

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. Workers	% 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)

Item	City of Salinas					
	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 + Utilites) [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					
Formula	E	F = A * E	G = F / 12	H [6]	I (see above assumptions B & C)	J = I / (1 - D)	
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 Avreage 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/CAPTIALIZED 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		\$6,062,374	-	(\$539,223)	-
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/CAPTIALIZED 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		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					
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	-	30%	2	-	
Two Bedroom/2 Bath		3	-	0%	-	-	0%	-	-	50%	3	-	50%	3	-	60%	7	-	60%	5	-	70%	4	-	70%	3	-	
		-	-	12%	22	-	12%	22	-	12%	7	-	12%	7	-	20%	12	-	15%	9	-	20%	6	-	15%	5	-	
		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%	-	\$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	0%	-	-
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	0%	-	-
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	\$181,349	
Two Bedroom/2 Bath		\$73,450	\$12,474	-	-	-	-	-	-	-	-	-	-	-	\$217,178	-	-	-	60%	2	\$434,356	-	-	-	70%	1	\$273,645	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6%	4	\$797,055	-	-	-	6%	2	\$454,994	
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	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	30%	1	\$217,619
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	70%	1	\$260,393
		-	-	12%	22	\$274,428	-	-	-	12%	7	\$87,318	-	-	-	-	4%	2	\$478,013	6%	4	\$956,025	4%	1	\$260,393	6%	2	\$478,013
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%	1	\$357,848	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4%	2	\$669,063	3%	1	\$357,848	4%	1	\$357,848	3%	1	\$357,848	
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	-	5	\$1,290,855
Weighted Avg. Residential Per Unit						\$8,093			\$4,897			\$4,328			\$2,291												\$258,936	
Less Vacancy and Maintenance		25%				\$6,069			\$3,673			\$3,246			\$1,718												NA	
Capitalization Rate		5.0%				\$121,390			\$73,452			\$64,916			\$34,367												NA	
Housing Impact Fee						\$5,400			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				
Formula	E	F = A * E	G = F / 12	H	I (see above assumptions B & C)	J = I / (1 - D)
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
Income Level						
		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
Income Level						
		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
Income Level						
		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				Price per Sq. Ft.
		Unit Sq. Ft.	Lot Sq. Ft.	Date Sold	Sale Price	
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; Mertiage 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.