-occupied households, by 28 percent and 11 percent, respectively for a combined increase of 20 percent. See **Table 2-2** and **Table 2-3**.
- **Most renter-occupied households in the County are considered rent-burdened.** Of the renter-occupied households, about 55 percent are considered rent-burdened, which means that a household pays more than 30 percent of its income on housing costs. Of these rent-burdened households, about 26 percent are considered severely cost-burdened, which means they pay more than 50 percent of their income on rent. Approximately 33 percent of owner-occupied households are considered cost burdened. See **Table 2-4** and **Table 2-5**.

Housing Market Trends

- **The City’s housing inventory is comprised mainly of single-family detached units.** The City’s housing inventory is estimated to include 55 percent single detached dwelling units and 26 percent multifamily projects with 5 or more units. The supply allocation by type has remained relatively static over the last decade. See **Table 3-1**.
- **Salinas’ increase in housing supply has not kept pace with household growth leading to a decline in available units.** The U.S. Department of Housing and Urban Development estimates 1,136 net new housing units between 2010 and 2021, increasing the total supply by about 3 percent. With significant household growth over the same period of about 2,890 households, vacancy rates have decreased from around 5 to 6 percent to about 3 percent,

indicating a tight market with very little product available to existing or future residents looking to move, especially compared to the County’s vacancy rate of about 9 percent. See **Tables 3-2** and **3-3**.

- **The housing market in Salinas has become much more expensive since the onset of the COVID-19 Pandemic.** While Salinas falls in the middle of affordability within the County’s housing supply, home prices have increased 196 percent since 2012 (2022 average median sales price is \$684,000) and rents by 57 percent since 2010 (2022 average asking rent is \$1,760) as more people are seeking affordable housing markets and taking advantage of moving to more remote locations by being able to work from home. The housing market is tight with overall low vacancy and an average monthly inventory of for-sale units decreasing from over 1,200 available units to 370 units since 2012. See **Tables 3-4, 3-5,** and **3-6**.
- **Homeownership in the City is becoming less affordable as housing prices continue to increase, rental units generally present a more affordable option for residents.** About 13 percent of City households have the financial capability (annual household incomes of \$150,000 or more) to purchase a median-or-higher priced home in the City based on current housing prices (\$683,800), whereas approximately 50 percent of households can afford (annual household incomes of \$70,400) to rent an average-or-higher priced unit of \$1,760. See **Table 3-7** and **Table 1-2**.

For decades, California has faced a housing crisis related to its significant unhoused population and rising housing costs. For those living in poverty, high rental rates have translated into large proportions of their income allocated to housing costs, leaving little remaining for basic living expenses, let alone bolstering savings accounts to build wealth.¹ Rising home sales prices have translated into larger down payment requirements, leading to homeownership challenges for households with median and higher incomes.² These challenges point to a root problem of limited housing supply. Indeed, several recent reports have estimated an undersupply of housing in the State that ranges from about 3 million to 4 million units. This undersupply represents the amount of housing that was needed over the last several decades to maintain housing costs in

¹ Kimberlin, Sara and Esi Hutchful, 2019. New Census Figures Show More Than 1 in 6 Californians Struggle to Afford Basic Necessities. *California Budget and Policy Center*. [online] Available at [https://calbudgetcenter.org/resources/number-of-californians-living-in-poverty-has-been-declining-but-more-than-1-in-6-residents-still-struggle-to-afford-basic-necessities/#:~:text=Approximately%207.1%20million%20Californians%20lived,Supplemental%20Poverty%20Measure%20\(SPM\)](https://calbudgetcenter.org/resources/number-of-californians-living-in-poverty-has-been-declining-but-more-than-1-in-6-residents-still-struggle-to-afford-basic-necessities/#:~:text=Approximately%207.1%20million%20Californians%20lived,Supplemental%20Poverty%20Measure%20(SPM)) [Accessed January 2021].

² Levin, Matt, 2021. Commentary: Five things I’ve learned covering California’s housing crisis that you should know. *Cal Matters*. [online] Available at <https://calmatters.org/housing/2021/01/california-housing-crisis-lessons/> [Accessed January 2021].

alignment with the rest of the country.^{3 4} With an overall housing shortage within the entire state and the above-referenced socioeconomic and residential market conditions within the City it is a critical time to address the potential inclusion of affordable housing for future development within Downtown Salinas. Below is a preliminary analysis to help start this conversation, which tests the feasibility of residential development in Downtown Salinas and the inclusion of affordable units.

Residential Feasibility Pro Forma Analysis

Based on the socioeconomic and residential market assessments presented in the previous section, EPS performed a financial feasibility analysis to test the viability of different development prototypes. To gain an understanding of the relative financial viability of the various land use concepts evaluated, EPS used a measure of financial feasibility commonly referred to as a “residual land value analysis,” (RLV) which models the revenues achieved by operating or selling a particular building to arrive at an estimated building value, or “finished real estate value.” For residential ownership products, the finished real estate value is based on the estimated sales price of the unit. For rental residential products, finished real estate values are estimated using valuation techniques that consider annual net operating income. A prototype that would be considered feasible will have a RLV equal to about 20 to 30 percent of total asset value (finished lot plus structure). This analysis assumes that the developer obtained the land at no cost. Capitalization rates, revenue, and cost assumptions are based on current market conditions, but are subject to change with fluctuations in the market, such as the rising interest rates, which have been taken into consideration.

It is important to note that the feasibility findings presented in this section are preliminary and additional analysis will be needed to evaluate the financial viability of specific land use programs.

For purposes of the financial feasibility analysis and based on the residential real estate market dynamics, EPS evaluated the financial feasibility of the following land use prototypes.

³ Taylor, Mac, 2015. California’s High Housing Costs: Causes and Consequences. *Legislative Analyst Office*. [online] Available at <https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf> [Accessed January 2021].

⁴ Dillon, Liam, 2018. California lawmakers killed one of the biggest housing bills in the country. *Los Angeles Times*. [online] Available at <https://www.latimes.com/politics/la-pol-ca-big-housing-bill-dies-20180417-story.html> [Accessed January 2021].

Renter-Occupied Units

- Very High-Density Micro Apartment Units: a very high-density rental product at a density of approximately 180 dwelling units per acre with units averaging 270 square feet.
- High-Density Apartment Units: a traditional high density apartment complex project with a density of 60 units per acre.

Owner-Occupied Units

- High-Density Attached Units (Condominium): a traditional high density condominium project with a density of 60 units per acre.
- Medium-Density Attached Units (Townhomes/Rowhouse): a medium density attached townhomes/row house project with a density of 30 units per acre.

Appendix A presents the assumptions of the financial model that evaluates the feasibility of each development prototype.

The financial feasibility outcomes from **Tables 4-1, Table 4-2, and Table 4-3** are summarized below:

- **Current construction costs are extremely high** and are projected to continue to increase through 2022 for a total estimated 14.1 percent increase over 2021. Cost escalations are predicted to continue to increase in 2023 and 2024 but dropping down to lower rates around 2 to 4 percent.^{5 6}
- The exorbitant construction costs are hindering the feasibility of both the **market rate rental and ownership RD-60 prototypes, both have a negative residual land value.**
- Based on the RLV, **micro-rental units show the best prospect of feasibility**, though this is a somewhat new product type that has been untested in the Salinas market.
- Under certain circumstances, **RD-30 ownership product may be viable.** This may require a low master developer land basis or other factors that

⁵ Fahey, Ashley, The National Observer: Real Estate Edition, "Report: Construction costs may escalate 14.1% this year, but relief expected soon," August 25, 2022 [accessed online August 2022] <https://www.bizjournals.com/sacramento/news/2022/08/25/construction-costs-increase-this-year.html>.

⁶ EPS relied on a variety of sources to estimate approximate construction costs, including the Saylor 2020 Construction Cost Manual, updated for inflation and adapted to the Monterey region, interviews of builders in the Monterey and Bay Area regions, and discussions with the City. See **Appendix A Table A-2.**

reduce costs and improve revenue performance and could require a City write-down if sought in the near-term.

- **Actual rents and home sales prices may outperform that evaluated here**, which would improve feasibility outcomes substantially. This analysis calibrates rents and home sales prices to current income demographics, highlighting the challenges associated with delivering housing targeted at the “missing-middle” income segment.
- After folding in the existing inclusionary requirement options that are currently imposed on residential development outside of the City Center Overlay District per Municipal Code Ordinance Chapter 17 Article III. Section 17-8, **the already negative residual land values are reduced further and the RD-30 ownership product RLV becomes negative**. The only exception is the micro unit prototype using the inclusionary fee option of providing 12 percent units as Section 8 and paying the housing impact fee.

Again, it is important to note that the general measures of financial feasibility offered in this report are intended to serve as an initial diagnostic comparing the relative viability of various residential prototypes to inform housing policy. This analysis is highly sensitive to assumptions made regarding achievable real estate values and development costs. It is possible that more fully developed concepts targeting specific niche markets could outperform the generic speculative concepts modeled here. Conversely, if development costs are substantially higher than estimated here, or sales prices and lease rates are substantially lower, the actual feasibility outlook could worsen.

Technical Analysis Organization

The technical analysis is presented in the following sections:

1. **Table 1-1** through **Table 1-6** present an analysis of existing conditions in the City and the County, including population, households, income, employment and jobs, jobs-housing balance, and commuting patterns.
2. **Table 2-1** through **Table 2-5** examine existing housing tenure by various demographic and socioeconomic variables, as well as an assessment of rent- and cost-burdened households.
3. **Table 3-1** through **Table 3-7** present a real estate market overview to provide context to current residential market conditions in the City.
4. **Table 4-1** through **Table 4-3** provide the static pro forma examining the feasibility of both renter- and owner-occupied prototypes in the City and the addition of inclusionary requirements.

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**Table 1-1
City of Salinas
Downtown HTMA
Population and Household Trends (2010-2022)**

| Item | City of Salinas | | | | | | Monterey County | | | | | |
|-----------------------------------|------------------|----------------------|----------------------------------|------------|---------------------------------|---------------------------|------------------|----------------------|----------------------------------|------------|---------------------------------|---------------------------|
| | Total Population | Household Population | Year-Over-Year Population Change | Households | Year-Over-Year Household Change | Persons per Household [1] | Total Population | Household Population | Year-Over-Year Population Change | Households | Year-Over-Year Household Change | Persons per Household [1] |
| Year | | | | | | | | | | | | |
| 2010 | 150,441 | 147,976 | - | 40,387 | - | 3.66 | 415,057 | 393,814 | - | 124,899 | - | 3.15 |
| 2011 | 150,899 | 148,603 | 0.3% | 40,417 | 0.1% | 3.68 | 416,644 | 394,891 | 0.4% | 124,984 | 0.1% | 3.16 |
| 2012 | 153,286 | 151,057 | 1.6% | 40,525 | 0.3% | 3.73 | 422,621 | 400,631 | 1.4% | 125,067 | 0.1% | 3.20 |
| 2013 | 155,406 | 152,909 | 1.4% | 40,495 | (0.1%) | 3.78 | 425,968 | 404,919 | 0.8% | 124,695 | (0.3%) | 3.25 |
| 2014 | 156,532 | 154,055 | 0.7% | 40,594 | 0.2% | 3.80 | 427,733 | 407,663 | 0.4% | 124,885 | 0.2% | 3.26 |
| 2015 | 157,206 | 154,880 | 0.4% | 40,641 | 0.1% | 3.81 | 430,277 | 410,375 | 0.6% | 125,204 | 0.3% | 3.28 |
| 2016 | 158,973 | 156,750 | 1.1% | 40,684 | 0.1% | 3.85 | 435,185 | 414,591 | 1.1% | 125,135 | (0.1%) | 3.31 |
| 2017 | 159,708 | 157,475 | 0.5% | 40,665 | (0.0%) | 3.87 | 438,358 | 417,555 | 0.7% | 125,358 | 0.2% | 3.33 |
| 2018 | 159,846 | 157,605 | 0.1% | 40,737 | 0.2% | 3.87 | 438,639 | 418,163 | 0.1% | 125,640 | 0.2% | 3.33 |
| 2019 | 160,522 | 158,280 | 0.4% | 40,777 | 0.1% | 3.88 | 440,199 | 419,729 | 0.4% | 126,116 | 0.4% | 3.33 |
| 2020 | 161,577 | 159,198 | 0.7% | 43,163 | 5.9% | 3.69 | 440,393 | 420,316 | 0.0% | 126,604 | 0.4% | 3.32 |
| 2021 | 161,777 | 159,482 | 0.1% | 43,084 | (0.2%) | 3.70 | 435,721 | 417,293 | (1.1%) | 131,316 | 3.7% | 3.18 |
| 2022 | 159,932 | 157,569 | (1.1%) | 43,270 | 0.4% | 3.64 | 433,716 | 413,361 | (0.5%) | 132,496 | 0.9% | 3.12 |
| Growth Estimates 2010-2022 | | | | | | | | | | | | |
| Number | 9,491 | 9,593 | -- | 2,883 | -- | (0.0) | 18,659 | 19,547 | -- | 7,597 | -- | (0.0) |
| % Change | 6.3% | 6.5% | -- | 7.1% | -- | (0.6%) | 4.5% | 5.0% | -- | 6.1% | -- | (1.1%) |
| Avg. Annual Change | 0.5% | 0.5% | -- | 0.6% | -- | (0.1%) | 0.4% | 0.4% | -- | 0.5% | -- | (0.1%) |

Source: California Department of Finance Table E-5; EPS.

[1] Includes household population only.

Table 1-2
City of Salinas
Downtown HTMA
Household Income by Range (2020 Estimate)

| Item | City of Salinas | | | | | Monterey County | | | | |
|--|-----------------|---------------|-----------------|---------------|-------------|-----------------|----------|-----------------|---------------|--------------|
| | 2010 [1] | % | 2020 | % | % Change | 2010 [1] | % | 2020 | % | % Change |
| Income Range | | | | | | | | | | |
| <\$15,000 | 4,019 | 9.8% | 2,643 | 6.4% | (34.2%) | 10,872 | 8.7% | 8,265 | 6.5% | (24.0%) |
| \$15,000 - \$24,999 | 5,208 | 12.7% | 3,262 | 7.9% | (37.4%) | 12,121 | 9.7% | 9,409 | 7.4% | (22.4%) |
| \$25,000 - \$34,999 | 4,798 | 11.7% | 3,015 | 7.3% | (37.2%) | 11,996 | 9.6% | 10,045 | 7.9% | (16.3%) |
| \$35,000 - \$49,999 | 6,151 | 15.0% | 5,286 | 12.8% | (14.1%) | 17,245 | 13.8% | 15,131 | 11.9% | (12.3%) |
| \$50,000 - \$74,999 | 8,284 | 20.2% | 8,383 | 20.3% | 1.2% | 24,118 | 19.3% | 24,159 | 19.0% | 0.2% |
| \$75,000 - \$99,999 | 5,413 | 13.2% | 6,483 | 15.7% | 19.8% | 16,870 | 13.5% | 18,056 | 14.2% | 7.0% |
| \$100,000 - \$149,999 | 4,921 | 12.0% | 6,814 | 16.5% | 38.5% | 18,495 | 14.8% | 20,981 | 16.5% | 13.4% |
| \$150,000 - \$199,999 | 1,435 | 3.5% | 2,726 | 6.6% | 89.9% | 6,498 | 5.2% | 9,791 | 7.7% | 50.7% |
| \$200,000+ | 779 | 1.9% | 2,684 | 6.5% | 244.5% | 6,623 | 5.3% | 11,317 | 8.9% | 70.9% |
| Total | 41,009 | 100.0% | 41,296 | 100.0% | 0.7% | 124,963 | - | 127,155 | 100.0% | 1.8% |
| Median Household Income in 2020\$ | \$63,178 | | \$67,914 | | 7.5% | \$73,701 | | \$71,015 | | -3.6% |

Source: U.S. Census Bureau ACS 2020, Table S1901; EPS.

[1] The median household income for 2010 has been escalated to 2020 dollars using the CPI rate of 24.3% between 2010 and 2020.

Table 1-3
City of Salinas
Downtown HTMA
City of Salinas Job Trends (2010 and 2019)

| |
|--|
| Industry Trends City of Salinas |
|--|

| Item | 2010 | | 2019 | | 2010-2019 | |
|--|---------------|---------------|---------------|---------------|--------------|-----------------------|
| | No. | % | No. | % | Change | Average Annual Growth |
| Industry Sector | | | | | | |
| Agriculture, Forestry, Fishing and Hunting | 13,113 | 24.2% | 12,122 | 20.6% | (991) | (0.9%) |
| Mining, Quarrying, and Oil and Gas Extraction | 6 | 0.0% | 0 | 0.0% | (6) | (100.0%) |
| Utilities | 171 | 0.3% | 109 | 0.2% | (62) | (4.9%) |
| Construction | 1,036 | 1.9% | 1,542 | 2.6% | 506 | 4.5% |
| Manufacturing | 2,567 | 4.7% | 1,921 | 3.3% | (646) | (3.2%) |
| Wholesale Trade | 1,726 | 3.2% | 2,741 | 4.7% | 1,015 | 5.3% |
| Retail Trade | 5,245 | 9.7% | 6,474 | 11.0% | 1,229 | 2.4% |
| Transportation and Warehousing | 924 | 1.7% | 1,102 | 1.9% | 178 | 2.0% |
| Information | 615 | 1.1% | 657 | 1.1% | 42 | 0.7% |
| Finance and Insurance | 1,119 | 2.1% | 884 | 1.5% | (235) | (2.6%) |
| Real Estate and Rental and Leasing | 359 | 0.7% | 366 | 0.6% | 7 | 0.2% |
| Professional, Scientific, and Technical Services | 1,268 | 2.3% | 1,339 | 2.3% | 71 | 0.6% |
| Management of Companies and Enterprises | 628 | 1.2% | 558 | 1.0% | (70) | (1.3%) |
| Administration & Support, Waste Management and Remediation | 2,053 | 3.8% | 2,574 | 4.4% | 521 | 2.5% |
| Educational Services | 5,293 | 9.8% | 6,240 | 10.6% | 947 | 1.8% |
| Health Care and Social Assistance | 6,435 | 11.9% | 8,862 | 15.1% | 2,427 | 3.6% |
| Arts, Entertainment, and Recreation | 409 | 0.8% | 463 | 0.8% | 54 | 1.4% |
| Accommodation and Food Services | 3,147 | 5.8% | 4,254 | 7.2% | 1,107 | 3.4% |
| Other Services (excluding Public Administration) | 2,784 | 5.1% | 1,589 | 2.7% | (1,195) | (6.0%) |
| Public Administration | 5,204 | 9.6% | 4,936 | 8.4% | (268) | (0.6%) |
| Total | 54,102 | 100.0% | 58,733 | 100.0% | 4,631 | 0.9% |

worker trends

Source: US Census LEHD OnTheMap, 2019; EPS.

Table 1-4
City of Salinas
Downtown HTMA
City of Salinas Resident Worker Trends (2010 and 2019)

| |
|---|
| Resident Worker Trends City of Salinas |
|---|

| Item | 2010 | | 2019 | | 2010-2019 | |
|--|---------------|---------------|---------------|---------------|---------------|-----------------------|
| | No. | % | No. | % | Change | Average Annual Growth |
| Industry Sector | | | | | | |
| Agriculture, Forestry, Fishing and Hunting | 9,956 | 19.0% | 10,200 | 16.3% | 244 | 0.3% |
| Mining, Quarrying, and Oil and Gas Extraction | 70 | 0.1% | 57 | 0.1% | (13) | (2.3%) |
| Utilities | 214 | 0.4% | 222 | 0.4% | 8 | 0.4% |
| Construction | 1,765 | 3.4% | 3,304 | 5.3% | 1,539 | 7.2% |
| Manufacturing | 2,924 | 5.6% | 3,348 | 5.3% | 424 | 1.5% |
| Wholesale Trade | 1,950 | 3.7% | 2,535 | 4.1% | 585 | 3.0% |
| Retail Trade | 5,629 | 10.7% | 6,457 | 10.3% | 828 | 1.5% |
| Transportation and Warehousing | 1,260 | 2.4% | 1,718 | 2.7% | 458 | 3.5% |
| Information | 627 | 1.2% | 692 | 1.1% | 65 | 1.1% |
| Finance and Insurance | 995 | 1.9% | 927 | 1.5% | (68) | (0.8%) |
| Real Estate and Rental and Leasing | 555 | 1.1% | 651 | 1.0% | 96 | 1.8% |
| Professional, Scientific, and Technical Services | 1,706 | 3.2% | 2,013 | 3.2% | 307 | 1.9% |
| Management of Companies and Enterprises | 611 | 1.2% | 775 | 1.2% | 164 | 2.7% |
| Administration & Support, Waste Management and Remediation | 2,460 | 4.7% | 3,485 | 5.6% | 1,025 | 3.9% |
| Educational Services | 4,462 | 8.5% | 5,354 | 8.6% | 892 | 2.0% |
| Health Care and Social Assistance | 5,443 | 10.4% | 8,347 | 13.3% | 2,904 | 4.9% |
| Arts, Entertainment, and Recreation | 657 | 1.3% | 829 | 1.3% | 172 | 2.6% |
| Accommodation and Food Services | 4,507 | 8.6% | 6,096 | 9.7% | 1,589 | 3.4% |
| Other Services (excluding Public Administration) | 2,808 | 5.3% | 1,837 | 2.9% | (971) | (4.6%) |
| Public Administration | 3,937 | 7.5% | 3,735 | 6.0% | (202) | (0.6%) |
| Total | 52,536 | 100.0% | 62,582 | 100.0% | 10,046 | 2.0% |

worker trends

Source: US Census LEHD OnTheMap, 2019; EPS.

**Table 1-5
City of Salinas
Downtown HTMA
Commuting Patterns: City of Salinas (2019)**

| Item | City of Salinas | | | |
|---|-----------------|---------------|---------------|---------------|
| | 2010 | | 2019 | |
| | Count | % of Total | Count | % of Total |
| Resident Workers | | | | |
| Residents both Living and Employed in the Study Area | 22,143 | 42.1% | 25,354 | 40.5% |
| Residents Living in the Study Area but Employed Outside (Outflow) | 30,393 | 57.9% | 37,228 | 59.5% |
| Subtotal Resident Workers | 52,536 | 100.0% | 62,582 | 100.0% |
| Employment | | | | |
| Residents both Living and Employed in the Study Area | 22,143 | 40.9% | 25,354 | 43.2% |
| Workers Employed in the Study Area but Living Outside | 31,959 | 59.1% | 33,379 | 56.8% |
| Total Employment in Area (Inflow) | 54,102 | 100.0% | 58,733 | 100.0% |
| Inflow/Outflow Ratio [1] | 178.0% | | 157.8% | |

Source: U.S. Census OnTheMap 2019; U.S. Census ACS 5-Year Estimates Table S0801 2019; EPS.

[1] The inflow/outflow ratio is the percentage of residents living in the specified area that travel outside of that area for work compared to the total employment for that specified area.

Table 1-6
City of Salinas
Downtown HTMA
Nonresident Worker Profile (2010 and 2019)

| Item | 2010 | | 2019 | |
|--|-----------------|-------------|-----------------|-------------|
| | Nonres. Workers | % of Total | Nonres. Worker: | % of Total |
| Salinas Jobs Filled | | | | |
| by Nonresident Workers | 54,102 | 100% | 58,733 | 100% |
| Worker Ages | | | | |
| 29 Years or Younger | 12,959 | 24% | 12,973 | 22% |
| 30 Years to 54 Years | 30,507 | 56% | 31,402 | 53% |
| 55 Years or Older | 10,636 | 20% | 14,358 | 24% |
| Total | 54,102 | 100% | 58,733 | 100% |
| Monthly Worker Earnings | | | | |
| \$1,250 or Less | 13,846 | 26% | 12,295 | 21% |
| \$1,251 to \$3,333 | 20,791 | 38% | 18,464 | 31% |
| \$3,334 or More | 19,465 | 36% | 27,974 | 48% |
| Total | 54,102 | 100% | 58,733 | 100% |
| Worker Industry Class | | | | |
| "Goods Producing" [1] | 16,722 | 31% | 15,585 | 27% |
| "Trade, Transportation, and Utilities" [2] | 8,066 | 15% | 10,426 | 18% |
| "All Other Services" [3] | 29,314 | 54% | 32,722 | 56% |
| Total | 54,102 | 100% | 58,733 | 100% |

Source: US Census Bureau, OnTheMap Application and LEHD Origin-Destination Statistics for 2019; EPS.

[1] Bureau of Labor Statistics (BLS) identifies Agriculture, Forestry, Fishing, and Hunting (NAICS 11); Mining, Quarrying, and Oil and Gas Extraction (NAICS 21); Construction (NAICS 23); and Manufacturing (NAICS 31-33) as industries in this industry class.

[2] BLS identifies Wholesale Trade (NAICS 42); Retail Trade (NAICS 44-45); Transportation and Warehousing (NAICS 48-49); and Utilities (NAICS 22) as industries in this industry class.

[3] Includes all other NAICS industry classes not listed above.

Table 2-1
City of Salinas
Downtown HTMA
Tenure by Units In Structure (2020)

| Item | City of Salinas | | | Monterey County | | |
|------------------------|-----------------|-----------------|-----------------------|-----------------|-----------------|-----------------------|
| | Owner-Occupied | Renter Occupied | Share Renter Occupied | Owner-Occupied | Renter Occupied | Share Renter Occupied |
| Unit Type | | | | | | |
| Detached Single-Family | 17,213 | 6,513 | 27.5% | 58,100 | 22,528 | 27.9% |
| Attached Single-Family | 857 | 1,813 | 67.9% | 2,819 | 5,227 | 65.0% |
| Duplex | 31 | 918 | 96.7% | 272 | 3,525 | 92.8% |
| 3 to 4 unit building | 323 | 2,256 | 87.5% | 697 | 7,364 | 91.4% |
| 5 + unit building | 132 | 9,526 | 98.6% | 811 | 20,975 | 96.3% |
| Other | 1,210 | 504 | 29.4% | 3,647 | 2,038 | 35.8% |
| Total | 19,766 | 21,530 | 52.1% | 66,346 | 61,657 | 48.2% |

Source: American Community Survey 2016-2020 5-Year Estimates, Table B25032; EPS.

Table 2-2
City of Salinas
Downtown HTMA
Household Size and Tenure (2010 and 2020)

| Item | City of Salinas | | | | Change (2010-2020) |
|-----------------------------------|-----------------|---------------|---------------|---------------|-----------------------|
| | 2010 | | 2020 | | |
| | Total | % | Total | % | |
| Renter-Occupied Households | | | | | |
| 1-person | 4,267 | 19.8% | 3,544 | 16.5% | (16.94%) |
| 2-person | 3,699 | 17.2% | 3,757 | 17.5% | 1.57% |
| 3-person | 3,504 | 16.2% | 3,341 | 15.5% | (4.65%) |
| 4-person | 4,269 | 19.8% | 4,569 | 21.2% | 7.03% |
| 5+ -person | 5,828 | 27.0% | 6,319 | 29.3% | 8.42% |
| Total | 21,567 | 100.0% | 21,530 | 100.0% | (0.17%) |
| Owner-Occupied | | | | | |
| 1-person | 3,224 | 16.6% | 3,060 | 15.5% | (5.09%) |
| 2-person | 5,122 | 26.3% | 5,008 | 25.3% | (2.23%) |
| 3-person | 3,301 | 17.0% | 3,346 | 16.9% | 1.36% |
| 4-person | 3,517 | 18.1% | 3,310 | 16.7% | (5.89%) |
| 5+ -person | 4,278 | 22.0% | 5,042 | 25.5% | 17.86% |
| Total | 19,442 | 100.0% | 19,766 | 100.0% | 1.67% |

Source: American Community Survey 5-Year Estimates Table B25009; EPS.

Table 2-3
City of Salinas
Downtown HTMA
Occupants per Room by Tenure: City of Salinas (2010 and 2020)

| Item | City of Salinas | | | | | Change (2010-2020) |
|-------------------------------|-----------------|--------------|---------------|---------------|---------------|-----------------------|
| | 2010 | | 2020 | | | |
| | Total | % | Total | % | | |
| OCCUPANTS PER ROOM [1] | | | | | | |
| Renter-occupied | | | | | | |
| Less than 0.5 | 6,856 | 31.8% | 6,038 | 28.0% | (11.9%) | |
| 0.51 - 1.00 | 9,804 | 45.5% | 9,559 | 44.4% | (2.5%) | |
| 1.01 - 1.50 | 3,168 | 14.7% | 4,249 | 19.7% | 34.1% | |
| 1.51 - 2.00 | 1,392 | 6.5% | 1,267 | 5.9% | (9.0%) | |
| 2.01 or more | 347 | 1.6% | 417 | 1.9% | 20.2% | |
| Total | 21,567 | 100% | 21,530 | 100% | (0.2%) | |
| <i>Subtotal Overcrowded</i> | <i>4,907</i> | <i>22.8%</i> | <i>5,933</i> | <i>27.6%</i> | <i>20.9%</i> | |
| Owner-occupied | | | | | | |
| Less than 0.5 | 10,529 | 54.2% | 10,297 | 52.1% | (2.2%) | |
| 0.51 - 1.00 | 7,152 | 36.8% | 7,287 | 36.9% | 1.9% | |
| 1.01 - 1.50 | 1,273 | 6.5% | 1,664 | 8.4% | 30.7% | |
| 1.51 - 2.00 | 456 | 2.3% | 260 | 1.3% | (43.0%) | |
| 2.01 or more | 32 | 0.2% | 258 | 1.3% | - | |
| Total | 19,442 | 100% | 19,766 | 100% | 1.7% | |
| <i>Subtotal Overcrowded</i> | <i>1,761</i> | <i>9.1%</i> | <i>2,182</i> | <i>11.0%</i> | <i>23.9%</i> | |
| Total | | | | | | |
| Less than 0.5 | 17,385 | 80.6% | 16,335 | 39.6% | (6.0%) | |
| 0.51 - 1.00 | 16,956 | 78.6% | 16,846 | 40.8% | (0.6%) | |
| 1.01 - 1.50 | 4,441 | 20.6% | 5,913 | 14.3% | 33.1% | |
| 1.51 - 2.00 | 1,848 | 8.6% | 1,527 | 3.7% | (17.4%) | |
| 2.01 or more | 379 | 1.8% | 675 | 1.6% | 78.1% | |
| Total | 41,009 | 190% | 41,296 | 100.0% | 0.7% | |
| <i>Subtotal Overcrowded</i> | <i>6,668</i> | <i>16.3%</i> | <i>8,115</i> | <i>19.7%</i> | <i>21.7%</i> | |

Source: American Community Survey Table 5-Year estimates Table B25014; EPS.

[1] The US Census Bureau defines an overcrowded housing unit as having 1 or more persons per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded.

Table 2-4
City of Salinas
Downtown HTMA
Overall Rent Burden (2020)

| Item | City of Salinas | |
|---|-------------------------|------------------------------|
| | Total Renter Households | % of Total Renter Households |
| Rent as a Percentage of Household Income [1] | | |
| Less than 30% of Income | 9,355 | 44.7% |
| 30% to 50% of Income | 6,098 | 29.2% |
| More than 50% of Income | 5,465 | 26.1% |
| Total Renter Households | 20,918 | 100.0% |

Source: American Community Survey 5-Year Estimates, Table B25070; EPS.

[1] The US Department of Housing and Urban Development defines a household spending more than 30% of their income on housing as "rent burdened." Households spending more than 50% of their income on housing are considered "severely rent burdened." Approximately 612 households were not computed.

Table 2-5
City of Salinas
Downtown HTMA
Owner's Costs as a Percentage of Household Income by Household Income (2020)

| Item | City of Salinas | | |
|--|---------------------------|-----------------------------|---------------------|
| | Owner-Occupied Households | Share within Income Bracket | Share with Mortgage |
| Housing Cost Burden by Income Bracket [1] | | | |
| Less than \$20,000 | | | |
| Less than 30% | 183 | 16.7% | 3.8% |
| 30% or more | 911 | 83.3% | 56.1% |
| Total | 1,094 | 100.0% | 47.3% |
| \$20,000 to \$49,999 | | | |
| Less than 30% | 1,118 | 36.9% | 10.3% |
| 30% or more | 1,909 | 63.1% | 83.9% |
| Total | 3,027 | 100.0% | 56.7% |
| \$50,000 to \$74,999 | | | |
| Less than 30% | 1,849 | 53.7% | 43.6% |
| 30% or more | 1,597 | 46.3% | 100.0% |
| Total | 3,446 | 100.0% | 69.8% |
| \$75,000 or More | | | |
| Less than 30% | 8,971 | 84.7% | 74.7% |
| 30% or more | 1,621 | 15.3% | 100.0% |
| Total | 10,592 | 100.0% | 78.6% |
| Totals | | | |
| Less than 30% | 12,121 | 66.7% | 63.0% |
| 30% or more | 6,038 | 33.3% | 88.3% |
| Totals | 18,159 | 100.0% | 71.8% |

Source: American Community Survey Year Estimates, Table B25101; EPS.

Table 3-1
City of Salinas
Downtown HTMA
Units in Structure (2010 and 2022)

| Item | City of Salinas | | | | | | Monterey County | | | | | |
|-------------------------------|-----------------|---------------|---------------|---------------|--------------|-------------|-----------------|---------------|----------------|---------------|--------------|-------------|
| | 2010 | | 2022 | | Change | | 2010 | | 2022 | | Change | |
| | Units | % of Total | Units | % of Total | Total | % | Units | % of Total | Units | % of Total | Total | % |
| Units in Structure [1] | | | | | | | | | | | | |
| Single Detached Units | 23,540 | 55.2% | 24,377 | 54.9% | 837 | 3.6% | 87,355 | 63.3% | 90,834 | 63.2% | 3,479 | 4.0% |
| Single Attached Units | 2,731 | 6.4% | 2,799 | 6.3% | 68 | 2.5% | 8,902 | 6.5% | 9,039 | 6.3% | 137 | 1.5% |
| 2-4 Units | 4,165 | 9.8% | 4,307 | 9.7% | 142 | 3.4% | 12,388 | 9.0% | 12,830 | 8.9% | 442 | 3.6% |
| 5+ Units | 10,864 | 25.5% | 11,541 | 26.0% | 677 | 6.2% | 23,593 | 17.1% | 25,122 | 17.5% | 1,529 | 6.5% |
| Mobile Homes | 1,351 | 3.2% | 1,381 | 3.1% | 30 | 2.2% | 5,672 | 4.1% | 5,806 | 4.0% | 134 | 2.4% |
| Total Housing Units | 42,651 | 100.0% | 44,405 | 100.0% | 1,754 | 4.1% | 137,910 | 100.0% | 143,631 | 100.0% | 5,721 | 4.1% |
| Average annual Units | | | | | 146 | | | | | | 3 | |

Source: California Department of Finance Table E-5; EPS.

[1] Per DOF, the 2010 and 2022 figures differ significantly because they are derived from different benchmarks. The 2010-2020 file is based on the 2010 Census benchmark and has not been resolved for errors. The 2020-2022 file is based on the 2020 Census benchmark. DOF cannot close the 2010-2020 decade series and resolve any errors until the Census Bureau releases their Detailed Demographic and Housing Characteristics file, estimated in mid-2023.

**Table 3-2
City of Salinas
Downtown HTMA
Units Permitted by Year (2000-2021)**

| Item | City of Salinas | | | | Total |
|-------------------------------------|-----------------|-----------|-------------------|--------------|--------------|
| | 1-Unit | 2-Unit | 3- and 4- Unit | 5-Unit + | |
| Year | | | | | |
| 2000 | 579 | 4 | 18 | 50 | 651 |
| 2001 | 268 | - | - | 160 | 428 |
| 2002 | 442 | 14 | 9 | 92 | 557 |
| 2003 | 257 | - | 14 | 273 | 544 |
| 2004 | 231 | - | 6 | 25 | 262 |
| 2005 | 224 | - | - | 21 | 245 |
| 2006 | 119 | - | - | - | 119 |
| 2007 | 72 | 2 | - | 170 | 244 |
| 2008 | 24 | 2 | 8 | 58 | 92 |
| 2009 | 19 | - | - | 18 | 37 |
| 2010 | 35 | - | 16 | 88 | 139 |
| 2011 | 7 | - | 8 | 10 | 25 |
| 2012 | 11 | 2 | - | - | 13 |
| 2013 | 3 | 2 | 3 | 51 | 59 |
| 2014 | 30 | - | - | 36 | 66 |
| 2015 | 46 | 2 | - | 46 | 94 |
| 2016 | 2 | 2 | - | 48 | 52 |
| 2017 | 26 | - | - | - | 26 |
| 2018 | 57 | - | - | 106 | 163 |
| 2019 | 80 | 4 | - | 12 | 96 |
| 2020 | 96 | - | - | 109 | 205 |
| 2021 | 64 | 4 | - | 130 | 198 |
| Total 2000-2021 | 2,692 | 38 | 82 | 1,503 | 4,315 |
| <i>Average per Year (2000-2021)</i> | <i>128</i> | <i>2</i> | <i>4</i> | <i>72</i> | <i>205</i> |
| Total 2010-2021 | 457 | 16 | 27 | 636 | 1,136 |
| <i>Average per Year (2010-2021)</i> | <i>42</i> | <i>1</i> | <i>2</i> | <i>58</i> | <i>103</i> |

Source: United States Department of Housing and Urban Development State of the Cities Database; EPS.

**Table 3-3
City of Salinas
Downtown HTMA
Total Vacancy Rate (2010-2022)**

| Item | Total Residential Vacancy Rate | |
|-------------|--------------------------------|-----------------|
| | City of Salinas | Monterey County |
| Year | | |
| 2010 | 5.3% | 9.4% |
| 2011 | 5.3% | 9.6% |
| 2012 | 5.3% | 9.6% |
| 2013 | 5.5% | 9.9% |
| 2014 | 5.5% | 10.0% |
| 2015 | 5.5% | 10.0% |
| 2016 | 5.6% | 10.3% |
| 2017 | 5.6% | 10.3% |
| 2018 | 5.6% | 10.5% |
| 2019 | 5.7% | 10.6% |
| 2020 | 2.8% | 10.7% |
| 2021 | 3.3% | 8.8% |
| 2022 | 3.3% | 8.7% |

Source: California Department of Finance E-5; EPS.

**Table 3-4
City of Salinas
Downtown HTMA
Home Value Changes by County (2012-2022)**

| Item | City | Zillow Home Value Index [1] | | |
|----------------|-------------------|-----------------------------|--------------------|--|
| | | July 2012 | July 2022 | Percentage Change (July 2012-July 2022) |
| Rank [2] | | | | |
| 1 | Soledad | \$179,274 | \$606,385 | 238% |
| 2 | King City | \$159,997 | \$506,613 | 217% |
| 3 | Salinas | \$256,349 | \$733,725 | 186% |
| 4 | Castroville | \$259,358 | \$709,994 | 174% |
| 5 | Monterey | \$534,783 | \$1,217,425 | 128% |
| 6 | Marina | \$334,200 | \$873,884 | 161% |
| 7 | Seaside | \$307,352 | \$798,493 | 160% |
| 8 | Del Rey Oaks | \$362,954 | \$921,085 | 154% |
| 9 | Pacific Grove | \$619,794 | \$1,491,032 | 141% |
| 10 | Carmel-by-the-Sea | \$1,142,538 | \$2,692,137 | 136% |
| Average | | \$415,660 | \$1,055,077 | 154% |

Source: Zillow, EPS.

[1] The Zillow Home Value Index represents the typical value of a home or condominium, defined as a home with a value between the 33rd percentile and the 67th percentile.

[2] Rank based on percentage change in home value from 2012 to 2022.

**Table 3-5
City of Salinas
Downtown HTMA
For-Sale Housing Market Summary (2012-2022)**

| City of Salinas | | | | | | |
|---------------------------------|-------------------|------------------------------------|---|------------------------------------|----------------------------------|-------------------------------|
| Item | Homes Sold | % Change from Previous Year | Average of the Monthly Median Sale Price | % Change from Previous Year | Average Monthly Inventory | Average Days on Market |
| Year | | | | | | |
| 2012 [1] | 1,214 | - | \$231,336 | - | 183 | 23 |
| 2013 | 1,120 | (7.7%) | \$290,813 | 25.7% | 119 | 15 |
| 2014 | 917 | (18.1%) | \$350,669 | 20.6% | 190 | 26 |
| 2015 | 958 | 4.5% | \$381,208 | 8.7% | 203 | 37 |
| 2016 | 989 | 3.2% | \$415,417 | 9.0% | 242 | 57 |
| 2017 | 870 | (12.0%) | \$448,229 | 7.9% | 208 | 55 |
| 2018 | 899 | 3.3% | \$464,792 | 3.7% | 193 | 51 |
| 2019 | 885 | (1.6%) | \$506,250 | 8.9% | 186 | 53 |
| 2020 | 796 | (10.1%) | \$554,458 | 9.5% | 138 | 46 |
| 2021 | 956 | 20.1% | \$642,363 | 15.9% | 113 | 35 |
| 2022 [2] | 368 | (61.5%) | \$683,833 | 6.5% | 90 | 32 |
| Average/Total Change [3] | 960 | (21.3%) | \$451,761 | 195.6% | 93 | 39 |

Source: RedFin; EPS.

[1] Data for 2012 starts in February.

[2] Year-to-date for 2022 is through June 2022.

[3] Average and percentage change for the number of homes sold excludes 2022 as it is not a full year of data.

Table 3-6
City of Salinas
Downtown HTMA
Multifamily Housing Market Summary (2010-2022)

| Item | Downtown Study Area | | | | | | | City of Salinas Multifamily Housing | | | | | | |
|---------------------|---------------------|-------------|-----------------------|-----------|----------------|----------------------|--------------|-------------------------------------|-------------|-----------------------|-----------|----------------|----------------------|--------------|
| | Total Buildings | Total Units | % Change, Total Units | New Units | Monthly Rent | % Change, Rent Asked | Vacancy Rate | Total Buildings | Total Units | % Change, Total Units | New Units | Monthly Rent | % Change, Rent Asked | Vacancy Rate |
| Year | | | | | | | | | | | | | | |
| 2010 | 172 | 2,743 | - | 0 | \$1,119 | - | 3.6% | 475 | 9,830 | - | - | \$1,047 | - | 4.0% |
| 2011 | 173 | 2,766 | 0.8% | 23 | \$1,124 | 0.4% | 4.2% | 475 | 9,830 | 0.0% | - | \$1,056 | 0.9% | 4.4% |
| 2012 | 173 | 2,766 | 0.0% | 0 | \$1,149 | 2.2% | 3.8% | 475 | 9,830 | 0.0% | - | \$1,078 | 2.1% | 4.1% |
| 2013 | 173 | 2,766 | 0.0% | 0 | \$1,180 | 2.7% | 3.5% | 475 | 9,830 | 0.0% | - | \$1,107 | 2.7% | 3.6% |
| 2014 | 175 | 2,785 | 0.7% | 19 | \$1,208 | 2.4% | 3.2% | 475 | 9,830 | 0.0% | - | \$1,151 | 4.0% | 3.1% |
| 2015 | 175 | 2,785 | 0.0% | 0 | \$1,293 | 7.0% | 2.2% | 475 | 9,830 | 0.0% | - | \$1,275 | 10.8% | 2.7% |
| 2016 | 176 | 2,826 | 1.5% | 41 | \$1,355 | 4.8% | 2.8% | 475 | 9,830 | 0.0% | - | \$1,369 | 7.4% | 2.8% |
| 2017 | 175 | 2,796 | (1.1%) | (30) | \$1,419 | 4.7% | 2.1% | 476 | 9,878 | 0.5% | 48 | \$1,471 | 7.5% | 2.6% |
| 2018 | 176 | 2,846 | 1.8% | 50 | \$1,494 | 5.3% | 2.2% | 476 | 9,878 | 0.0% | - | \$1,546 | 5.1% | 2.2% |
| 2019 | 176 | 2,846 | 0.0% | 0 | \$1,517 | 1.5% | 2.1% | 476 | 9,878 | 0.0% | - | \$1,586 | 2.6% | 2.7% |
| 2020 | 176 | 2,846 | 0.0% | 0 | \$1,584 | 4.4% | 1.7% | 476 | 9,878 | 0.0% | - | \$1,684 | 6.2% | 2.4% |
| 2021 | 176 | 2,846 | 0.0% | 0 | \$1,823 | 15.1% | 1.6% | 476 | 9,878 | 0.0% | - | \$1,892 | 12.4% | 2.1% |
| 2022 | 176 | 2,846 | 0.0% | 0 | \$1,760 | (3.5%) | 1.9% | 476 | 9,878 | 0.0% | - | \$1,938 | 2.4% | 2.6% |
| Average/ | | | | | | | | | | | | | | |
| Total Change | 4 | 103 | 3.8% | 8 | \$1,387 | 57.3% | 2.7% | 1 | 48 | 0.5% | 4 | \$1,400 | 85.1% | 3.0% |

Source: CoStar; EPS.

Table 3-7
City of Salinas
Downtown HTMA
Estimated Housing Unit Value Based on Income and Housing Costs in Monterey County (2022 in 2022\$)

| Item | Assumptions | Estimated Housing Costs | | | Monthly Mortgage Cost | Loan Amount | Estimated Unit Value |
|---|-------------|-------------------------|--|--------------|--|------------------------|----------------------|
| | | Annual | Monthly Costs (Homeowner Costs / Rent + Utilities) [2] | | | | |
| Assumptions | | | | | | | |
| Maximum Monthly Housing Cost as % of Income [3] | 30.00% | A | | | | | |
| Mortgage Term (In Years) [4] | 30 | B | | | | | |
| Mortgage Interest Rate [5] | 4.00% | C | | | | | |
| Down Payment as a % of Unit Value | 12.00% | D | | | | | |
| <i>Formula</i> | <i>E</i> | <i>F = A * E</i> | <i>G = F / 12</i> | <i>H [6]</i> | <i>I (see above assumptions B & C)</i> | <i>J = I / (1 - D)</i> | |
| Income Level | | | | | | | |
| Extremely Low | \$30,500 | \$9,150 | \$763 | \$489 | \$102,413 | \$116,378 | |
| Very Low Income | \$50,850 | \$15,255 | \$1,271 | \$814 | \$170,478 | \$193,726 | |
| Low Income | \$81,350 | \$24,405 | \$2,034 | \$1,304 | \$272,996 | \$310,223 | |
| Median Income | \$81,600 | \$24,480 | \$2,040 | \$1,307 | \$273,729 | \$311,056 | |
| Moderate Income | \$97,900 | \$29,370 | \$2,448 | \$1,569 | \$328,600 | \$373,410 | |
| Above Moderate Income \$100K | \$100,000 | \$30,000 | \$2,500 | \$1,508 | \$315,720 | \$358,773 | |
| Above Moderate Income \$150K | \$150,000 | \$45,000 | \$3,750 | \$2,261 | \$473,528 | \$538,100 | |
| Above Moderate Income \$200K | \$200,000 | \$60,000 | \$5,000 | \$3,015 | \$631,441 | \$717,546 | |

Source: Freddie Mac; EPS.

- [1] EPS assumes a household size of 4, rounding the average persons per household for the City of Salinas. Refer to Table A-5 for income limits.
- [2] Refer to Table A-12 for detailed monthly costs calculation.
- [3] Assumes affordable housing prices shall be based on no more than 30% of income being applied to housing expenses.
- [4] Based on a 30-year fixed-rate conventional mortgage.
- [5] Interest rates are based on the average for 30-year fixed-rates from 2010 to 2020 per Freddie Mac.
- [6] Estimated mortgage amounts works backwards using the monthly housing costs, see Table A-12 for details.

Table 4-1
City of Salinas
Downtown HTMA
Inclusionary Residential Development Static Pro Forma Summary

| Item | Source | Formula | Multifamily Renter-Occupied Units + Inclusionary Options | | | | For-Sale Units + Inclusionary Options | | | |
|--|-------------------------|-----------|--|-------------------|--------------------|--------------------|---------------------------------------|--------------------|-----------------------------|--------------------|
| | | | Micro Units RD-180 | | RD-60 | | RD-60 (Condos) | | RD-30 (Townhomes/Rowhouses) | |
| | | | Option 1 | Option 2 | Option 1 | Option 2 | Option 1 | Option 2 | Option 1 | Option 2 |
| Revenue Assumptions per Unit | | | | | | | | | | |
| Market-Rate Sales Price/Capitalized Value | Table 4-2 and Table 4-3 | A | \$174,636 | | \$382,200 | | \$387,600 | | \$451,440 | |
| Affordable Sales Price/Capitalized Value | Table A-3 | B | \$126,790 | \$73,452 | \$64,916 | \$34,367 | \$354,136 | \$340,675 | \$300,136 | \$258,936 |
| Cost Assumptions Per Unit | | | | | | | | | | |
| Infrastructure Burden | Table 4-2 and Table 4-3 | | \$22,001 | \$22,001 | \$27,558 | \$27,558 | \$22,672 | \$22,672 | \$24,699 | \$24,699 |
| Direct Building Construction Costs | Table 4-2 and Table 4-3 | | \$90,170 | \$90,170 | \$280,698 | \$280,698 | \$326,010 | \$326,010 | \$284,520 | \$284,520 |
| Indirect Costs | Table 4-2 and Table 4-3 | | \$9,017 | \$9,017 | \$28,070 | \$28,070 | \$65,202 | \$65,202 | \$56,904 | \$56,904 |
| Financing & Builder Profit Costs | Table 4-2 and Table 4-3 | | \$19,768 | \$19,768 | \$54,861 | \$54,861 | \$58,916 | \$58,916 | \$52,118 | \$52,118 |
| Total Costs per Unit | | C | \$140,956 | \$140,956 | \$391,187 | \$391,187 | \$472,801 | \$472,801 | \$418,240 | \$418,240 |
| Residual Land Value (RLV) per Unit | | | | | | | | | | |
| Market Rate | | D = A - C | \$33,680 | | (\$8,987) | | (\$85,201) | | \$33,200 | |
| Market Rate RLV as % of Total Market Rate Value [1] | | E = D / A | 19.3% | | (2.4%) | | (22.0%) | | 7.4% | |
| Affordability Gap | | F = B - C | (\$14,167) | (\$67,504) | (\$326,271) | (\$356,820) | (\$118,664) | (\$132,126) | (\$118,104) | (\$159,304) |
| Total Gap with Inclusionary Requirements | | G = D + F | \$19,513 | (\$33,824) | (\$335,258) | (\$365,807) | (\$203,865) | (\$217,327) | (\$84,904) | (\$126,104) |
| RLV as % of Total Value with Inclusionary Requirements [1] | | H = G / A | 11.2% | (19.4%) | (87.7%) | (95.7%) | (52.6%) | (56.1%) | (18.8%) | (27.9%) |

Source: City of Salinas; EPS.

[1] A prototype that would be considered feasible will have a RLV equal to about 20% to 30% of total asset value (finished lot plus structure).

**Table 4-2
City of Salinas
Downtown HTMA
Feasibility Analysis Pro Forma: Renter-Occupied Units**

Renter-Occupied Units

| Item | General Assumptions | Renter-Occupied Units | | | |
|--|---------------------|-----------------------|---------------|---------------------|---------------|
| | | Micro Units | % of Total | RD-60 | % of Total |
| DEVELOPMENT PROGRAM ASSUMPTIONS [1] | | | | | |
| Site Acres | 1.00 | - | - | - | - |
| No. of Units | | 180 | - | 60 | - |
| Weighted Average Unit Sq. Ft. | | 270 | | 875 | |
| No. of Parking Spaces | | 0 | - | 0 | - |
| Gross Building Sq. Ft. | | 60,750 | - | 65,625 | - |
| Net Leasable/Saleable Sq. Ft. | | 48,600 | - | 52,500 | - |
| REVENUE ASSUMPTIONS [2] | | | | | |
| Residential Apartment | | | | | |
| Gross Potential Income per Year | | \$2,245,320 | 7.1% | \$1,638,000 | 7.1% |
| Less Vacancy | 5.0% | - | - | - | - |
| Less Operating & Maintenance Expenses | 25.0% | - | - | - | - |
| Net Annual Income | | \$1,571,724 | 5.0% | \$1,146,600 | 5.0% |
| Capitalized Value | | | | | |
| Cap Rate | 5.0% | - | - | - | - |
| Total Building Value | | \$31,434,480 | 100.0% | \$22,932,000 | 100.0% |
| Attached For-Sale Supported Price | | | | | |
| Sales Price | | - | | - | |
| Less Commissions | | - | | - | |
| Net Total For-Sale Revenue per Unit | | - | | - | |
| TOTAL ESTIMATED SALES PRICE/CAPITALIZED VALUE | | \$31,434,480 | 100.0% | \$22,932,000 | 100.0% |
| PER UNIT | | \$174,636 | | \$382,200 | |

**Table 4-2
City of Salinas
Downtown HTMA
Feasibility Analysis Pro Forma: Renter-Occupied Units**

Renter-Occupied Units

| Item | General Assumptions | Renter-Occupied Units | | | |
|---|---------------------|-----------------------|---------------|---------------------|---------------|
| | | Micro Units | % of Total | RD-60 | % of Total |
| COST ASSUMPTIONS [2] | | | | | |
| Direct Building Construction Costs | | | | | |
| Site Work | \$435,600 | - | 1.7% | - | 1.9% |
| Building Construction Costs | | \$15,795,000 | 62.3% | \$16,406,250 | 69.9% |
| Total Direct Building Construction Costs | | \$16,230,600 | 64.0% | \$16,841,850 | 71.8% |
| Other Soft Costs | | | | | |
| As a % of Direct Costs | 10.0% | - | - | - | - |
| Total Other Soft Costs | | \$1,623,060 | 6.4% | \$1,684,185 | 7.2% |
| Total Building & Development Impact Fees | | \$3,960,173 | 15.6% | \$1,653,502 | 7.0% |
| Financing | | | | | |
| Interest (7.0%, 50% LTC, 50% Outstanding) | | \$534,439 | 2.1% | \$494,399 | 2.1% |
| Fees (2.0% of loan amount) | | \$305,394 | 1.2% | \$282,514 | 1.2% |
| Total Financing Costs | | \$839,833 | 3.3% | \$776,912 | 3.3% |
| Builder Fee | | | | | |
| As a % of All Costs | 12.0% | - | - | - | - |
| Total Builder Fee | | \$2,718,440 | 10.7% | \$2,514,774 | 10.7% |
| TOTAL ESTIMATED COSTS | | \$25,372,106 | 100.0% | \$23,471,223 | 100.0% |
| PER UNIT | | \$140,956 | | \$391,187 | |
| RESIDUAL LAND VALUE | | | | | |
| Per Acre | | \$6,062,374 | - | (\$539,223) | - |
| Per Unit | | \$33,680 | - | (\$8,987) | - |
| As a % of Value | | 19.3% | - | (2.4%) | - |

Source: EPS.

[1] See Table A-1.

[2] See Table A-2.

**Table 4-3
City of Salinas
Downtown HTMA
Feasibility Analysis Pro Forma: Owner-Occupied Units**

Owner-Occupied Units

| Item | General Assumptions | Attached Owner-Occupied Units | | | |
|--|---------------------|-------------------------------|---------------|--------------------------|---------------|
| | | Condo RD-60 | % of Total | Townhome/ Rowhouse RD-30 | % of Total |
| DEVELOPMENT PROGRAM ASSUMPTIONS [1] | | | | | |
| Site Acres | 1.0 | - | - | - | - |
| No. of Units | | 60 | - | 30 | - |
| No. of Parking Spaces | | 0 | - | 0 | - |
| Gross Building Sq. Ft. | | 76,500 | - | 40,500 | - |
| Net Leasable/Saleable Sq. Ft. | | 61,200 | - | 32,400 | - |
| REVENUE ASSUMPTIONS [2] | | | | | |
| Attached Townhome For-Sale Supported Price | | | | | |
| Total Sales Price | | \$24,480,000 | - | \$14,256,000 | - |
| Less Marketing/Commissions | 5.0% | | | | |
| Net Total For-Sale Revenue | | \$23,256,000 | 100.0% | \$13,543,200 | 100.0% |
| TOTAL ESTIMATED SALES PRICE/CAPITALIZED VALUE | | \$23,256,000 | 100.0% | \$13,543,200 | 100.0% |
| PER UNIT | | \$387,600 | | \$451,440 | |

**Table 4-3
City of Salinas
Downtown HTMA
Feasibility Analysis Pro Forma: Owner-Occupied Units**

Owner-Occupied Units

| Item | General Assumptions | Attached Owner-Occupied Units | | | |
|---|---------------------|-------------------------------|---------------|--------------------------|---------------|
| | | Condo RD-60 | % of Total | Townhome/ Rowhouse RD-30 | % of Total |
| COST ASSUMPTIONS [2] | | | | | |
| Direct Building Construction Costs | | | | | |
| Site Work | \$435,600 | - | 1.5% | - | 3.5% |
| Building Construction Costs | | \$19,125,000 | 67.4% | \$8,100,000 | 64.6% |
| Total Direct Building Construction Costs | | \$19,560,600 | 69.0% | \$8,535,600 | 68.0% |
| Other Soft Costs | | | | | |
| As a % of Direct Costs | 20.0% | - | - | - | - |
| Total Other Soft Costs | | \$3,912,120 | 13.8% | \$1,707,120 | 13.6% |
| Total Building & Development Impact Fees | | \$1,360,346 | 4.8% | \$740,956 | 5.9% |
| Financing | | | | | |
| Interest (7.0%, 50% LTC, 50% Outstanding) | | \$608,410 | 2.1% | \$269,100 | 2.1% |
| Fees (2.0% of loan amount) | | \$347,663 | 1.2% | \$153,771 | 1.2% |
| Total Financing Costs | | \$956,073 | 3.4% | \$422,872 | 3.4% |
| Builder Fee | | | | | |
| As a % of All Costs | 10.0% | - | - | - | - |
| Total Builder Fee | | \$2,578,914 | 9.1% | \$1,140,655 | 9.1% |
| TOTAL ESTIMATED COSTS | | \$28,368,053 | 100.0% | \$12,547,202 | 100.0% |
| PER UNIT | | \$472,801 | | \$418,240 | |
| RESIDUAL LAND VALUE | | | | | |
| Per Acre | | (\$5,112,053) | - | \$995,998 | - |
| Per Unit | | (\$85,201) | - | \$33,200 | - |
| As a % of Value | | (22.0%) | - | 7.4% | - |

Source: EPS.

[1] See Table A-1.

[2] See Table A-2.



APPENDIX A

| | | |
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Table A-1
City of Salinas
Downtown HTMA
Development Standards and Assumptions: Market Rate

Development Assumptions:
Market Rate

| Item | Renter-Occupied Micro Units RD-180 | | Renter-Occupied RD-60 | | Owner-Occupied RD-60 | | Owner-Occupied Attached Townhome/Rowhouse RD-30 | |
|-----------------------------------|------------------------------------|---------------|-----------------------|---------------|----------------------|---------------|---|---------------|
| | Rate or Percentage | Amount | Rate or Percentage | Amount | Rate or Percentage | Amount | Rate or Percentage | Amount |
| Site Area (Acres) | | 1.0 | | 1.0 | | 1.0 | | 1.0 |
| Density (DU/Acre) [1] | | 180.0 | | 60.0 | | 60.0 | | 30.0 |
| Height Limit (in Feet) [1] | | 75 | | 75 | | 75 | | 35 |
| Height Limit (in Stories) | | 6 | | 6 | | 6 | | 3 |
| Market-Rate Units | 100% | 180 | 100% | 60 | 100% | 60 | 100% | 30 |
| Bedroom Mix | <u>% of Total</u> | | <u>% of Total</u> | | <u>% of Total</u> | | <u>% of Total</u> | |
| Studio | 80% | 144 | 25% | 15 | 10% | 6 | 0% | 0 |
| 1 Bedroom | 20% | 36 | 25% | 15 | 30% | 18 | 30% | 9 |
| 2 Bedroom | 0% | 0 | 50% | 30 | 60% | 36 | 70% | 21 |
| Total | 100% | 180 | 100% | 60 | 100% | 60 | 100% | 30 |
| Bedroom Mix Sq. Ft. | <u>Sq. Ft.</u> | | <u>Sq. Ft.</u> | | <u>Sq. Ft.</u> | | <u>Sq. Ft.</u> | |
| Studio | 250 | 36,000 | 550 | 8,250 | 600 | 3,600 | 600 | 0 |
| 1 Bedroom | 350 | 12,600 | 750 | 11,250 | 800 | 14,400 | 800 | 7,200 |
| 2 Bedroom | 0 | 0 | 1,100 | 33,000 | 1,200 | 43,200 | 1,200 | 25,200 |
| Weighted Average/Net Total | 270 | 48,600 | 875 | 52,500 | 1,020 | 61,200 | 1,080 | 32,400 |
| Gross Building Sq. Ft. [2] | - | 60,750 | - | 65,625 | - | 76,500 | - | 40,500 |

Source: City of Salinas Municipal Code; EMC; EPS.

[1] Assumes Mixed Use in Central City Overlay District.

[2] Applies a 80 percent efficiency factor to the net leasable square footage.

Table A-2
City of Salinas
Downtown HTMA
Development Cost and Revenue Assumptions

Cost and Revenue Assumptions

| Item | Assumptions | General Assumptions | Multifamily Residential | | | |
|---|---|---------------------|-------------------------|----------|----------------|----------------|
| | | | Renter-Occupied | | Owner-Occupied | |
| | | | Micro | RD-60 | RD-60 | Townhome RD-30 |
| Market-Rate Revenue Assumptions | | | | | | |
| Residential Revenue [1] | per leasable (monthly)/saleable sq. ft. | - | \$3.85 | \$2.60 | \$400.00 | \$440.00 |
| Cap Rates [2] | | | | | | |
| Residential | | | 5.00% | 5.00% | - | - |
| Hard Construction Cost Assumptions | | | | | | |
| Basic Site Work/Grading | per land site sq. ft. | \$10.00 | - | - | - | - |
| Building Construction Cost [3] | per gross building sq. ft. | | \$260.00 | \$250.00 | \$250.00 | \$200.00 |

Source: RedFin; CoStar; CBRE Research United States Cap Rate Survey H2 2021, March 2022; Saylor; ENR; RS Means; CA Board of Equalization; Victoria Transport Policy Institute; WGI Parking Solutions; EPS.

- [1] Multifamily rental rates based on data shown in Table A-6 and Table A-7 per CoStar and project websites. For-sale figures are based on a survey of comparable for-sale properties from RedFin as of August 2022, as shown in Table A-8, as well as new construction in Table A-9.
- [2] Cap rates based on data for Northern California per various sources such as CBRE and CoStar.
- [3] Hard construction costs based on discussions with developers and architects and Saylor.com for 2020, adjusted using the index for the City of Salinas/Monterey of 90% and escalated to 2022 dollars per the 2020 to 2022 ENR Construction Cost Index of 10.2%.

Table A-3
City of Salinas
Downtown HTMA
Inclusionary Residential Development Prototype Detail

Inclusionary Residential
Prototypes

| Item | Assumptions | Multifamily Renter-Occupied Units | | | | | | | | | | For-Sale Units Inclusionary Options | | | | | | | | | | | | |
|---|----------------------|-----------------------------------|----------|----------|-----------|----------|----------|-----------|----------|----------|----------|-------------------------------------|---------------------|-----------|-----------|-----------|-----------------------------|-------------|-----------|-------------|-----------|-----------|-------------|-----------|
| | | Micro Units RD-180 | | | | | RD-60 | | | | | RD-60 (Condos) | | | | | RD-30 (Townhomes/Rowhouses) | | | | | | | |
| | | Option 1 | Option 2 | Option 1 | Option 2 | Option 1 | Option 2 | Option 1 | Option 2 | Option 1 | Option 2 | Option 1 | Option 2 | Option 1 | Option 2 | | | | | | | | | |
| Unit Count | | 180 | | | | | 60 | | | | | 60 | | | | | 30 | | | | | | | |
| Unit Mix [1] | Household Size | % | Units | Value | % | Units | Value | % | Units | Value | % | Units | Value | % | Units | Value | % | Units | Value | % | Units | Value | | |
| Studio | 1 | - | 80% | 17 | - | 80% | 17 | - | 25% | 2 | - | 25% | 2 | - | 10% | 1 | - | 10% | 1 | - | 0% | - | - | |
| One Bedroom | 2 | - | 20% | 5 | - | 20% | 4 | - | 25% | 2 | - | 25% | 2 | - | 30% | 4 | - | 30% | 3 | - | 30% | 2 | - | |
| Two Bedroom/2 Bath | 3 | - | 0% | - | - | 0% | - | - | 50% | 3 | - | 50% | 3 | - | 60% | 7 | - | 60% | 5 | - | 70% | 4 | - | |
| | - | - | 12% | 22 | - | 12% | 22 | - | 12% | 7 | - | 12% | 7 | - | 20% | 12 | - | 15% | 9 | - | 20% | 6 | - | |
| | Household Income [2] | Annual Rent | % | | | % | | | | | | | For-Sale Unit Value | % | | | % | | | | | | | |
| Very Low Unit Mix Percentage | | | | | | | | | | | | | | | | | | | | | | | | |
| Studio | \$35,600 | \$12,474 | - | - | - | 80% | 12 | \$149,688 | - | - | - | 25% | 1 | \$12,474 | \$112,889 | 10% | - | - | - | 0% | - | \$0 | - | |
| One Bedroom | \$40,700 | \$12,474 | - | - | - | 20% | 3 | \$37,422 | - | - | - | 25% | 1 | \$12,474 | \$112,889 | 30% | 1 | \$112,889 | - | 30% | 1 | \$0 | - | |
| Two Bedroom/2 Bath | \$45,800 | \$12,474 | - | - | - | 0% | - | \$0 | - | - | 50% | 2 | \$24,948 | \$135,378 | 60% | 1 | \$135,378 | - | 70% | 1 | \$135,378 | - | | |
| | - | - | - | - | - | 8% | 15 | \$187,110 | - | - | - | 8% | 4 | \$49,896 | - | 4% | 2 | \$248,267 | 0% | - | - | 4% | 1 | \$135,378 |
| Low Unit Mix Percentage | | | | | | | | | | | | | | | | | | | | | | | | |
| Studio | \$57,025 | \$12,474 | - | - | - | 80% | 6 | \$74,844 | - | - | - | 25% | 1 | \$12,474 | \$181,129 | 10% | 1 | \$181,129 | - | 0% | - | \$0 | - | |
| One Bedroom | \$65,100 | \$12,474 | - | - | - | 20% | 1 | \$12,474 | - | - | - | 25% | 1 | \$12,474 | \$181,129 | 30% | 2 | \$362,258 | - | 30% | 1 | \$181,129 | - | |
| Two Bedroom/2 Bath | \$73,250 | \$12,474 | - | - | - | 0% | - | \$0 | - | - | 50% | 1 | \$12,474 | \$216,517 | 60% | 3 | \$649,550 | - | 70% | 2 | \$433,034 | - | | |
| | - | - | - | - | - | 4% | 7 | \$87,318 | - | - | - | 4% | 3 | \$37,422 | - | 8% | 6 | \$1,192,937 | 0% | - | - | 8% | 3 | \$614,162 |
| Median Unit Mix Percentage | | | | | | | | | | | | | | | | | | | | | | | | |
| Studio | \$57,100 | \$12,474 | - | - | - | - | - | - | - | - | - | - | \$181,349 | - | - | - | 10% | 1 | \$181,349 | - | - | 0% | - | |
| One Bedroom | \$65,300 | \$12,474 | - | - | - | - | - | - | - | - | - | - | \$181,349 | - | - | - | 30% | 1 | \$181,349 | - | - | 30% | 1 | |
| Two Bedroom/2 Bath | \$73,450 | \$12,474 | - | - | - | - | - | - | - | - | - | - | \$217,178 | - | - | - | 60% | 2 | \$434,356 | - | - | 70% | 1 | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6% | 4 | \$797,055 | - | - | 6% | 2 | |
| Moderate Unit Mix Percentage | | | | | | | | | | | | | | | | | | | | | | | | |
| Studio | \$68,550 | \$12,474 | 80% | 17 | \$212,058 | - | - | - | 25% | 2 | \$24,948 | - | - | \$217,619 | 10% | - | - | 10% | 1 | \$217,619 | 0% | - | \$0 | |
| One Bedroom | \$78,300 | \$12,474 | 20% | 5 | \$62,370 | - | - | - | 25% | 2 | \$24,948 | - | - | \$217,619 | 30% | 1 | \$217,619 | 30% | 1 | \$217,619 | 30% | - | \$0 | |
| Two Bedroom/2 Bath | \$88,100 | \$12,474 | 0% | - | \$0 | - | - | - | 50% | 3 | \$37,422 | - | - | \$260,393 | 60% | 1 | \$260,393 | 60% | 2 | \$520,787 | 70% | 1 | \$260,393 | |
| | - | - | 12% | 22 | \$274,428 | - | - | - | 12% | 7 | \$87,318 | - | - | - | 4% | 2 | \$478,013 | 6% | 4 | \$956,025 | 4% | 1 | \$260,393 | |
| Work Force Unit Mix Percentage | | | | | | | | | | | | | | | | | | | | | | | | |
| Studio | \$95,178 | \$12,474 | - | - | - | - | - | - | - | - | - | - | \$311,215 | 10% | - | \$0 | 10% | - | - | 0% | - | \$0 | 0% | |
| One Bedroom | \$105,754 | \$12,474 | - | - | - | - | - | - | - | - | - | - | \$311,215 | 30% | 1 | \$311,215 | 30% | - | - | 30% | - | \$0 | 30% | |
| Two Bedroom/2 Bath | \$117,504 | \$12,474 | - | - | - | - | - | - | - | - | - | - | \$357,848 | 60% | 1 | \$357,848 | 60% | 1 | \$357,848 | 70% | 1 | \$357,848 | 70% | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | 4% | 2 | \$669,063 | 3% | 1 | \$357,848 | 4% | 1 | \$357,848 | 3% | |
| Total Estimated Annual Revenue/Value | | | | 22 | \$274,428 | | 22 | \$274,428 | | 7 | \$87,318 | | 7 | \$87,318 | | 12 | \$2,588,279 | | 9 | \$2,110,928 | | 6 | \$1,367,782 | |
| Weighted Avg. Residential Per Unit | | | | | \$8,093 | | | \$4,897 | | | \$4,328 | | | \$2,291 | | | \$354,136 | | | \$340,675 | | | \$300,136 | |
| Less Vacancy and Maintenance | 25% | | | | \$6,069 | | | \$3,673 | | | \$3,246 | | | \$1,718 | | | NA | | | NA | | | NA | |
| Capitalization Rate | 5.0% | | | | \$121,390 | | | \$73,452 | | | \$64,916 | | | \$34,367 | | | NA | | | NA | | | NA | |
| Housing Impact Fee | | | | | \$5,400 | | | NA | | | NA | | | NA | | | NA | | | NA | | | NA | |

Source: City of Salinas; State of California Department of Finance; State of California Housing and Community Development (HCD); EPS.

[1] Household sizes per HCD determination of projects with federal assistance.

[2] Household income per HCS 2021 Income limits.

[3] See Table A-4 for estimated unit values.

Table A-4
City of Salinas
Downtown HTMA
Estimated Rent and Housing Value Based on Income and Housing Costs

| Item | Annual Income [1] | Estimated Housing Costs | | | Loan Amount | Estimated Unit Value |
|---|-------------------|-------------------------|--|-----------------------|--|------------------------|
| | | Annual | Monthly Costs (Homeowner Costs / Rent + Utilities) [2] | Monthly Mortgage Cost | | |
| Assumptions | | | | | | |
| Maximum Monthly Housing Cost as % of Income [3] | 30.00% | A | | | | |
| Mortgage Term (In Years) [4] | 30 | B | | | | |
| Mortgage Interest Rate [5] | 4.00% | C | | | | |
| Down Payment as a % of Unit Value | 5.00% | D | | | | |
| <i>Formula</i> | <i>E</i> | <i>F = A * E</i> | <i>G = F / 12</i> | <i>H</i> | <i>I (see above assumptions B & C)</i> | <i>J = I / (1 - D)</i> |
| Income Level | | | | | | |
| 1-Person Household | | | | | | |
| Extremely Low | \$21,350 | \$6,405 | \$534 | \$308 | \$64,409 | \$67,799 |
| Very Low Income | \$35,600 | \$10,680 | \$890 | \$512 | \$107,244 | \$112,889 |
| Low Income | \$57,025 | \$17,108 | \$1,426 | \$822 | \$172,072 | \$181,129 |
| Median Income | \$57,100 | \$17,130 | \$1,428 | \$823 | \$172,282 | \$181,349 |
| Moderate Income | \$68,550 | \$20,565 | \$1,714 | \$987 | \$206,738 | \$217,619 |
| Work Force | \$95,178 | \$28,553 | \$2,379 | \$1,412 | \$295,655 | \$311,215 |
| 2-Person Household | | | | | | |
| Extremely Low | \$24,400 | \$7,320 | \$610 | \$368 | \$76,977 | \$81,028 |
| Very Low Income | \$40,700 | \$12,210 | \$1,018 | \$614 | \$128,609 | \$135,378 |
| Low Income | \$65,100 | \$19,530 | \$1,628 | \$982 | \$205,691 | \$216,517 |
| Median Income | \$65,300 | \$19,590 | \$1,633 | \$985 | \$206,319 | \$217,178 |
| Moderate Income | \$78,300 | \$23,490 | \$1,958 | \$1,181 | \$247,374 | \$260,393 |
| Work Force | \$105,754 | \$31,726 | \$2,644 | \$1,623 | \$339,956 | \$357,848 |
| 3-Person Household | | | | | | |
| Extremely Low | \$27,450 | \$8,235 | \$686 | \$428 | \$89,649 | \$94,368 |
| Very Low Income | \$45,800 | \$13,740 | \$1,145 | \$715 | \$149,660 | \$157,537 |
| Low Income | \$73,250 | \$21,975 | \$1,831 | \$1,143 | \$239,309 | \$251,905 |
| Median Income | \$73,450 | \$22,035 | \$1,836 | \$1,146 | \$239,938 | \$252,566 |
| Moderate Income | \$88,100 | \$26,430 | \$2,203 | \$1,375 | \$288,009 | \$303,168 |
| 4-Person Household | | | | | | |
| Extremely Low | \$30,500 | \$9,150 | \$763 | \$489 | \$102,427 | \$107,817 |
| Very Low Income | \$50,850 | \$15,255 | \$1,271 | \$814 | \$170,501 | \$179,475 |
| Low Income | \$81,350 | \$24,405 | \$2,034 | \$1,304 | \$273,033 | \$287,403 |
| Median Income | \$81,600 | \$24,480 | \$2,040 | \$1,307 | \$273,766 | \$288,175 |
| Moderate Income | \$97,900 | \$29,370 | \$2,448 | \$1,569 | \$328,645 | \$345,942 |

value

Source: Freddie Mac; EPS.

- [1] Refer to Table A-5 for income limits.
- [2] Refer to Table A-10 for detailed monthly costs calculation.
- [3] EPS assumes affordable housing prices shall be based on no more than 30% of income being applied to housing expenses.
- [4] Based on a 30-year fixed-rate conventional mortgage.
- [5] The 4.0% interest rate estimate is based on the average for 30-year fixed-rates from 2010 to 2020 per Freddie Mac.

**Table A-5
City of Salinas
Downtown HTMA
Monterey County Income Limits (2022 in 2022\$)**

| Income Level | % of AMI | | Monterey County Income Limits Based on HH Size: | | | |
|-------------------|----------------------------|------------|--|-----------------|-----------------|-----------------|
| | | | 1 | 2 | 3 [1] | 4 |
| Extremely Low | ≤ 30% AMI | 30% | \$21,350 | \$24,400 | \$27,450 | \$30,500 |
| Very Low Income | >30% to ≤50% AMI | 50% | \$35,600 | \$40,700 | \$45,800 | \$50,850 |
| Low Income | >50% to ≤80% AMI | 80% | \$57,025 | \$65,100 | \$73,250 | \$81,350 |
| Median Income | >80% to ≤100% AMI | 100% | \$57,100 | \$65,300 | \$73,450 | \$81,600 |
| Moderate Income | >100% AMI to ≤120% AMI | 120% | \$68,550 | \$78,300 | \$88,100 | \$97,900 |
| Work Force | >120% AMI to ≤160% AMI | 160% | \$95,178 | \$105,754 | \$117,504 | \$130,560 |

limits

Source: United States Department of Housing and Urban Development FY 2022 Income Limits; State of California Department of Housing and Community Development, "State Income Limits for 2022"; EPS.

[1] The average persons per household for the City of Salinas is 3.6 per the 2022 DOF.

**Table A-6
City of Salinas
Downtown HTMA
Micro Unit Comparables**

| Item | Address | Number of Units | Average Unit Size (Sq. Ft.) | Property Size (Sq. Ft.) | Land Area (Sq. Ft.) | Acres | DU/Acre | Number of Parking Spaces | Spaces per Unit | Year Built | Average Rent | Average Rent per Sq. Ft. |
|---------------------------------------|---------------|-----------------|-----------------------------|-------------------------|---------------------|------------|--------------|--------------------------|-----------------|-------------|----------------|--------------------------|
| Micro Unit Apartments | | | | | | | | | | | | |
| 19J | Sacramento | 175 | 484 | 80,000 | 12,807 | 0.3 | 595.2 | 50 | 0.3 | 2019 | \$2,082 | \$4.30 |
| Sonrisa [1] | Sacramento | 58 | 267 | 19,358 | 11,326 | 0.3 | 223.1 | 0 | 0.0 | 2023 | \$887 | \$3.32 |
| 259 Meridian Ave [1] | San Jose | 226 | 400 | 122,300 | 56,192 | 1.3 | 175.2 | 162 | 0.7 | 2024 | \$1,150 | \$2.88 |
| 388 Fulton | San Francisco | 69 | 488 | 50,750 | 12,520 | 0.3 | 240.1 | 0 | 0.0 | 2016 | For-Sale | NA |
| Total/Average/Weighted Average | | 528 | 425 | 68,102 | 23,211 | 0.5 | 328.1 | 53 | 0.4 | 2021 | \$1,280 | \$3.01 |

Source: CoStar; Sacramento Business Journal; project websites; The Sacramento Bee; City of San Jose; Mercury News; EPS.

[1] These projects are 100% affordable.

Table A-7
City of Salinas
Downtown HTMA
Detailed Multifamily Comparables Market Analysis

| Property [1] | Address | Number of Units | Average Unit Size (Sq. Ft.) | Property Size (Sq. Ft.) | Land Area (Sq. Ft.) | Acres | DU/Acre | Number of Parking Spaces | Spaces per Unit | Year Built | Average Rent | Average Rent per Sq. Ft. |
|---------------------------------------|----------------------|-----------------|-----------------------------|-------------------------|---------------------|------------|-------------|--------------------------|-----------------|-------------|----------------|--------------------------|
| Apartment Complex | | | | | | | | | | | | |
| - | 16 Natividad Rd | 48 | 528 | 43,220 | 65,301 | 1.5 | 32.0 | - | - | 1966 | \$1,226 | \$2.32 |
| Tahitian Village Apartments | 976 W Alisal St | 35 | 691 | 31,584 | 46,801 | 1.1 | 32.6 | 35 | 1.0 | 1964 | \$1,473 | \$2.13 |
| The Reef Apartments | 333 W Laurel Dr | 54 | 680 | 33,004 | 72,000 | 1.7 | 32.7 | 69 | 1.3 | 1964 | \$1,533 | \$2.25 |
| Northridge Manor Apartments | 105 N Prado St | 32 | 700 | 22,400 | 42,253 | 1.0 | 33.0 | 42 | 1.3 | 1978 | \$1,515 | \$2.16 |
| The Courtyard Apartments | 22 Capitol St | 40 | 710 | 28,400 | 52,799 | 1.2 | 33.0 | 40 | 1.0 | 1984 | \$1,846 | \$2.60 |
| Maple Manor Apartments | 300-320 Maple St | 24 | 618 | 14,793 | 31,459 | 0.7 | 33.2 | 27 | 1.1 | 1966 | \$1,075 | \$1.74 |
| East Park Apartments | 904-908 Acosta Plz | 36 | 720 | 25,920 | 47,149 | 1.1 | 33.3 | 58 | 1.6 | 1985 | \$1,934 | \$2.69 |
| The Gables | 2186-2198 Brutus Cir | 60 | 816 | 58,952 | 78,538 | 1.8 | 33.3 | 120 | 2.0 | 1989 | \$1,717 | \$2.10 |
| California Pride | 454 California St | 15 | 945 | 20,952 | 19,602 | 0.5 | 33.3 | 34 | 2.3 | - | \$1,357 | \$1.44 |
| 93 North | 93 Castro St | 104 | 695 | 71,275 | 135,297 | 3.1 | 33.5 | 118 | 1.1 | 1986 | \$2,264 | \$3.26 |
| The Park Terrace Apartments | 619 E Romie Ln | 52 | 613 | 30,170 | 67,514 | 1.5 | 33.6 | - | - | 1963 | \$1,691 | \$2.76 |
| Pointe at Northridge | 424-436 Noice Dr | 187 | 789 | 149,415 | 231,739 | 5.3 | 35.2 | 257 | 1.4 | 1979 | \$2,146 | \$2.72 |
| Glenhaven Apartments | 415 Williams Rd | 22 | 932 | 15,936 | 27,007 | 0.6 | 35.5 | 30 | 1.4 | 1977 | \$1,328 | \$1.42 |
| - | 401 Monterey St | 16 | 452 | 8,090 | 18,652 | 0.4 | 37.4 | 21 | 1.3 | 2019 | \$660 | \$1.46 |
| - | 270 Harvest St | 26 | 800 | 24,794 | 30,100 | 0.7 | 37.6 | 30 | 1.2 | 1964 | \$1,440 | \$1.80 |
| Pointe at Westlake | 60 Stephanie Dr | 139 | 593 | 100,650 | 157,761 | 3.6 | 38.4 | 18 | 0.1 | 1975 | \$1,765 | \$2.98 |
| Sheridan Apartments | 1450 N 1st St | 116 | 749 | 93,760 | 130,680 | 3.0 | 38.7 | 166 | 1.4 | 2019 | \$2,248 | \$3.00 |
| - | 1009 Sieber Ave | 18 | 792 | 14,604 | 19,936 | 0.5 | 39.3 | 26 | 1.4 | 1980 | \$1,176 | \$1.48 |
| Park View Apartments | 715 Elton Pl | 28 | 575 | 22,282 | 27,417 | 0.6 | 44.5 | 30 | 1.1 | 1971 | \$1,135 | \$1.97 |
| Nissen Village Apartments | 75 Nissen Rd | 70 | 530 | 38,336 | 67,082 | 1.5 | 45.5 | 70 | 1.0 | 1976 | \$1,450 | \$2.74 |
| Kipling Manor Apartments | 82-90 Kip Dr | 92 | 791 | 132,016 | 71,918 | 1.7 | 55.7 | 117 | 1.3 | 1993 | \$1,615 | \$2.04 |
| Park View Apartments | 707 Elton Pl | 54 | 660 | 41,895 | 39,653 | 0.9 | 59.3 | 30 | 0.6 | 1986 | \$1,982 | \$3.00 |
| - | 618 N Sanborn Rd | 12 | 675 | 14,188 | 5,798 | 0.1 | 90.2 | 16 | 1.3 | 1979 | \$1,335 | \$1.98 |
| Terrace View Apartments | 787-791 Garner Ave | 45 | 768 | 34,541 | 12,380 | 0.3 | 158.3 | 56 | 1.2 | 1989 | \$1,030 | \$1.34 |
| Total/Average/Weighted Average | | 1,325 | 701 | 44,632 | 62,452 | 1.4 | 43.0 | 64 | 1.1 | 1981 | \$1,747 | \$2.49 |

Source: CoStar; EPS.

[1] Includes properties with 10 or more units, and excludes properties without a listed asking rent price.

**Table A-8
City of Salinas
Downtown HTMA
Attached Ownership Comparable Properties**

| Item | Year Built | Attached Projects | | Date Sold | Sale Price | Price per Sq. Ft. |
|-------------------------------|------------|-------------------|--------------|-------------------|------------------|-------------------|
| | | Unit Sq. Ft. | Lot Sq. Ft. | | | |
| Condominium | | | | | | |
| 689 Las Casitas Dr | 2002 | 1,513 | - | August-10-2022 | \$509,000 | \$336.42 |
| 705 Garner Ave #103 | 2004 | 988 | - | June-14-2022 | \$362,000 | \$366.40 |
| 711 Garner Ave #103 | 2004 | 988 | - | February-15-2022 | \$355,000 | \$359.31 |
| 18235 Caldwell St | 2017 | 1,847 | - | January-27-2022 | \$725,000 | \$392.53 |
| 14814 Kit Carson Dr | 2018 | 1,330 | - | Jan-00 | \$284,000 | \$213.53 |
| 17619 Reynolds St | 2019 | 1,847 | - | April-15-2022 | \$796,000 | \$430.97 |
| 14881 Kit Carson Dr | 2019 | 2,199 | - | May-4-2022 | \$800,000 | \$363.80 |
| 14746 Kit Carson Dr | 2019 | 1,726 | - | March-24-2022 | \$750,000 | \$434.53 |
| Total/Weighted Average | | 12,438 | | | \$620,616 | \$368.00 |
| Townhome | | | | | | |
| 1860 Cherokee Dr #2 | 1982 | 1,621 | 1,961 | October-25-2021 | \$525,000 | \$323.87 |
| 1832 Cherokee Dr #4 | 1982 | 1,243 | 2,052 | August-20-2021 | \$450,000 | \$362.03 |
| 1883 Cherokee Dr #3 | 1983 | 1,083 | 550 | May-12-2022 | \$407,500 | \$376.27 |
| 142 Nissen Rd #1 | 1985 | 1,358 | 2,555 | September-17-2021 | \$560,000 | \$412.37 |
| 120 Nissen Rd #4 | 1985 | 1,358 | 2,495 | November-16-2021 | \$550,000 | \$405.01 |
| 102 Nissen Rd | 1985 | 1,293 | 3,433 | February-18-2022 | \$595,000 | \$460.17 |
| 2360 N Main St #1 | 1986 | 1,152 | 742 | September-30-2021 | \$342,000 | \$296.88 |
| 949 Nantucket Blvd #18 | 1996 | 1,597 | 3,060 | February-3-2022 | \$620,000 | \$388.23 |
| 17819 Banks St | 2018 | 1,847 | 1,181 | March-31-2022 | \$700,000 | \$378.99 |
| 16230 E Garrison | 2019 | 2,199 | 1,462 | September-10-2021 | \$750,000 | \$341.06 |
| Total/Weighted Average | | 14,751 | 1,949 | | \$573,160 | \$373.00 |

Source: The Gregory Group; EPS.

**Table A-9
City of Salinas
Downtown HTMA
New Home Asking Price Comparison**

| Project-Location | Project Type | Starting Asking Sales Price | Sq. Ft. | Asking Sales Price per Sq. Ft. | Bed | Bath |
|--------------------------------------|--------------|-----------------------------|--------------|--------------------------------|----------|------------|
| The Dunes - Marina, CA | | | | | | |
| Beach House | | | | | | |
| Plan 1 [1] | SFR Detached | \$1,114,500 | 2,315 | \$481.43 | 3 | 2.5 |
| Plan 2 [1] | SFR Detached | \$1,249,000 | 2,401 | \$520.20 | 4 | 3.0 |
| Plan 3 | SFR Detached | \$1,233,000 | 2,432 | \$506.99 | 4 | 3.0 |
| Average Beach House | | \$1,198,833 | 2,383 | \$503.15 | 4 | 3.0 |
| Sea House | | | | | | |
| Plan 1 | SFR Attached | \$847,033 | 1,581 | \$535.76 | 2 | 2.5 |
| Plan 2 [1] | SFR Attached | \$865,440 | 1,735 | \$498.81 | 3 | 2.5 |
| Plan 3 | SFR Attached | \$912,651 | 1,969 | \$463.51 | 3 | 2.5 |
| Plan 4 [1] | SFR Attached | \$910,276 | 1,919 | \$474.35 | 3 | 2.5 |
| Average Sea House | | \$883,850 | 1,801 | \$490.76 | 3 | 2.5 |
| Surf House | | | | | | |
| Plan 1 | SFR Detached | \$995,378 | 2,012 | \$494.72 | 3 | 2.5 |
| Plan 2 [1] | SFR Detached | \$1,028,945 | 2,222 | \$463.07 | 3 | 2.5 |
| Plan 3 [1] | SFR Detached | \$1,061,452 | 2,280 | \$465.55 | 4 | 3.0 |
| Average Surf House | | \$1,028,592 | 2,171 | \$473.71 | 3 | 2.5 |
| Average The Dunes | | \$1,021,768 | 2,087 | \$489.68 | 3 | 2.5 |
| Vintage Estates - Soledad, CA | | | | | | |
| Residence 1550 | SFR Detached | \$581,990 | 1,550 | \$375.48 | 3 | 2.0 |
| Residence 1803 | SFR Detached | \$604,990 | 1,803 | \$335.55 | 3 | 2.5 |
| Residence 1994 | SFR Detached | \$619,990 | 1,994 | \$310.93 | 3 | 2.5 |
| Residence 2131 | SFR Detached | \$629,990 | 2,131 | \$295.63 | 3 | 2.5 |
| Residence 2438 | SFR Detached | \$662,990 | 2,438 | \$271.94 | 4 | 3.0 |
| Average Vintage Estates | | \$619,990 | 1,983 | \$312.62 | 3 | 2.5 |
| The Enclave - Seaside, CA | | | | | | |
| Residence 1 | SFR Detached | \$1,748,000 | 2,941 | \$594.36 | 4 | 4.5 |
| Residence 2 | SFR Detached | \$2,025,000 | 3,456 | \$585.94 | 4 | 4.5 |
| Residence 3 | SFR Detached | Sold Out | 3,456 | NA | 4 | 3.5 |
| Residence 4 | SFR Detached | \$2,202,500 | 3,724 | \$591.43 | 4 | 4.5 |
| Residence 5 | SFR Detached | Sold Out | 3,533 | NA | 4 | 3.5 |
| Residence 6 | SFR Detached | \$1,947,000 | 3,033 | \$641.94 | 3 | 3.5 |
| Average The Enclave | | \$1,980,625 | 3,357 | \$589.97 | 4 | 4.0 |
| Roberts Ranch - Hollister, CA | | | | | | |
| Plan 1478 | SFR Detached | NA | 1,478 | NA | 3 | 2.0 |
| Plan 1896 [1] | SFR Detached | \$815,000 | 1,896 | \$429.85 | 3 | 2.0 |
| Plan 1967 | SFR Detached | \$825,000 | 1,967 | \$419.42 | 4 | 2.0 |
| Plan 2209 [1] | SFR Detached | NA | 2,209 | NA | 3 | 2.0 |
| Plan 2273 | SFR Detached | NA | 2,273 | NA | 4 | 2.5 |
| Plan 2321 | SFR Detached | NA | 2,321 | NA | 4 | 2.5 |
| Plan 2525 | SFR Detached | NA | 2,525 | NA | 5 | 3.0 |
| Plan 2775 | SFR Detached | NA | 2,775 | NA | 5 | 3.0 |
| Plan 3465 | SFR Detached | NA | 3,465 | NA | 5 | 3.5 |
| Average Roberts Ranch | | \$820,000 | 2,323 | \$352.96 | 4 | 2.5 |
| Montclair - Hollister, CA | | | | | | |
| Residence 1 | SFR Detached | \$780,990 | 1,628 | \$479.72 | 3 | 2.0 |
| Residence 2 | SFR Detached | \$803,990 | 1,743 | \$461.27 | 3 | 2.5 |
| Residence 3 | SFR Detached | \$841,990 | 2,054 | \$409.93 | 4 | 2.5 |
| Residence 4 | SFR Detached | \$857,990 | 2,176 | \$394.30 | 4 | 2.5 |
| Residence 5 | SFR Detached | \$871,990 | 2,320 | \$375.86 | 4 | 3.0 |
| Residence 6 | SFR Detached | \$874,990 | 2,493 | \$350.98 | 4 | 3.0 |
| Residence 7 | SFR Detached | \$894,990 | 2,833 | \$315.92 | 5 | 3.0 |
| Residence 8 | SFR Detached | \$914,990 | 3,153 | \$290.20 | 5 | 3.5 |
| Average Montclair | | \$855,240 | 2,300 | \$371.84 | 4 | 3.0 |

new_sales

Source: Shea Homes; Legacy Homes; Merriage Homes; KB Homes; EPS.

[1] Model plan includes option for 1 more bedrooms.

Table A-10
City of Salinas
Downtown HTMA
Estimated Monthly Housing Costs by Category in Monterey County (2022 in 2022\$)

| Item | Assumptions | Estimated Monthly Cost | | | Total |
|--|---------------------------------|------------------------|--------------------|---------------------|----------------|
| | | Mortgage Payment | Mortgage Insurance | Taxes and Insurance | |
| Annual Property Taxes and Homeowners Insurance | 2.00% | | | | |
| Mortgage Insurance as a % of Loan Amt. [1] | 1.50% | | | | |
| Income Level | <u>Annual Income [2]</u> | | | | |
| Extremely Low | \$21,350 | \$489 | \$128 | \$146 | \$763 |
| Very Low Income | \$50,850 | \$814 | \$213 | \$244 | \$1,271 |
| Low Income | \$81,350 | \$1,304 | \$341 | \$389 | \$2,034 |
| Median Income | \$81,600 | \$1,307 | \$342 | \$391 | \$2,040 |
| Moderate Income | \$97,900 | \$1,569 | \$411 | \$468 | \$2,448 |
| Above Moderate Income \$100K | \$100,000 | \$1,508 | \$395 | \$598 | \$2,500 |
| Above Moderate Income \$150K | \$150,000 | \$2,261 | \$592 | \$897 | \$3,750 |
| Above Moderate Income \$200K | \$200,000 | \$3,015 | \$789 | \$1,196 | \$5,000 |

Source: Realtor.com; Zillow; bankrate.com; wells Fargo.com; chase.com; nerwallet.com; EPS.

[1] Mortgage insurance rate is based on an average of the estimated range from 0.55% to 2.25%. Rates are based on credit and down payment amounts.

[2] Refer to Table A-5 for income limits.