



**Economic & Planning
Systems, Inc.**
The Economics of Land Use

CITY OF FOLSOM INCLUSIONARY HOUSING IN-LIEU FEE STUDY

FINAL REPORT

Prepared for:
City of Folsom

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1. Introduction and Summary of Findings

Introduction

In 2002, the City of Folsom (City) adopted an inclusionary housing ordinance (IHO) applicable to new development, including the provision of an optional fee in-lieu of developing the affordable housing units. In 2013, the City amended the IHO to establish a formal in-lieu fee component imposed on market rate owner-occupied housing units and to exclude rental developments from inclusionary requirements in accordance with the 2009 *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* decision.

The City's 2021-2029 Housing Element includes Program H-9, which requires an evaluation of current in-lieu fee levels to ensure they effectively advance affordable housing goals under the IHO. To comply with Program H-9, the City retained Economic & Planning Systems, Inc. (EPS) to evaluate the existing IHO in-lieu fee program and determine whether methodology updates are warranted, feasible, and consistent with other regional affordable housing programs. In addition, City staff have indicated that the current fee calculation and collection process is administratively inefficient and does not align with the City's fee processing system, which calculates other fees automatically for each unit based upon unit characteristics such as zoning and square footage. Because the per-unit fee is subdivision-specific, the IHO in-lieu fee must be entered manually, introducing the risk of clerical error.

This document, the Inclusionary Housing Program In-Lieu Fee Study ("Fee Study" or "Study"), considers an update to the City's IHO in-lieu fee. This Study establishes updated maximum justifiable using a nexus-based methodology that can be charged to new market rate residential land uses in the City. Although the in-lieu fee is not subject to legal nexus requirements under the Mitigation Fee Act (California Government Code Section 66000 et seq.) and related legislation (e.g., Assembly Bill 602), this analysis applies a nexus-based approach to update the affordability gap analysis that underpins the calculation of the maximum justifiable in-lieu fee under the IHO.

Since the 2013 amendment to the City's IHO, State Assembly Bill (AB) 1505 (2017) was signed into law, which explicitly allows local governments to impose inclusionary requirements, including in-lieu fees, on rental housing projects. This study examines the potential to expand the City's existing inclusionary requirements on for-sale housing to also apply to rental housing.

This Study evaluates an updated fee based on current socioeconomic and real estate market conditions in the City. Since the previous study, market shifts, including the impacts of the COVID-19 Pandemic, significant increases in construction costs, and notably higher interest rates, have impacted residential home values and rental rates, reinforcing the need to reassess the current financing gap or subsidy required to produce affordable units while maintaining feasibility for new market rate development.

In addition, this Study incorporates input from stakeholders - including market-rate and affordable housing developers and City staff - and considers legislative changes adopted since the previous study. EPS also reviewed affordable housing policies and funding approaches in select peer jurisdictions to provide context for potential in-lieu fee updates.

Current Policies

The City's Municipal Code Ordinance Chapter 17.104 Inclusionary Housing (Ordinance) states that all for-sale and rental projects receiving financial assistance from the City with 10 or more units or that are otherwise subject to a voluntary affordable housing agreement with the City shall include inclusionary housing units equal to 10 percent of the total number of units in the project (excluding density bonus units). The 10 percent requirement comprises 3 percent "Very Low Income" units and 7 percent "Low Income" units, as defined by the Department of Housing and Community and Development (HCD) Income Limits for Sacramento County.¹

For projects where four or fewer inclusionary units are required, the inclusionary units must be composed as follows: one inclusionary unit: one "Low Income" unit; two inclusionary units: one "Low Income" unit and one "Very Low Income" unit; three inclusionary units: two "Low Income" units and one "Very Low Income" unit; four inclusionary units: three "Low Income" units and one "Very Low Income" unit.

The City also provides that there are additional compliance methods the inclusionary requirement can be met beyond including the units in the project:

- Land dedication.
- Off-site construction.
- Acquisition, rehabilitation, and conversion of market-rate units.
- Conversion of market-rate units.
- Inclusionary housing credits.
- In-lieu fee.
- A combination of the above alternatives.²

¹ City of Folsom Municipal Code, Chapter 17.104, Inclusionary Housing, June 12, 2020.

² Ibid.

The in-lieu fee alternative to on-site construction allows a developer to pay a fee to satisfy inclusionary housing requirements. The City has established the in-lieu fee amount as 1 percent of the lowest-priced for-sale residential unit in the proposed subdivision multiplied by the total number of for-sale residential units in the proposed subdivision.³

The Ordinance does not specify the size or ratio of unit types for the inclusionary units but states the provided units, “shall accommodate diverse family sizes by including a mix of studio, one-, two and/or three-bedroom units and the mix of inclusionary sizes shall generally accommodate the household sizes identified in the City’s General Plan.”⁴ The household sizes encouraged in the General Plan include 3- and 4-bedroom units in multifamily rental housing. Projects with 40 units or fewer are exempt from any unit size requirement.⁵

The Ordinance does provide that the exterior of the inclusionary units shall be compatible with or built with similar finishes as the market-rate units, as well as access to common amenities. The ordinance excludes any direction of the caliber of the unit’s interior finishes.

The in-lieu fee for each unit must be paid before the City issues a building permit for that unit. Once a per-unit fee has been set for a particular subdivision, it is not subject to review for 12 months. Once 12 months have passed, the fee is reviewed January 1 of each following year. In the event the price of the lowest-priced home in the subdivision changes by 10 percent or more, the fee is recalculated based on the updated price and the method described above.

Sources

To prepare the in-lieu fee study, EPS relied on numerous current sources of data, including but not limited to the following:

- State of California’s Department of HCD annual income limits for 2025. The study relies on the income limit definitions from HCD to estimate the housing costs by household type. HCD’s income limits define income levels based on county-level Area Median Income (AMI). In 2025, the AMI for the County of Sacramento for a family of 4 was \$120,800. The income limits for households are defined by HCD as follows:
 - “Extremely Low” is 30 percent or less of AMI
 - “Very Low” is between 30 percent and 50 percent of AMI
 - “Low” is between 50 percent and 80 percent of AMI
 - “Moderate” is between 80 percent and 120 percent of AMI
 - “Above Moderate” is between 120 percent and 160 percent of AMI.

³ Ibid.

⁴ Ibid.

⁵ City of Folsom 2035 General Plan, Policy H-5.9., Final Housing Element, Adopted October 22, 2013.

Table 1-1 presents the income categories that are relevant for this fee program evaluation.

Table 1-1. Sacramento County Area Median Income (AMI) Categories (2025 in 2025\$)

| Item | HUD Defined % of AMI | Study % of AMI | Sacramento County Income Limits Based on HH Size [1] | | | | |
|----------------------|----------------------|----------------|------------------------------------------------------|-----------|-----------|------------------|-----------|
| | | | 1 | 2 | 3 | 4 | 5 |
| Income Level | | | | | | | |
| Extremely Low Income | 15 - 30% | < 30% | \$27,050 | \$30,900 | \$34,750 | \$38,600 | \$41,700 |
| Very Low Income | 30 - 50% | 30-50% | \$45,050 | \$51,450 | \$57,900 | \$64,300 | \$69,450 |
| Low Income | 50 - 80% | 51-80% | \$72,050 | \$82,350 | \$92,650 | \$102,900 | \$111,150 |
| Median Income | 80 - 100% | - | \$84,550 | \$96,650 | \$108,700 | \$120,800 | \$130,450 |
| Moderate Income | 100 - 120% | 81-120% | \$101,450 | \$115,950 | \$130,450 | \$144,950 | \$156,550 |

Source: State of California Department of Housing and Community Development, "State Income Limits for 2025"; EPS.

[1] Base AMI for Sacramento County assumes median income and a household size of 4.

- U.S. Census Bureau American Community Survey (ACS) 1-Year Estimates (2023).⁶
- California Department of Finance Demographics Table E-5 2024.
- JobsEQ Industry and Occupation data as of 1st quarter 2024. The JobsEQ model is based on the BLS projections.
- U.S. Bureau of Labor Statistics 2022 Consumer Expenditure Survey.
- 2017 U.S. Census Economic Census.
- Input from market-rate and affordable residential developers, and City staff regarding recently developed market rate and affordable housing projects, market assumptions and trends, and the Study methodology.
- Third-party real estate and construction data firms such as CoStar, Zillow, Redfin, and Saylor Construction Costs.

This report presents key findings and recommendations for updating the inclusionary housing program in-lieu fee in the City.

Stakeholder Outreach

In addition to the quantitative data sources consulted above, EPS incorporated stakeholder feedback into the study and recommendations. Stakeholders—including affordable housing developers, single dwelling and market-rate housing developers, and other professionals from the development community— shared

⁶ For most metrics, the choice between 5-year and 1-year ACS data does not significantly change the takeaway. 5-year data is more stable and conservative but may flatten data that ought not to be while 1-year data is more current and allows for year-to-year comparisons but has higher margins of error.

their perspectives on the City's existing affordable housing fee program, providing essential input to inform the findings of this analysis. The following themes were identified from these discussions:

- Home builders surveyed support the current fee calculation method, both because they view the typical fee amount as reasonable and because the fee can change in response to the market prices for new homes.
- All market-rate developers surveyed preferred paying an in-lieu fee to providing on-site affordable housing, citing the administrative difficulties with operating affordable housing.
- Multifamily developers expressed concern at the high fee levels for multifamily units in the City (particularly in the Folsom Plan Area), and shared that further fees would negatively impact multifamily feasibility.

Key Findings and Considerations

The following section reflects the results of the updated Fee Study, which is based on current cost and revenue assumptions. The analyses present updated maximum justifiable affordable housing in-lieu fees that could be exacted on new residential development in the City. This section also summarizes research conducted on affordable and inclusionary housing policies in comparable jurisdictions, current market dynamics, input from local stakeholders, and implementation steps and considerations for the City to provide housing affordable to different income levels.

Inclusionary Housing Program In-Lieu Fee

This Study applies a nexus-based approach consistent with the requirements of the Mitigation Fee Act, even though in-lieu fees are not subject to these requirements. This nexus-based approach provides the City and stakeholders with transparency regarding the methods and data used to calculate the fee amount. In addition, charging the fee on a per-square-foot basis, as recommended in this Study, eases the administrative burden on City staff and provides developers with clear expectations for fee levels associated with their projects.

Throughout the outreach process for this study, stakeholders in the development community expressed support for the in-lieu fee levels derived under the current methodology. Accordingly, this Study recommends that the updated in-lieu fee, now expressed on a per-square-foot basis, remains comparable to the existing fee, ensuring that developers in Folsom face similar and predictable costs while maintaining adequate revenues to support the City's affordable housing goals.

It is important to ensure the fees exacted on development do not negatively affect development's financial feasibility. The analysis contained in this Study demonstrates the recommended fee level is feasible for all three single-family for-sale prototypes analyzed. However, the analysis in this Study shows that, even

without being subject to the current inclusionary housing in-lieu fee, multifamily rental developments in Folsom currently face significant feasibility challenges.

Updated In-Lieu Fee

Table 1-2 compares the City’s existing fee with the updated fees developed in this Study, which are calculated using a nexus-based approach for four residential prototypes representative of housing that has been recently constructed, is currently under construction, or is planned in the City.⁷ The updated fees include the updated maximum justifiable in-lieu fee as well as two scenarios representing lower to higher percentages of the maximum justifiable fee. This Study recommends the City consider the fees under the low scenario, which closely approximate the City’s existing fee when converted to a per unit fee equivalent. Although now permitted under AB 1505, the Study recommends continuing to exempt multifamily rental units from the City’s inclusionary requirements, including the in-lieu fee. This recommendation reflects the feasibility challenges associated with developing this housing type and aligns with the City’s goal of encouraging higher-density housing in key locations.

Peer Jurisdictions Comparative Survey

EPS examined local affordable housing programs to provide context and comparable information as the City updates its in-lieu fee in **Chapter 4**. The information includes an evaluation of residential fees and program requirements and is intended to inform decision-making and ensure potential new fees are reasonable and competitive with neighboring areas.

EPS examined affordable housing programs in the following peer jurisdictions:

- City of Sacramento;
- City of Rancho Cordova;
- City of Elk Grove;
- City of Davis;
- City of West Sacramento;
- City of Roseville; and
- Sacramento County.

⁷ Because the prototypes do not represent all possible home sizes and sales’ price points, the difference between the existing fee and the recommended fee may differ for actual developments. However, as this table shows, the overall change in fee level between the current fee and the recommended fee is minimal.

Table 1-2. Residential Affordable Housing Impact Fee Comparison (2025\$)

| Item | Residential Prototype Examples | | | |
|------------------------------------------------------------|------------------------------------|---------------------------------------|-------------------------|-----------------------------|
| | Owner-Occupied Prototypes | | | Renter-Occupied Prototype |
| | Single Family Detached Low Density | Single Family Detached Medium Density | Multifamily Attached | Multifamily Apartment Units |
| Average Unit Sq. Ft. | 2,600 | 2,000 | 1,500 | 1,000 |
| EXISTING AFFORDABLE HOUSING IN-LIEU FEE [1] | | | | |
| Per Unit Example [1] | \$8,610 | \$6,558 | \$5,025 | \$0 |
| Current fee Estimate per Sq. Ft. Example [1] | \$3.31 | \$3.28 | \$3.35 | \$0.00 |
| UPDATED AFFORDABLE HOUSING IN-LIEU FEE (2025\$) | | | | |
| Maximum Supportable Fee per Sq. Ft. [2] | \$59.56 | \$44.35 | \$35.82 | \$34.01 |
| Per Unit Example [1] | \$154,856 | \$88,700 | \$53,730 | \$34,010 |
| Difference between Current Fee and Updated Maximum | \$146,246 | \$82,142 | \$48,705 | \$34,010 |
| % Difference between Current Fee and Updated Maximum | 1,698.5% | 1,252.6% | 969.3% | N/A |
| High Fee Scenario (20 % of Maximum) [3] | <u>20.0% of Maximum</u> | <u>20.0% of Maximum</u> | <u>20.0% of Maximum</u> | <u>20.0% of Maximum</u> |
| Potential Updated Fee per Sq. Ft. | \$11.91 | \$8.87 | \$7.16 | \$6.80 |
| Per Unit Example [1] | \$30,966 | \$17,740 | \$10,740 | \$6,800 |
| Difference between Current Fee and Potential Updated Fee | \$22,356 | \$11,182 | \$5,715 | \$6,800 |
| % Difference between Current Fee and Potential Updated Fee | 259.6% | 170.5% | 113.7% | N/A |
| Recommended Fee Scenario (% of Maximum) [3] | <u>5.0% of Maximum</u> | <u>6.8% of Maximum</u> | <u>7.0% of Maximum</u> | <u>.0% of Maximum</u> |
| Potential Updated Fee per Sq. Ft. | \$3.00 | \$3.00 | \$2.50 | \$0.00 |
| Per Unit Example [1] | \$7,800 | \$6,000 | \$3,750 | \$0 |
| Difference between Current Fee and Potential Updated Fee | (\$810) | (\$558) | (\$1,275) | \$0 |
| % Difference between Current Fee and Potential Updated Fee | (9.4%) | (8.5%) | (25.4%) | N/A |

Source: City of Folsom; EPS.

[1] Per unit example based on current estimated sales price shown in Table 3-7. Per square foot examples based on per unit fee and prototype square footages. See Table 3-1. The City's current in-lieu fee is not applicable to renter-occupied units.

[2] For more details on the maximum supportable fee per square foot calculation, see Table 3-9.

[3] The High Scenario is set at 20% of maximum supportable fee, while the objective of the Low Scenario is to apply percentages of the maximum supportable fee that would result in a similar per unit fee as the current in-lieu fee for the Single Family Detached units. The Low Scenario for the Multifamily Attached units is set to be approximately \$0.50 lower per square foot than the Single Family Detached units. The Low Scenario for multifamily units is set at zero to reflect the City's position to continue to exempt these units from inclusionary housing requirements.

Additionally, EPS examined other in-lieu fee amounts from jurisdictions outside of the region, including:

- City of Berkeley;
- City of Santa Rosa;
- City of Sunnyvale; and
- City of Atascadero.

Key Findings from Peer Jurisdictions

Peer jurisdictions offer a range of approaches to funding affordable housing. Outside of Folsom, no other jurisdiction in the Sacramento region has a formal inclusionary housing in-lieu fee. In addition to Elk Grove, the two largest jurisdictions, the City of Sacramento and Sacramento County, have adopted affordable housing development impact fees applied to market rate residential and nonresidential uses.

The City of Sacramento adopted an incentive program for high-density market-rate development, exempting all single-family and duplex uses with densities greater than 20 units per acre and all multifamily uses with densities greater than 40 units per acre from the fee. The cities of Roseville and Rancho Cordova have no formal inclusionary programs, although both jurisdictions negotiate inclusionary requirements with in-lieu fee options for large development projects through a development agreement. Except for Roseville, all jurisdictions evaluated for this Study have implemented a commercial linkage development impact fee, as shown in **Table 4-1**.

Broadly speaking, the financial impact of Folsom's in-lieu fee (both current and the recommended updated fee) are comparable to fees in other jurisdictions in the Sacramento region, slightly lower than the City of Sacramento and Sacramento County, and slightly higher than the City of West Sacramento and City of Elk Grove. The City of Davis is an outlier, charging a significantly higher in-lieu fee than other jurisdictions in the region.

Because no jurisdictions in the Sacramento have an inclusionary housing requirement and associated in-lieu fee similar to Folsom's, EPS also examined other jurisdictions outside the Region who have formal inclusionary policies with pre-determined in-lieu fee amounts. Compared to these other jurisdiction's formal in-lieu fee amounts, the City's fee is significantly lower than any other jurisdiction examined. However, all the other in-lieu fee programs that EPS examined are in cities with much higher housing prices than the City of Folsom.

Policy and Implementation Considerations

There are many factors a jurisdiction should consider when establishing affordable housing fee requirements. Like many communities in the State and across the nation, housing demand in the City has continued to outpace supply over the last several decades. This undersupply has increased housing costs for consumers, impacting affordability, and disproportionately affecting the most vulnerable populations. If market-rate units are the only type of housing produced, this ignores the need for housing at below market-rate income levels. However, it should be noted that adding net new net units at any income level has the potential to help reduce the overall housing undersupply and competition for existing units. While this Study finds that the inclusionary housing in-lieu fee in the City of Folsom is comparable to other jurisdictions' affordable housing fees in the Sacramento Region, this fee is only a component of the overall fee and infrastructure burden within a community. The City should ensure that both the inclusionary housing in-lieu fee and other fees are regularly evaluated to ensure that the fee programs are both achieving their funding goals and that the City's overall fee burden is not negatively impacting development feasibility.

Because City staff indicated that reducing administrative burden, rather than increasing revenue, was a key goal of this update, this Fee Study recommends that units subject to the fee be charged a per-square foot fee. However, approaches from other jurisdictions show that the fee can be used as a policy tool to encourage or discourage different types of housing. For example, the City of Santa Rosa charges a lower per-square-foot fee for smaller units, which favors the construction of smaller dwelling units. Similarly, the City of Sacramento charges a lower per-square-foot fee for dwelling units in the City's "Housing Incentive Zone." Because the City's policy goals include promoting higher-density for-sale housing, this fee study recommends charging a lower per-square-foot fee to multifamily for-sale housing.

Since the IHO was last amended, the state passed AB 1505 (2017) which allows local governments to require inclusionary housing (and related in-lieu fee options) on rental housing, subject to feasibility review and other conditions. As part of this study, feasibility findings suggest that rental housing, which is not subject to the City's current in-lieu fee, already faces feasibility challenges. As such, and despite other peer jurisdictions imposing fees on this type of housing, this study recommends that the updated in-lieu fee continue to exempt rental housing.

Lastly, because this Study proposes charging market-rate units on a per-square-foot basis, rather than as a percentage of sales price, EPS recommends that an enacting ordinance include an indexing component. By allowing the City to ministerially increase the fee using the Construction Cost Index, the City can ensure that fee revenue keep pace with funding needs.

Organization of Report

Following this **Introduction and Executive Summary**, this Study includes the following chapters:

- **Chapter 2** summarizes the methodology of the Inclusionary Housing In-Lieu Fee Analysis.
- **Chapter 3** summarizes the results of the Inclusionary Housing In-Lieu Fee Analysis.
- **Chapter 4** provides a comparison of comparable jurisdictions inclusionary housing policies.
- **Chapter 5** provides policy and implementation considerations.

This Study includes two technical appendices. **Appendix A** provides supporting assumptions and calculations for the Residential Inclusionary Housing In-Lieu Fee Study in **Chapter 2**. **Appendix B** includes key assumptions underlying this analysis.

2. Inclusionary Housing: Residential In-Lieu Fee Study

Methodology Summary

As discussed in **Chapter 1**, the City's Municipal Code (Chapter 17.104) currently allows a per-unit in-lieu fee option equal to one percent of the sales price of the lowest-priced dwelling unit in the subdivision. The City is interested in exploring other potential methodologies to calculate the in-lieu fee in place of providing onsite affordable units within their development projects. The analysis estimates the financing gap or subsidy required to develop affordable units to quantify a "maximum supportable inclusionary housing in-lieu fee" and compares this fee to the current existing in-lieu fee. The "financing gap" approach is a well-accepted methodology used in development impact fee studies to establish maximum supportable fees that can be imposed on new residential development projects.

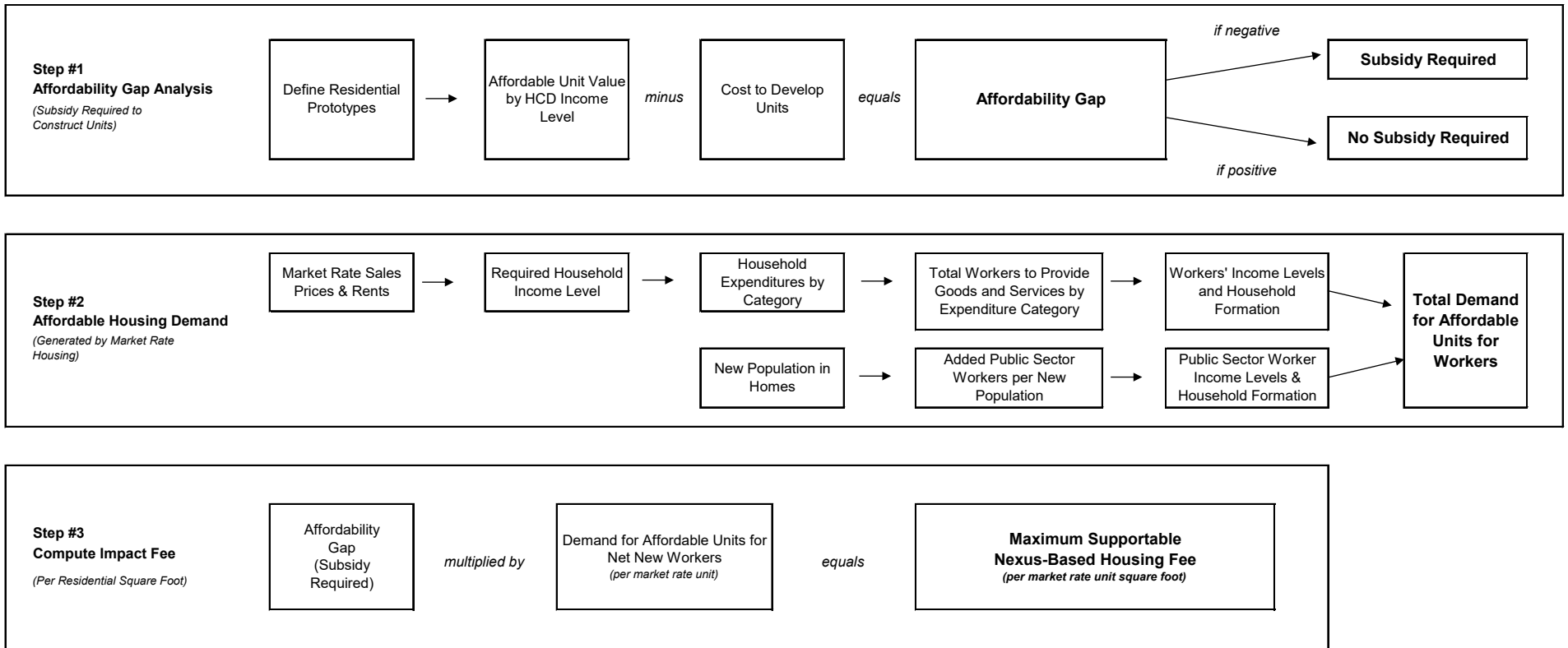
The methodology, as discussed below and summarized in **Figure 2-1**, calculates a fee by combining (1) the subsidy needed to produce a residential unit affordable at HCD-defined income levels and (2) the demand for new affordable housing generated by spending from the households of new market-rate units, which creates additional lower-wage jobs.

This memorandum and the analysis contained herein are intended to support the City's decision-making process regarding inclusionary policy and to promote the construction of affordable housing development in the City.

Step #1: Conduct Affordability Gap Analysis

EPS developed 4 residential prototypes representative of housing units that have been recently constructed, are currently under construction, or are planned in the City. These prototypes (shown in **Table 3-1**) were developed based on the weighted average of comparable project types from market research, the Folsom Plan Area Specific Plan, the City's Municipal Code density and parking requirements, and input from City staff.

Figure 2-1. Illustration of Inclusionary Housing Nexus-Based In-Lieu Fee Methodology



- **Prototype #1: Low-Density Single Dwelling Unit (For-Sale).** This prototype is a low-density Single Dwelling Unit with a density of 5 units per acre. The prototype unit size reflects an average of 2,600 square feet, with 4 bedrooms and an attached 2-car garage. See **Table A-1** for market research details.
- **Prototype #2: Medium-Density Single Dwelling Unit (For-Sale).** This prototype is a medium-density Single Dwelling Unit with a density of 10 units per acre. The average unit size is 2,000 square feet, with 3 bedrooms and an attached 2-car garage. See **Table A-2** for market research details.
- **Prototype #3: Multifamily Attached (For-Sale).** This prototype is a higher density owner-occupied dwelling (townhome or condominium) with a density of 18 units per acre. The Multifamily Attached prototype unit size is 1,500 square feet, with 3 bedrooms and an attached 2-car garage. See **Table A-3** for market research details.
- **Prototype #4: Multifamily Apartments (Rental).** The Multifamily Apartments prototype is a renter-occupied building with a density of 30 units per acre. The Multifamily prototype unit size is 1,000 square feet, with 2 bedrooms and includes 1.5 parking spaces per unit. See **Table A-4** for market research details.

An “affordability gap analysis” evaluates whether the cost to construct affordable units exceeds the income-based value of units that are affordable to lower- and moderate-income households. Not all projected new households will require affordable housing. The maximum housing cost is based on income that a household can expend on a mortgage payment or monthly rent (shown in **Table 3-2**). This analysis estimates that a household spends 30 percent of the annual household income on all housing costs. Other housing costs include utilities for rental units and mortgage insurance, taxes, homeowners insurance, utilities, and HOA fees for for-sale units. These other costs are subtracted from the total housing costs to determine the estimated maximum mortgage amount or rent. to determine the subsidy required to construct affordable housing units for each affordable housing income level (households with incomes at 50 percent, 80 percent, and 120 percent of AMI). The maximum supportable fee calculations commence with an affordability gap calculation (**Table 3-6**), an analysis that compares the cost of developing residential units (**Table 3-5**) to their value under income-based pricing restrictions (**Table 3-3** and **Table 3-4**). Where the development cost exceeds the unit value, there is an affordability gap that must be subsidized to support affordable unit development. The affordability gap is then applied to derive a maximum supportable inclusionary housing impact fee.

Each analytical element used in this calculation is detailed in the following sections.

Step #2: Calculate Affordable Housing Demand

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

Because more expensive housing units require occupants to have higher incomes, and higher income households create more jobs through their spending, the nexus impacts and thus the justified fees for units vary according to the price range of the market-rate units. Typically, larger units (i.e., larger square footage and more bedrooms) command higher sales prices or rents, so their occupants are required to have higher household incomes than occupants of smaller units. Thus, larger units create and/or support more jobs because of their occupants' spending patterns. Consequently, nexus impacts and the justified fees for market-rate units vary by unit size.

This analysis evaluates the demand for affordable housing generated by an average unit size. The demand-based nexus fee calculation involves the following steps:

1. **Market-Rate Household Income Levels.** The expected sales price and rental rate of each prototype is based on market data reflecting the weighted average of current sales prices and effective rents of multi-unit dwellings of more recently built units at the different density ranges. The required income levels of households occupying new market-rate housing are derived based on these price points, assuming standard housing expenses as a proportion of overall household income. For example, a typical household renting a market-rate two-bedroom unit for around \$2,980 per month plus \$280 in monthly utilities would have a household income of \$130,100, provided the household spends 30 percent of its income on housing costs (including rent and utilities).⁸ (Table 3-7).
2. **Household Expenditures.** Based on the household income computed in Step 1, Consumer Expenditure Survey data is used to evaluate the typical spending patterns of each prototype household. This analysis provides an estimate of how much the household spends on specific categories of expenditures, such as "Food at Home." As the households' income increases along with the price and size of the market-rate units, the total spending on goods and services also increases. The Consumer Expenditure Survey also indicates that these relationships are not linear (e.g., a household with twice the income does not necessarily spend twice as much on food). See Appendix A Table A-8, Table A-9, Table A-10, and Table A-11.

⁸ Per HCD the "Affordable housing cost" for lower-income households is defined in State law as not more than 30 percent of gross household income with variations (Health and Safety Code Section 50052.5). "Housing cost" commonly includes rent or mortgage payments, utilities (gas, electricity, water, sewer, garbage, recycling, green waste), and property taxes and insurance on owner-occupied housing.

3. **Job Creation and Worker Households.** Having estimated the households' spending on assorted items, that spending is then converted into an estimation of jobs created for each residential prototype. For each expenditure category, data regarding average worker wages and the ratio between gross business receipts and wages are used to translate these household expenditures into the total number of private-sector workers. For selected public-sector jobs that typically grow in proportion to the local population size (e.g., teachers, protective service workers), the demand for new workers is estimated by relating current levels of employment in such categories to the current population and applying this ratio to future development.

Because each new worker does not represent an independent household (Folsom has an average of 1.65 workers per working household), the total number of new households created is less than the number of new jobs created.⁹ This analysis assumes that workers form households with others earning similar wages. EPS has further adjusted the household formation rates to reflect the fact that a certain proportion of workers will **not** form their own households, particularly those of younger ages.¹⁰ See **Table 3-8, Appendix A Table A-12, Table A-13, Table A-14, Table A-15, and Table A-16.**

4. **Worker Households by Income Category.** Each worker household generated is assigned to an income category—represented as a proportion of AMI ranging from 50 to 120 percent— based on its estimated gross wages. This provides the total number of households generated at each income level by the construction of market-rate units at various sizes and price points. The results indicate that residents of smaller, lower-priced units generate fewer worker households requiring affordable housing than do residents of larger, higher-priced units. **Appendix A Table A-12, Table A-13, Table A-14, Table A-15, and Table A-16.**

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

Step #3: Compute Impact Fee per Market Rate Unit

The nexus fee is calculated by multiplying the number of affordable units required to support the development of a 100-unit market rate project proportionally for each income-level households by the dollar amount affordability gap or subsidy needed to build that affordable unit. The total is divided by 100 to estimate the weighted average per unit and then divided by the gross square footage of the prototype to estimate the maximum supportable in-lieu fee per gross square foot (**Table 3-9**).

⁹ Average workers per household per ACS.

¹⁰ BLS data indicates that 12.5 percent of retail/restaurant workers are age 16-19, but an average of only 1.9 percent of workers overall (this factor is applied to other industries). EPS has assumed that such young workers do not form their own households.

3. Affordability Gap Analysis Results

For any nexus-based inclusionary in-lieu or affordable housing development impact fee calculation, it is necessary to estimate the subsidy required to construct affordable housing units. This chapter details the analysis conducted to determine the subsidy needed to produce both the different prototype density levels of for-sale and rental housing that is affordable to very low- through moderate-income households (31 through 120 percent of AMI).

Product Types

While the nexus fees calculated herein are based on demands created by market-rate housing that may be Single-Family Units, Multifamily Attached Units, or Multifamily Apartment Units, the analysis assumes that new lower-income worker households would be housed in affordable units similar to the type of construction currently observed in the City. The assumed prototypes reflect construction at various densities including two (2) Single-Family Detached ownership prototypes, one (1) Multifamily Attached, and one (1) Multifamily Apartment prototype as discussed in the methodology section of this chapter and shown in **Table 3-1**. Project densities, unit sizes, and the number of bedrooms per unit are based on comparable projects in the area, parking requirements from the City's Municipal Code, Chapter 17, the Folsom Plan Area Specific Plan, and City staff input.

Revenue Assumptions

To calculate the values of the affordable units, assumptions must be made regarding the applicable income level (Very Low, Low, and Moderate incomes) and the percentage of household income spent on housing costs. In addition, translating these assumptions into unit prices and values requires estimates of purchase price variables, including interest rates, down payment amounts, as well as operating expenses and capitalization rates for the renter-occupied Multifamily Apartment prototype.

Table 3-1. Market-Rate Housing Development Prototype Assumptions

| Item | Prototype | City of Folsom Prototypes Characteristics | | | | | | |
|------|----------------------------------|-------------------------------------------|--------------|--------------------|---------------|-----------|---------------|-------------------------|
| | | Designation [1] | Product Type | Construction Type | Density | Bedrooms | Unit Sq. Ft. | Parking Type [2] |
| 1 | Single-Family Detached Homes [3] | R-1-L through R-1-M SF/SFHD | For-Sale | Type V 1-2 Stories | 5 units/acre | 4 Bedroom | 2,600 sq. ft. | 2 spaces per unit |
| 2 | Single-Family Detached Homes [4] | R-1-M through R-2 SFHD/MLD | For-Sale | Type V 1-2 Stories | 10 units/acre | 3 Bedroom | 2,000 sq. ft. | 2 spaces per unit |
| 3 | Multifamily Attached [5] | R-2 through R-3 MLD/MMD | For-Sale | Type V 2-3 Stories | 18 units/acre | 3 Bedroom | 1,500 sq. ft. | 2 spaces per unit |
| 4 | Multifamily Apartments [6] | R-4 MHD | Rental | Type V 2-3 Stories | 30 units/acre | 2 Bedroom | 1,000 sq. ft. | 1.5 spaces per unit [7] |

Source: City of Folsom Municipal Code; Redfin; CoStar; EPS.

[1] Residential prototype designations are based on associated density ranges established in the Folsom Plan Area Specific Plan and Folsom Municipal Code.

[2] Parking requirements per the City of Folsom Municipal Code, Chapter 17.

[3] Assumption data for the low-density, single family detached home prototype derived from Redfin (accessed 03/25), see Table A-1. Values have been rounded.

[4] Assumption data for the medium-density, single family detached home prototype derived from Redfin (accessed 03/25), see Table A-2. Values have been rounded.

[5] Assumption data for the multifamily attached prototype derived from Redfin (accessed 09/24). Values have been rounded. Given the lack of recently-constructed homes of this type in Folsom, this prototype is based on developments in the greater Sacramento Region. See Table A-3.

[6] Assumption data for the multifamily apartments prototype derived from Costar (accessed 03/25), see Table A-4. Values have been rounded.

[7] Per Folsom Municipal Code Section 17.57.040, 1.5 spaces required per multifamily unit.

The following assumptions were used for both the rental and ownership product calculations:

- *Income Levels*—This analysis estimates the subsidy required to produce units for households earning up to 50, 80, and 120 percent of AMI for 3-person, 4-person, and 5-person households. HCD’s income limits by household size are shown in **Table 1-1**.¹¹
- *Percentage of Gross Household Income Available for Housing Costs*—HCD standards on overpaying for rent indicate that households should pay no more than 30 percent of their gross income on housing costs. For this analysis, EPS has assumed that all households spend 30 percent of their gross income on housing costs, including utilities. **Table 3-2** provides the estimated maximum monthly rent or mortgage payment by household size for HCD’s different household income levels.

Rental Product Assumptions

As shown in **Table 3-3**, the following assumptions are applied to the maximum rent payment calculated in the steps above to estimate the total supportable unit value by income level for a 3-person household:

- *Operating Costs for Rental Units* – This analysis assumes that multifamily rental operators incur annual operating costs of 35 percent of the annual rental revenue based on data from the National Apartment Association Survey.
- *Capitalization Rate* – This analysis assumes a 5.25 percent capitalization rate based on information from CBRE United States Cap Rate Survey H1 2024, the most recently available survey at the time of this report.¹²
- *Vacancy Rate* – This analysis assumes a vacancy rate of 4.3 percent based on the average vacancy rate for multifamily rentals in the Sacramento-Roseville-Arden-Arcade Metropolitan Statistical Area from 2014 to 2024, as reported by the US Census Bureau.

Based on HCD’s income levels, the supportable multifamily apartment unit values range from \$152,400 for very low, \$265,600 for low, and \$388,700 for moderate income.

¹¹ California State law (California Health and Safety Code Section 50052.5) assumes that a 2-bedroom unit is occupied by a 3-person household, a 3-bedroom unit is occupied by 4-person household, and a 4-bedroom unit is occupied by a 5-person household and these assumptions are used in this analysis.

¹² The capitalization rate is used to determine the current value of a property based on estimated future operating income and is typically a measure of estimated operating risk.

Table 3-2. Maximum Monthly Rent or Mortgage Payment

| Item | Maximum Monthly Rent or Mortgage Payment | | | | | |
|----------------------------------------------------|------------------------------------------|------------------------------|-------------------------------------------|----------------------------------------|---------------------------------------------|----------------------------------------------|
| | Percentage of AMI [1] | Maximum Annual HH Income [1] | Total Max. Annual Spending on Housing [2] | Total Max. Monthly Spending on Housing | Monthly Spending on Other Housing Costs [3] | Maximum Monthly Rent or Mortgage Payment [4] |
| Formula | | <i>a</i> | <i>b = a * 30%</i> | <i>c = b / 12</i> | <i>d</i> | <i>e = c - d</i> |
| INCOME CATEGORY AND HOUSEHOLD (HH) SIZE [5] | | | | | | |
| Rental Units | | | | | | |
| <u>3-Person HH (2 bedrooms)</u> | | | | | | |
| Extremely Low | < 30% | \$34,750 | \$10,425 | \$869 | \$278 | \$591 |
| Very Low | 30-50% | \$57,900 | \$17,370 | \$1,448 | \$278 | \$1,170 |
| Low | 51-80% | \$92,650 | \$27,795 | \$2,316 | \$278 | \$2,038 |
| Moderate | 81-120% | \$130,450 | \$39,135 | \$3,261 | \$278 | \$2,983 |
| For-Sale Units | | | | | | |
| <u>4-Person HH (3 bedrooms)</u> | | | | | | |
| Extremely Low | < 30% | \$38,600 | \$11,580 | \$965 | \$610 | \$355 |
| Very Low | 30-50% | \$64,300 | \$19,290 | \$1,608 | \$850 | \$758 |
| Low | 51-80% | \$102,900 | \$30,870 | \$2,573 | \$1,160 | \$1,413 |
| Moderate | 81-120% | \$144,950 | \$43,485 | \$3,624 | \$1,500 | \$2,124 |
| <u>5-Person HH (4 bedrooms)</u> | | | | | | |
| Extremely Low | < 30% | \$41,700 | \$12,510 | \$1,043 | \$650 | \$393 |
| Very Low | 30-50% | \$69,450 | \$20,835 | \$1,736 | \$890 | \$846 |
| Low | 51-80% | \$111,150 | \$33,345 | \$2,779 | \$1,230 | \$1,549 |
| Moderate | 81-120% | \$156,550 | \$46,965 | \$3,914 | \$1,590 | \$2,324 |

Source: State of California Department of Housing and Community Development, "State Income Limits for 2025"; EPS.

- [1] See Table 1-1.
- [2] Assumes a housing cost-to-income ratio of 30 percent, which is the standard measure used by the U.S. Department of Housing and Urban Development (HUD) to assess housing cost burden.
- [3] For rental units, other housing costs include utility expenditures consistent with the Sacramento Housing and Redevelopment Agency allowances for a 2-bedroom unit (assumes electric heating and cooking); Refer to Table A-6 for cost breakdown. For for-sale units, other housing costs include mortgage insurance, taxes and homeowner insurance, utilities, and HOA fees. The assumptions are based on the applicable prototypes and are shown on Table 3-3 and Table 3-4.
- [4] Maximum income available to pay for rent or mortgage after allowance for other housing costs.
- [5] California State law (California Health and Safety Code Section 50052.5) assumes that a 2-bedroom unit is occupied by a 3-person household, a 3-bedroom unit is occupied by 4-person household, and a 4-bedroom unit is occupied by a 5-person household and these assumptions are used in this analysis.

Table 3-3. Prototype Revenue Assumptions: Rental Product

| Item | Assumptions | Formula | 2 Bedroom (3 Person Household) | | |
|------------------------------------------------------|-------------|---------------------|--------------------------------|-------------------------|-------------------------------|
| | | | Very Low Income (50% AMI) | Low Income (80% AMI) | Moderate Income (120% AMI) |
| Maximum Annual HH Income (rounded) | Table 3-2 | a | \$57,900 | \$92,650 | \$130,450 |
| Maximum Monthly Spending on All Housing Costs | Table 3-2 | $b = a * 30\% / 12$ | \$1,448 | \$2,316 | \$3,261 |
| Monthly Spending on Other Housing Costs | | | | | |
| Utilities | Table A-6 | c | \$278 | \$278 | \$278 |
| Maximum Rent Payment | | $d = c - b$ | \$1,170 | \$2,038 | \$2,983 |
| Project Net Operating Income (NOI) | | | | | |
| Total Annual Revenue | | $e = d * 12$ | \$14,034 | \$24,459 | \$35,799 |
| Less Operating Costs | 35.0% | f | (\$4,912) | (\$8,561) | (\$12,530) |
| Less Vacancy for Market Rate Units [1] | 4.3% | g | (\$603) | (\$1,052) | (\$1,539) |
| Annual NOI | | $h = e - f - g$ | \$8,519 | \$14,847 | \$21,730 |
| Capitalization Rate [2] | 5.25% | i | - | - | - |
| Total Supportable Unit Value (rounded) | | $j = h / i$ | \$162,300 | \$282,800 | \$413,900 |

Source: National Apartment Association Survey; CBRE; US Census Bureau Current Population Survey; EPS.

[1] Vacancy rates based on the average multifamily vacancy rates within the Sacramento-Roseville-Arden-Arcade Metropolitan Statistical Area from 2014 - 2024, rounded.

[2] Cap rate per CBRE Cap Rate Survey H12024 for suburban west.

Ownership Product Assumptions

As shown in **Table 3-4**, the following assumptions are applied to the maximum monthly spending on housing costs for an ownership product calculated in the steps above to estimate the total supportable unit value by income level and household size:

- *Mortgage Insurance*—This analysis assumes a mortgage insurance rate of 1.5 percent of the loan.
- *Taxes and Insurance* - Assumes property taxes, including Mello-Roos special tax assessments, and homeowners' insurance account for 2 percent of the unit value.
- *Utilities*- Utilities costs calculations are shown in **Table A-5** based on estimates from Sacramento Municipal Utilities District and the City of Folsom.
- *HOA Fee* - Estimated HOA fees are based on comparable properties as shown in **Table A-7**.
- *Down Payment* - Assumes a 5 percent down payment.

The supportable ownership unit values based on HCD's income levels by household size range from the following:

3 bedroom (4-Person Household)

- Very Low Income: \$126,200
- Low Income: \$235,300
- Moderate Income: \$353,700

4 Bedroom (5-Person Household)

- Very Low Income: \$140,900
- Low Income: \$258,000
- Moderate Income: \$387,000

Table 3-4. Prototype Revenue Assumptions: Ownership Product (2025\$)

| Item | Assumptions | Formula | 3 Bedroom (4 Person Household) [1] | | | 4 Bedroom (5 Person Household) [1] | | |
|----------------------------------------------------------|-------------------|---------------------|------------------------------------|----------------------|----------------------------|------------------------------------|----------------------|----------------------------|
| | | | Very Low Income (50% AMI) | Low Income (80% AMI) | Moderate Income (120% AMI) | Very Low Income (50% AMI) | Low Income (80% AMI) | Moderate Income (120% AMI) |
| Maximum Annual HH Income (rounded) | Table 3-2 | a | \$64,300 | \$102,900 | \$144,950 | \$69,450 | \$111,150 | \$156,550 |
| Maximum Monthly Spending on All Housing Costs [2] | | $b = a * 30\% / 12$ | \$1,608 | \$2,573 | \$3,624 | \$1,736 | \$2,779 | \$3,914 |
| Monthly Spending on Other Housing Costs [3] | | | | | | | | |
| Mortgage Insurance [4] | 1.50% | c | \$150 | \$280 | \$420 | \$170 | \$310 | \$460 |
| Taxes and Insurance [5] | 2.00% | d | \$210 | \$390 | \$590 | \$230 | \$430 | \$640 |
| Utilities | Table A-5 | e | \$300 | \$300 | \$300 | \$300 | \$300 | \$300 |
| HOA Fee | Table A-7 | f | \$190 | \$190 | \$190 | \$190 | \$190 | \$190 |
| Total Monthly Spending on Other Housing Costs | | $g = c + d + e + f$ | \$850 | \$1,160 | \$1,500 | \$890 | \$1,230 | \$1,590 |
| Maximum Mortgage Payment | | $h = b - g$ | \$758 | \$1,413 | \$2,124 | \$846 | \$1,549 | \$2,324 |
| Estimated Loan Value [6] | | i | \$119,924 | \$223,552 | \$336,040 | \$133,846 | \$245,069 | \$367,682 |
| Total Supportable Unit Value [7] [8] | 5.0% down payment | $j = i / (1 - 5\%)$ | \$126,200 | \$235,300 | \$353,700 | \$140,900 | \$258,000 | \$387,000 |

Source: California Health and Safety Code; HUD; Freddie Mac; EPS.

- [1] California State law (California Health and Safety Code Section 50052.5) assumes that a 2-bedroom unit is occupied by a 3-person household, a 3-bedroom unit is occupied by 4-person household, and a 4-bedroom unit is occupied by a 5-person household and these assumptions are used in this analysis.
- [2] Assumes a housing cost-to-income ratio of 30 percent, which is the standard measure used by the U.S. Department of Housing and Urban Development (HUD) to assess housing cost burden.
- [3] Rounded to nearest \$10.
- [4] Assumes mortgage insurance is equal to approximately 1.5% of loan value, divided by 12.
- [5] Assumes property taxes, Mello-Roos taxes, and homeowners insurance is equal to 2% of home value, divided by 12.
- [6] The estimated loan value is based on mortgage terms of a 6.5% interest rate and a 30-year repayment period.
- [7] The total supportable unit value is equivalent to the estimated loan value plus a 5.0 percent down payment. Federal Housing Administration-backed loans require a minimum of 3.5% down for most buyers. This analysis rounds this figure to 5%.
- [8] Rounded to nearest \$100.

Development Cost Assumptions

Housing development costs include land costs, direct costs (e.g., labor and materials), and indirect or “soft” costs (e.g., architecture, entitlement, marketing, etc.). Data from recent Folsom land transactions have been combined with EPS’s information from various market-rate housing developers to estimate appropriate development cost assumptions for use in Folsom. These assumptions are shown in **Table 3-5** and demonstrate the following total cost per unit in the Folsom Plan Area Specific Plan:

- Single Dwelling Unit Low Density: 4-bedroom Unit: \$807,600
- Single Dwelling Unit Medium Density: 3-bedroom Unit: \$611,600
- Owner-Occupied Multifamily Attached: 3-bedroom Unit: \$512,500
- Renter-Occupied Multifamily Apartment: 2-bedroom unit: \$455,900

Table 3-5. Development Costs by Prototype: Existing Fees (2025\$)

| Item | Input Assumptions | For-Sale Prototype | | | Rental Prototype |
|----------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|
| | | Prototype 1: Single-Family Detached (Low Density) | Prototype 2: Single-Family Detached (Medium Density) | Prototype 3: Multifamily Attached (High Density) | Prototype 4: Multifamily Apartments (High Density) |
| Development Program Assumptions | | | | | |
| Acreage | | 20.00 | 10.00 | 5.56 | 3.33 |
| Density/Acre | | 5 | 10 | 18 | 30 |
| Total Unit Count | | 100 | 100 | 100 | 100 |
| Gross Unit Size [1] | | 2,600 | 2,000 | 1,765 | 1,176 |
| Net Unit Size | | 2,600 | 2,000 | 1,500 | 1,000 |
| Number of Bedrooms | | 4 | 3 | 3 | 2 |
| Parking Spaces/Unit [2] | | 2 | 2 | 2 | 1.5 |
| Cost Assumptions per Unit | | | | | |
| Land Value/ Acre [3] | | \$470,000 | \$470,000 | \$470,000 | \$810,000 |
| Land Value (rounded) | | \$9,400,000 | \$4,700,000 | \$2,611,000 | \$2,700,000 |
| Land Cost/ Unit [3] | | \$94,000 | \$47,000 | \$26,110 | \$27,000 |
| <u>Direct Costs</u> | | | | | |
| Basic Site Work/Grading | \$10 per land site sq. ft. | \$48,100 | \$37,000 | \$32,647 | \$21,765 |
| Construction Costs/Gross SF [4] | | \$150 | \$150 | \$150 | \$200 |
| Direct Construction Costs/Unit (rounded) | | \$390,000 | \$300,000 | \$264,700 | \$235,300 |
| Carport Parking Construction Cost/Unit [5] | \$8,000 per space | \$0 | \$0 | \$0 | \$12,000 |
| Subtotal, Direct Costs/Unit | | \$438,100 | \$337,000 | \$297,347 | \$269,065 |
| <u>Indirect Costs</u> | | | | | |
| Indirect Costs/Unit (rounded) [6] | 12.0% of direct costs | \$63,900 | \$40,400 | \$35,700 | \$32,300 |
| <u>Impact Fees</u> | | | | | |
| Existing Affordable Housing In-Lieu Fee | | \$8,610 | \$6,558 | \$5,025 | \$0 |
| Other Impact Fees (North of 50) | Table A-20 | \$66,524 | \$59,764 | \$54,131 | \$34,016 |
| Other Impact Fees (FPASP) | Table A-21 | \$128,340 | \$121,421 | \$96,693 | \$78,079 |
| Total Impact Fees (North of 50) [7] | | \$75,134 | \$66,322 | \$59,155 | \$34,016 |
| Total Impact Fees (FPASP) [7] | | \$136,950 | \$127,979 | \$101,717 | \$78,079 |
| <u>Financing + Developer Fee Costs</u> | | | | | |
| Interest (7.0%, 50% LTC, 50% Outstanding) [8] | | \$11,182 | \$8,844 | \$7,608 | \$6,640 |
| Fees (2.0% of loan amount) | | \$6,390 | \$5,054 | \$4,348 | \$3,794 |
| Developer Fee | 10.0% of direct costs | \$59,471 | \$45,762 | \$40,416 | \$34,582 |
| Subtotal Financing + Developer Fee Costs | | \$77,042 | \$59,660 | \$52,372 | \$45,016 |
| Total Estimated Cost/Unit (rounded) (North of 50) | | \$748,200 | \$550,400 | \$470,700 | \$407,400 |
| Total Estimated Cost/ Unit (rounded) (FPSAP) | | \$810,000 | \$612,000 | \$513,200 | \$451,500 |

Source: Saylor Construction Costs 2023 Edition 2022 Construction Costs; City of Folsom Municipal Code; California HCD; CoStar; Weekly; local developers; EPS.

- [1] Gross size per unit includes garage for multifamily attached units and common areas for high-density multifamily (assumed efficiency ratio of 85%).
- [2] Parking assumption is consistent with the City's parking requirements for the prototype.
- [3] Single family land value assumption based on 2024 appraisal for Folsom SPIF Public Land/ Parkland Equalization Fee. Multifamily land value assumption based on 2024 appraisal for Folsom CFD No.18 Bond sale.
- [4] Construction cost estimates for single family home (both attached and detached) product is based on input from developers. Construction cost estimate for multifamily rental product is based on 2022 Saylor Construction Cost data and adjusted for inflation to 2024 dollars.
- [5] Garage parking costs for the single family units is assumed to be included in the construction costs per gross square foot. The 1.5 parking spaces per multifamily unit are assumed to be covered spaces.
- [6] Includes estimated costs for architecture and engineering; project management; appraisal and market study; marketing, commissions, and general administration; insurance; and contingency.
- [7] Development impact fee estimates per the City of Folsom website for FY 2024-25.
- [8] Financing costs based on FPASP fees.

Affordability Gap Results

Table 3-6 provides the affordability gap, or subsidy, required to develop each prototype unit at the very- low, low, and moderate-income levels. As shown, there is an affordability gap or subsidy needed for all the prototypes at all income level ranges. The affordability gap ranges from a high of \$666,700 for a low-density single family detached units at the Very Low-income level to a low of \$67,200 for multifamily apartment units at the Moderate-Income level. These housing affordability gaps then were used to calculate the justified nexus-based maximum supportable in-lieu fees by multiplying the required subsidy by the number of units required to house workers providing goods and services to new market-rate housing development. This methodology is discussed in more detail in the next section.

Demand-Based Nexus Fee Calculation

The maximum supportable nexus-based fees are based on both the affordability gap and the estimated impact that new market-rate rental units have on the need for affordable units, as reflected in the number of income-qualified local workers required to support the residents of market-rate multi-unit dwellings and the total subsidy required to construct housing for those workers.

This approach is based on the following logic: (a) residents of market-rate housing have disposable incomes and require a variety of goods and services (including private sector goods and services and government services); (b) the provision of those goods and services will create employment demand for some workers who make moderate or lower incomes and cannot afford market-rate housing; and (c) fees charged to market-rate projects can mitigate the impact of those projects on the increased need for affordable housing.

Table 3-6. Development Funding Affordability Gap: Existing Fees

| Item | Source | Affordability Gap by Income Level per Unit | | |
|------------------------------------------------------------------|-----------|-----------------------------------------------|-------------------------|-------------------------------|
| | | Very Low Income (50% AMI) | Low Income (80% AMI) | Moderate Income (120% AMI) |
| Prototype 1: Single-Family Detached Home (Low Density) | | | | |
| Supportable Unit Value | Table 3-4 | \$140,900 | \$258,000 | \$353,700 |
| Unit Development Cost [1] | Table 3-5 | \$810,000 | \$810,000 | \$810,000 |
| Affordability Gap | | (\$669,100) | (\$552,000) | (\$456,300) |
| Prototype 2: Single-Family Detached Home (Medium Density) | | | | |
| Supportable Unit Value | Table 3-4 | \$126,200 | \$235,300 | \$353,700 |
| Unit Development Cost [1] | Table 3-5 | \$612,000 | \$612,000 | \$612,000 |
| Affordability Gap | | (\$485,800) | (\$376,700) | (\$258,300) |
| Prototype 3: Multifamily Attached | | | | |
| Supportable Unit Value | Table 3-4 | \$126,200 | \$235,300 | \$353,700 |
| Unit Development Cost [1] | Table 3-5 | \$513,200 | \$513,200 | \$513,200 |
| Affordability Gap | | (\$387,000) | (\$277,900) | (\$159,500) |
| Prototype 4: Multifamily Apartments | | | | |
| Supportable Unit Value | Table 3-3 | \$162,300 | \$282,800 | \$413,900 |
| Unit Development Cost [1] | Table 3-5 | \$451,500 | \$451,500 | \$451,500 |
| Affordability Gap | | (\$289,200) | (\$168,700) | (\$37,600) |

Source: EPS.

[1] All unit development costs based on FPASP unit development costs.

Market-Rate Household Income Levels

Households with larger incomes typically spend more on goods and services, thereby creating additional lower-income jobs, which in turn generates a greater demand for affordable housing. To assess the impact that market-rate rental units have on the need for affordable housing, EPS estimated the typical income required to purchase or rent average market-rate units in Folsom, as shown in **Table 3-7**.

Average purchase prices and rental rates are based on recent comparable products shown in **Table A-1, Table A-2, Table A-3, and Table A-4**. Generally, newer unit purchase prices and rents are higher than existing housing stock because the higher prices and rents are required to cover the costs of construction.

The minimum household income needed to purchase or rent each unit type is calculated using the same assumptions to calculate the additional housing costs such as utilities, mortgage insurance, property taxes and homeowners' insurance, and HOA costs as shown in **Table 3-3, Table 3-4, and Table A-6**. The minimum annual household income is also predicated on the assumption that a household will spend 30 percent of their income on the above housing costs in addition to rent and mortgage. As shown in **Table 3-7**, the required average household income by unit type is as follows:

- Single-Family Detached Low Density: 4-bedroom Unit: \$327,200
- Single-Family Detached Medium Density: 3-bedroom Unit: \$253,500
- Owner-Occupied Multifamily Attached: 3-bedroom Unit: \$199,100
- Renter-Occupied Multifamily Apartment: 2-bedroom unit: \$130,100

Table 3-7. Required Income by Market Rate Unit Type

| Item | Weighted Average Sales Price/Rent [1] | Required Household Income for Market Rate Prototypes | | | | | | | Minimum Annual Household Income Required (rounded) [4] |
|-----------------------------------------------------------|---------------------------------------|------------------------------------------------------|---------------|--------------------|---------------------|----------|-----------------------------|----------------------------|--------------------------------------------------------|
| | | Average Market Rate Monthly Mortgage/Rent [2] | Utilities [3] | Mortgage Insurance | Taxes and Insurance | HOA Fee | Monthly Total Housing Costs | Annual Total Housing Costs | |
| <i>Formula</i> | | <i>A</i> | <i>B</i> | <i>C</i> | <i>D</i> | <i>E</i> | $F = A + B + C + D + E$ | $G = F * 12$ | $H = G / 30\%$ |
| Unit Type | | | | | | | | | |
| Prototype 1: Single-Family Detached Home (Low Density) | \$861,011 | \$5,170 | \$300 | \$1,080 | \$1,440 | \$190 | \$8,180 | \$98,161 | \$327,200 |
| Prototype 2: Single-Family Detached Home (Medium Density) | \$655,794 | \$3,938 | \$300 | \$820 | \$1,090 | \$190 | \$6,338 | \$76,054 | \$253,500 |
| Prototype 3: Multifamily Attached Home | \$502,467 | \$3,017 | \$300 | \$630 | \$840 | \$190 | \$4,977 | \$59,726 | \$199,100 |
| Prototype 4: Market-Rate Multifamily Apartments | \$2,974 | \$2,974 | \$278 | - | - | - | \$3,252 | \$39,026 | \$130,100 |

Source: CoStar; RedFin; EPS.

[1] See Table A-1, Table A-2, Table A-3, and Table A-4.

[2] Estimated monthly mortgage and rent calculated using the same assumptions used in Table 3-4.

[3] See Table A-5 and Table A-6.

[4] Assumes a housing cost-to-income ratio of 30 percent, based on HCD requirements.

Household Expenditures and Job Creation by Income Level

Having established the income requirements for purchasing or renting average units in the City, the fee calculation then requires an analysis of the household spending patterns at those required income levels. Consistent with development impact fee nexus calculations for schools, parks, roads, etc., this analysis also assumes that all households purchasing or renting new market-rate units in Folsom are “net new” households to the City. To assume otherwise—for instance, that only those buyers or renters of new housing units relocating from outside Folsom should be counted in the impact analysis—would require assuming that the homes left by those households relocating *within* Folsom would be demolished or left vacant in perpetuity. This scenario would occur only if the City were experiencing a significant loss of population and housing inventory, which has not happened and is not expected to occur.

The Consumer Expenditure Survey from the United States Bureau of Labor Statistics provides data for households at a variety of income levels, detailing the amounts that typical households spend on things like “Food,” “Apparel and Services,” and “Vehicle Maintenance and Repairs.” Interestingly, household expenditures by category are not uniformly proportional to household income levels. For example, households earning around \$40,000 to \$49,000 spend roughly 17 percent of their income on food and drink (at home and eating out), while households earning \$100,000 to \$149,000 spend only about 11 percent of their income on food and drink. Because of these and other differences in proportionate spending, the expenditure profile varies at different income levels.

Each of the prototype’s household’s typical expenditures were converted to the number of jobs created by its spending. The first step in this process is to determine how much of an industry’s gross receipts are used to pay wages and employee compensation. EPS relied on data from the Economic Census, which provides employment, gross sales, and payroll data by industry for Sacramento County.¹³

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

¹³ The Economic Census and Consumer Expenditure Survey were published in 2017 and 2022, respectively, but are current as of 2024. EPS converted all numbers to 2024 dollars using the Consumer Price Index (CPI) for the urban west from the Bureau of Labor Statistics.

After determining the amount of the household's expenditures that were used for employee wages, EPS estimated the number of employees those aggregate wages represent. EPS calculated the number of workers supported by that spending using the average wage per worker from the 2017 Economic Census, the most recent dataset available. After accounting for CPI adjustments to reflect 2025 dollars, these wages ranged from a low of roughly \$22,600 per year for workers in the Food Services industry to a high of almost \$132,500 in Legal Services.

A range of occupations and incomes exist in a given industry sector. For instance, the methodology used to generate **Table A-12**, **Table A-13**, **Table A-14**, and **Table A-15** in **Appendix A** distinguishes between the typical incomes of workers in different types of retail stores (e.g., "food and beverage stores" versus "general merchandise stores"), rather than assuming all retail sector workers earn the same income. However, the average wage is used for each sub-category of industry employment and represents a reasonable proxy for the range of incomes in that group. While some employees will have higher wages and require lower subsidies, others will have lower incomes and require higher subsidies. Using the average approximates the total housing subsidy needed by workers in that industry.

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

To get the overall household income rather than the individual workers, the wages of workers forming households were multiplied by the average of approximately 1.65 workers per working household in Folsom.¹⁴ This assumption implies the workers in a given household will have roughly equivalent pay per hour. While certainly there will often be some variation in wages per employee within a household, on average this assumption is reasonable because it implies comparable levels of education and training among all workers in a household. The average household incomes then are allocated to various income categories to estimate the number of affordable housing units demanded in each income category (50 through 120 percent of AMI).

¹⁴ Workers per working household based on American Community Survey (ACS) Census data as of 2023. Although ACS data reported is based on historical figures, these figures can vary somewhat based on ongoing revisions to the ACS data.

A simplified example of these calculations follows:

| | | |
|----|---------------------------------------------------------------------------|-------------------------------|
| A. | Number of Households (prototype #1) | 1,000 |
| B. | Average Household Income (prototype #1) | \$327,200 |
| C. | Aggregate Household Income (A x B) | \$327 million |
| D. | Average Household Income Spent on Retail (Consumer Expenditure Survey) | \$60,000 |
| E. | Aggregate Retail Spending (A x D) | \$60.0 million |
| F. | Retail Gross Receipts: Payroll Ratio (Economic Census) | 10:1 |
| G. | Estimated Retail Payroll (E , F) | \$6.0 million |
| H. | Average Retail Wage (Economic Census) | \$33,400 |
| I. | Estimated Total Retail Jobs (G , H) | 180 |
| J. | Percent Age 20+ (Bureau of Labor Statistics) | 87.5% |
| K. | Total Retail Workers Forming Households (I x J) | 158 |
| L. | Average Workers/Household (Census Data) | 1.65 |
| M. | Estimated Households Created (K÷L) | 95 |
| N. | Average Household Income (H x L) | \$55,110 |
| O. | Income Category | Low-Income (up to 80% of AMI) |

In this simplified example, 1,000 new market-rate low-density single-family homes sold to households earning \$327,700 per year would create demand for 95 housing units for retail workers with household incomes typically between 50 and 80 percent of AMI. Actual calculations and impact distinctions by type of household expenditure for various unit sizes are shown in the series of tables presented in **Appendix A**.

Demand for Public-Sector Workers

In addition to the jobs created by the spending of the new market-rate households, this analysis also aims to evaluate the number of public-sector employees generated by the public service demands of new market-rate households. Rather than a comprehensive computation of public-sector employment, the analysis aims to be conservative by sampling only certain public-sector jobs (e.g., teachers, transportation providers, and public safety providers) that are expected to grow in proportion to household growth.

Data from the 2023 Occupational Employment Survey for the Sacramento MSA was used to determine the number of these public-sector employees needed to serve new market-rate development. See **Table A-16**. This data was generated by the California Employment Development Department (EDD) and provides employment and wage information for a variety of occupational categories. EPS reviewed the data and sampled occupations that were public sector related.

Based on the ratio of the selected public-sector jobs to the total households in the MSA, EPS estimates that approximately 39 government jobs or 24 households with a government employee are required per 1,000 total households. These figures are conservative (i.e., low) because numerous types of public-sector jobs are *not* included in this analysis (such as federal postal workers and County health and human services workers).

Combined Demand for Income-Qualified Workers

The total number of income-qualified households required to support the expenditure and public-sector service needs of new market-rate units was determined based on the affordable housing income limits from HCD for 3- to 5-person households based on each prototype. **Chapter 1 Table 1-1** summarizes the HCD income limits used to compute the total number of income-qualified households generated by the construction of market-rate units. The number of income-qualified households required to provide goods and services to new housing units is detailed in **Appendix A Table A-12** through **Table A-16**.

The nexus methodology used herein computes the total number of income-qualified households generated by market-rate units (as shown in **Table 3-8**) and calculates the impact fee based on the estimated cost to subsidize the production of units to meet that affordable housing demand.

This analysis assumes that the fees on residential development will fund the required affordable housing for all new workers generated. In practice, only a portion of Folsom's workers reside in the City as many workers commute *into* the City from other areas for a variety of reasons, one of which is the relative cost of housing among different communities. However, if every jurisdiction adopted a policy that only funded housing for the fraction of its locally generated workers who also choose to live in the City, the region's overall affordable housing demand would be grossly underrepresented and underfunded.

Table 3-8. Summary of Worker and Household Generation per 100 Market-Rate Units

| Item | Minimum Household Income Requirement for Market Rate Unit [1] | Total Per 100 Market Rate Units | | | | | | |
|-----------------------------------------------------------|---------------------------------------------------------------|---------------------------------|-----------------------------|---------------------------------------|------------------------------------------|-----|----------|----------------|
| | | Total Workers Generated [2] | Total Worker Households [3] | Total Income Qualified Households [4] | Worker Households by Income Category [5] | | | |
| | | | | | Very Low | Low | Moderate | Above Moderate |
| Unit Type | | | | | | | | |
| Prototype 1: Single-Family Detached Home (Low Density) | \$327,200 | 78.6 | 44.0 | 24.3 | 18.1 | 5.8 | 0.3 | N/A |
| Prototype 2: Single-Family Detached Home (Medium Density) | \$253,500 | 61.7 | 33.9 | 20.8 | 11.6 | 7.2 | 1.9 | N/A |
| Prototype 3: Multifamily Attached Home | \$199,100 | 49.3 | 27.1 | 16.4 | 9.1 | 5.7 | 1.5 | N/A |
| Prototype 4: Market-Rate Multifamily Apartment | \$130,100 | 33.6 | 18.5 | 15.4 | 8.0 | 6.2 | 1.2 | N/A |

Source: EPS.

[1] Minimum household income required to afford the average home price or rent in the City of Folsom See Table 3-7.

[2] Total workers generated by the development of market rate units. See Table A-12, Table A-13, Table A-14, and Table A-15.

[3] Total worker households derived assuming 1.65 workers per household. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

[4] Total income qualified households reflects the very low-, low-, and moderate-income households eligible for affordable housing based on total household income. See Table A-8 through Table A-15.

[5] Allocates the income qualified households by income level based on estimated average wages of the jobs/workers generated by the development of new market rate households. See Table A-12, Table A-13, Table A-14, and Table A-15. Above Moderate Income households are excluded because these households can afford market-rate housing and typically do not qualify for affordable housing.

Affordable Housing Impact Fee Calculation Conclusions

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

The impact fee calculation for each prototype market-rate unit by income level is reflected in **Table 3-9**. The total impact fee required for a representative project of 100 units is calculated by multiplying the number of affordable units required per income level by the cost of subsidizing such housing as shown in **Table 3-9**. The total nexus-based supported per unit fee is calculated based on the weighted average of the number of affordable units required for each income level. The per unit fee is then divided by the average habitable square feet of residential unit type resulting in a **maximum** impact fee per square foot for each unit type as detailed in **Table 3-9** and summarized below.

- Single-Family Low-Density Unit: \$59.34
- Single-Family Medium-Density Unit: \$41.90
- Multifamily Attached Unit: \$34.16
- Multifamily Apartment Unit: \$34.69

While the City has the option of adopting fees up to the maximum level calculated, there are often reasons to adopt the fee below the maximum – for example, to support project financial feasibility. Housing affordability is also shaped by market forces, land use regulations, construction costs, and entitlement expenses, and the revenue from this fee program represents only one source of subsidy for affordable housing. Adoption of the maximum fees represents a sizable development cost increase, which could hamper the City’s economic development and competitiveness objectives.

For the City’s consideration, two fee scenarios representing a percentage of the maximum supportable nexus-based in-lieu fee are reflected in **Table 3-9**: 1) a Low In-Lieu Fee Scenario, which represents a percentage of the maximum fee set to approximate the existing in-lieu fee; and 2) a High In-Lieu Fee Scenario, which represents 20 percent of the maximum supportable in-lieu fee.

Based on the development prototypes used for this study, the fee for the high scenario, set at 20 percent of the maximum justifiable fee for this Study, is significantly higher than the current fee when expressed on a per-unit basis. Based on historical data provided by the City, developers have paid an in-lieu fee of approximately \$3.00 per square foot for single-family detached developments

under the current fee structure. Accordingly, the low in-lieu fee scenario, was set at varying percentages of the maximum justifiable fee by residential prototype to approximate the per-square-foot fee that developers pay under the existing fee calculation methodology for single-family detached housing units. EPS recommends that the City consider adopting the low in-lieu fee scenario, which includes a reduced fee for multifamily attached units and maintaining a \$0 rate for multifamily rental units, as discussed further below.

The market rate feasibility analysis prepared for this study indicates that estimated residential development costs, including the existing in-lieu fee, are feasible for both single family detached unit prototypes, while multifamily attached and multifamily apartments appear to be infeasible, assuming current market values. The maximum supportable fee results in project infeasibility for all identified prototypes. Under both alternative in-lieu fee scenarios described above, and similar to current development costs (including the existing in-lieu fee), both single family detached prototypes are estimated to be financially feasible, while the multifamily attached and multifamily apartment prototypes indicate funding gaps that may need additional subsidies. Based on these feasibility challenges, and the City's policy goal of encouraging higher-density housing in key locations, EPS recommends that the City consider an in-lieu fee of \$2.50 per square foot for multifamily attached units and continue to exempt multifamily rental developments from the in-lieu fee.

A comparison of the existing fee with the updated maximum supportable fee and two in-lieu fee scenarios are shown in **Table 3-10**.

Table 3-9. Maximum Nexus-Based Support Fee per Gross Square Foot

| Item | Affordable Units Required Per 100 Market-Rate Units [1] | Affordability Gap per Affordable Unit [2] | Maximum Nexus-Based Supported Fee | | | | Potential Fee Update Scenario (% of Maximum Supportable Fee) [4] | |
|------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------|-----------------------------------|----------------------|-----------------------------|-----------------------|------------------------------------------------------------------|--------------------------------|
| | | | Per 100 Market-Rate Units | Per Market-Rate Unit | Prototype Gross Sq. Ft. [3] | Per Gross Sq. Ft. [3] | Low Scenario (Set to match existing per-unit fee) | High Scenario (20% of maximum) |
| Formula | A | B | C = A * B | D = C / 100 | E | F = D / E | G = F * % of Maximum | |
| AFFORDABLE UNIT INCOME LEVEL | | | | | | | | |
| Single Family Detached Units | | | | | | | | |
| Prototype 1: Single-Family Detached Home (Low Density) | | | | | | | | |
| Very Low Income | 18.1 | \$669,100 | \$12,113,994 | | | | | |
| Low Income | 5.8 | \$552,000 | \$3,213,644 | | | | <u>5.0% of Maximum</u> | <u>20.0% of Maximum</u> |
| Moderate Income | 0.3 | \$456,300 | \$158,491 | | | | | |
| Subtotal Maximum Fee for Low-Density SFR | 24.3 | - | \$15,486,129 | \$154,861 | 2,600 | \$59.56 | \$3.00 | \$11.91 |
| Prototype 2: Single-Family Detached Home (Medium Density) | | | | | | | | |
| Very Low Income | 11.6 | \$485,800 | \$5,656,677 | | | | | |
| Low Income | 7.2 | \$376,700 | \$2,730,808 | | | | <u>6.8% of Maximum</u> | <u>20.0% of Maximum</u> |
| Moderate Income | 1.9 | \$258,300 | \$482,044 | | | | | |
| Subtotal Maximum Fee for Med-Density SFR | 18.9 | - | \$8,869,528 | \$88,695 | 2,000 | \$44.35 | \$3.00 | \$8.87 |
| Multifamily Attached Units | | | | | | | | |
| Prototype 3: Multifamily Attached | | | | | | | | |
| Very Low Income | 9.1 | \$387,000 | \$3,539,673 | | | | | |
| Low Income | 5.7 | \$277,900 | \$1,594,175 | | | | <u>7.0% of Maximum</u> | <u>20.0% of Maximum</u> |
| Moderate Income | 1.5 | \$159,500 | \$239,691 | | | | | |
| Total Maximum Fee for Multifamily Attached Units | 14.9 | - | \$5,373,539 | \$53,735 | 1,500 | \$35.82 | \$2.50 | \$7.16 |
| Multifamily Apartment Units | | | | | | | | |
| Prototype 4: Multifamily Apartments | | | | | | | | |
| Very Low Income | 8.0 | \$289,200 | \$2,306,903 | | | | | |
| Low Income | 6.2 | \$168,700 | \$1,047,792 | | | | <u>0% of Maximum</u> | <u>20.0% of Maximum</u> |
| Moderate Income | 1.2 | \$37,600 | \$46,220 | | | | | |
| Total Maximum Fee for Multifamily Units | 14.2 | - | \$3,400,915 | \$34,009 | 1,000 | \$34.01 | \$0.00 | \$6.80 |

Source: EPS.

[1] The amount of affordable units by income level generated by new market rate units household spending. See Table 3-8.

[2] See Table 3-6 for the affordability gap calculation by prototype.

[3] See Table 3-1 for gross square feet for each prototype.

[4] The High Scenario is set at 20% of maximum supportable fee, while the objective of the Low Scenario is to apply percentages of the maximum supportable fee that would result in a similar per unit fee as the current in-lieu fee for the Single Family Detached units. The Low Scenario for the Multifamily Attached units is set to be approximately \$0.50 lower per square foot than the Single Family Detached units. The Low Scenario for multifamily units is set at zero to reflect the City's position to continue to exempt these units from inclusionary housing requirements.

Table 3-10. Development Feasibility Comparison: Existing Fee, Maximum Supportable Fee, and Potential Fee as % of the Maximum (2025\$)

| Item | Source | Market Rate Feasibility per Unit | | | |
|-------------------------------------|-------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------|--------------------------------|
| | | Existing AH In-Lieu Fee | Maximum Supportable AH In-Lieu Fee | Updated Fee | |
| | | | | Potential Updated Fee (% of Maximum) | |
| | | | | Low Scenario (Set to Match Existing Per-Unit Fee) | High Scenario (20% of Maximum) |
| Single Family Low Density | | | | <u>5.0% of Maximum</u> | <u>20.0% of Maximum</u> |
| Unit Value | Table A-1 | \$861,011 | \$861,011 | \$861,011 | \$861,011 |
| Unit Cost | Table 3-5, Table A-17, & Table A-19 | \$810,000 | \$973,400 | \$809,100 | \$835,300 |
| Development Funding Gap | | \$51,011 | (\$112,389) | \$51,911 | \$25,711 |
| Single Family Medium Density | | | | <u>6.8% of Maximum</u> | <u>20.0% of Maximum</u> |
| Unit Value | Table A-1 | \$655,794 | \$655,794 | \$655,794 | \$655,794 |
| Unit Cost | Table 3-5, Table A-17, & Table A-19 | \$612,000 | \$703,000 | \$611,400 | \$622,900 |
| Development Funding Gap | | \$43,794 | (\$47,206) | \$44,394 | \$32,894 |
| Multifamily Attached Units | | | | <u>7.0% of Maximum</u> | <u>20.0% of Maximum</u> |
| Unit Value | Table A-3 | \$502,467 | \$502,467 | \$502,467 | \$502,467 |
| Unit Cost | Table 3-5, Table A-17, & Table A-19 | \$513,200 | \$567,000 | \$511,800 | \$518,600 |
| Development Funding Gap | | (\$10,733) | (\$64,533) | (\$9,333) | (\$16,133) |
| Multifamily Apartment | | | | <u>.0% of Maximum</u> | <u>20.0% of Maximum</u> |
| Unit Value | Table A-4 | \$412,600 | \$412,600 | \$412,600 | \$412,600 |
| Unit Cost | Table 3-5, Table A-17, & Table A-19 | \$451,500 | \$488,600 | \$451,500 | \$458,500 |
| Development Funding Gap | | (\$38,900) | (\$76,000) | (\$38,900) | (\$45,900) |

Source: EPS.

4. Comparative Jurisdictions Survey

EPS examined local affordable housing programs to provide context and comparable information as the City updates its affordable inclusionary housing in-lieu fee program. This information includes an evaluation of residential and nonresidential fees and program requirements and is intended to inform decision-making and ensure potential new fees are reasonable and competitive with neighboring areas.

EPS examined affordable housing programs in the following peer jurisdictions:

- City of Sacramento;
- City of Rancho Cordova;
- City of Folsom;
- City of Roseville; and
- Sacramento County.

Because no local jurisdiction in the Sacramento region has an inclusionary program comparable to Folsom, with both a formal inclusionary requirement and a set in-lieu fee, EPS also researched similar programs outside the region from:

- City of Berkeley;
- City of Santa Rosa;
- City of Sunnyvale; and
- City of Atascadero.

As shown in **Table 4-1**, the reviewed peer jurisdictions have adopted a range of affordable housing requirements on private development, including residential and nonresidential development impact fees or inclusionary housing policies and associated in-lieu fees.

Of the local jurisdictions evaluated, the City of Sacramento, City of Elk Grove, and Sacramento County have implemented development impact fees. The City of Roseville and City of Rancho Cordova do not have formal inclusionary policies. Rather, large developments are subject to negotiated development agreements, which include requirements for inclusionary housing, including payment of in-lieu fees. Remaining jurisdictions evaluated have formal (adopted) or informal inclusionary housing requirements with options to pay a fee in lieu of developing affordable housing onsite. Additional details on the various affordable housing programs across the region, both implemented and proposed, are provided below.

Table 4-1. Sacramento Region Peer Cities Analysis

| Jurisdiction | Affordable Housing Impact Fee | Inclusionary Housing Requirement and In-Lieu Fee | |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Inclusionary Requirement | In-Lieu Fee |
| City of Folsom | NA | 10% of units in for-sale development projects, with 3% consisting of very low income units and 7% consisting of low income units. | - (1% x lowest priced for-sale residential unit in proposed subdivision) x total for-sale residential units. - Lots only: (0.5% x least expensive anticipated home in |
| City of Elk Grove | - \$6,289 per Single Family Unit (1-2 units inc. duplex) - \$3,773 per Multifamily Unit (3+ units) | NA | NA |
| City of Sacramento | <u>Existing</u> - \$0.00/SF for high density single-unit or duplex dwellings (≥ 20 DU/acre) and multi-unit dwellings (≥ 40 DU/acre) - \$0.00/SF for conversion of a nonresidential building to a residential use - \$1.54/SF for dwelling units in the Housing Incentive Zone - \$3.56/SF for single-unit or duplex dwellings (< 20 DU/acre) and multi-unit dwellings (< 40 DU/acre) | <u>Existing</u> Projects over 100 gross acres in size are required to have an approved Mixed Income Housing Strategy that identifies how the project will provide housing for a variety of incomes and family types. Fee credits may be provided for construction of affordable units, land dedication, or other mechanism that leads to the provision of affordable housing. <u>Proposed</u> Options range from 5% to 7% of units at 60% to 100% AMI, increasing to 15% to 20% of units at 60% to 80% AMI for large-scale developments. Requirements are contingent on tenure type (rental vs. for-sale). | <u>Proposed</u> Fee schedule based on location and tenure type. - Central City: \$10/SF for rental and for-sale units. - Inner South & East and West of I-5: \$7/SF for rental units and \$10/SF for for-sale units - Southern Neighborhoods: \$3.54/SF for rental units and \$6/SF for for-sale units - North Sacramento and South Natomas: \$3.54/SF for rental units and \$5/SF for for-sale units. - North Natomas: \$3.54/SF for rental units and \$7/SF for for-sale units. |
| City of Rancho Cordova | NA | All large-scale development in the City's undeveloped areas, generally located south of Highway 50, shall prepare an Affordable Housing Plan (AHP) for the project. Required units vary depending on terms set in the AHP. | Variable, contingent upon terms of developer agreement (\$2,470 - \$7,238 per unit) |
| City of Roseville | NA | New Specific Plan Areas must designate at least 10% of total units as affordable. Accomplished through an Affordable Housing Goal established within a proposed Specific Plan and a Development Agreement, and effectuated by a Affordable Housing Agreement - not done on a project-by-project basis. | Variable, contingent upon terms of developer agreement based on recent costs of developing affordable rental housing. |
| County of Sacramento | \$3.75 per habitable square foot of each market rate unit | NA | NA |

Source: City of Elk Grove 2024 Development Related Fees Booklet; City of Sacramento Planning Department 2024 Housing Impact Fee Notice & Mixed Income Housing Ordinance Revised Recommendations 3.24.24; City of Rancho Cordova 2021 - 2029 Housing Element & 2024 Development Related Processes and Fees Worksheet; City of Folsom Municipal Code Ch. 17.104; City of Roseville Housing Division & 2021 Housing Element; Sacramento County 2024 Notice of Affordable Housing Fee Increase; EPS.

Local Peer Jurisdictions

City of Sacramento

The City's Mixed Income Housing Ordinance (MIHO), originally adopted in 2015 and currently under revision, imposes a Housing Impact Fee (HIF) of \$3.56 per square foot (effective July 1, 2024, and adjusted annually) on all new market-rate residential developments that fall below specific density thresholds. These thresholds are less than 20 dwelling units per acre for single dwelling units and duplexes, and less than 40 dwelling units per acre for renter-occupied multi-unit dwellings developments. However, the City of Sacramento applies reduced fees of \$1.54 per square foot in the city's Housing Incentive Zones. Additionally, Sacramento also requires that for residential projects over 100 gross acres, developers must both pay a HIF as well as obtain City Council approval for a mixed-income housing strategy. The goal of this strategy is to outline how the project will provide housing for various income levels and household types, consistent with city policies. While not a traditional inclusionary housing requirement, it effectively requires the development of affordable units for projects over a certain size.

Since Sacramento's implementation, however, significant market shifts have prompted calls for an updated fee structure and housing policy that better reflects and adapts to the diverse needs and submarkets within the city. In 2023, Sacramento began evaluating the financial feasibility of residential development in light of the current MIHO for both for-sale and rental prototypes across different market contexts. The analysis revealed that rising interest rates and financing costs have placed a significant strain on rental projects, reducing their ability to absorb increased fees or meet onsite affordability requirements. In contrast, for-sale projects in submarkets capable of supporting higher home prices showed a greater capacity to accommodate these demands, prompting the City of Sacramento to explore revisions.¹⁵

As part of this update, the City of Sacramento is evaluating a new set of compliance options for all new residential developments, factoring in scale, location, tenure, transit proximity, market-based adjustments responsive to development trends, and triggers for re-evaluation in the event of new funding sources. These compliance options, which would replace the HIF, include: (1) providing onsite affordable units, (2) paying in-lieu fees, or (3) dedicating land. Additionally, both the definition and the requirements for large-scale projects would be revised. Rather than being defined as developments spanning 100 gross acres or more, large-scale projects would instead be characterized by having 750 or more units and a site size of at least 15 acres. Furthermore, instead of being required to provide a mixed-income housing strategy, large developments would now have to choose from a range of inclusionary housing

¹⁵ Keyser Marston Associates, Inc. Feasibility Analysis, Historical Performance, and Case Study Research, Supporting Proposed Updates to the Mixed Income Housing Ordinance. Draft Report. August 8, 2023. Available at: <https://www.cityofsacramento.gov/content/dam/portal/cdd/Planning/MIHO-Draft-Report-8-8-23.pdf>

options.¹⁶ The revised recommendations are aimed at addressing stakeholder comments and concerns focused on market conditions, fee levels and feasibility, and preferences between fee-based and inclusionary requirements.¹⁷

Sacramento County

Sacramento County has a development impact fee of \$3.75 per square foot for both for-sale and rental market-rate units. Developers are required to meet affordable housing obligations through payment of this fee or, alternatively, by complying with a variety of other options that further housing affordability. As an alternative to paying the affordability fee, developers can comply with the project's affordable housing plan, if applicable, or enter into a development agreement with the County. This agreement may offer fee credits for land dedication, construction of affordable dwelling units, or other mechanisms that facilitate the production of affordable housing. This approach ensures that developers can either directly produce affordable housing or contribute through equivalent financial or land-based alternatives.

City of Rancho Cordova and City of Roseville

Rancho Cordova and Roseville do not impose affordable housing development impact fees nor have formalized inclusionary policies with prescribed in-lieu fees. Instead, the requirement to provide onsite affordable units or pay an in-lieu fee is established through a project-based agreement: an Affordable Housing Plan (AHP) in Rancho Cordova; and a Development Agreement (DA) in Roseville.

In Rancho Cordova, AHPs are created for individual development projects, particularly large-scale specific plans. In Roseville, affordable housing provisions are outlined in development agreements tied to new specific plans. The language in the AHPs or DAs of both cities suggests that, in at least one case, in-lieu fees are determined by the funding gap associated with tax credit-financed developments.¹⁸

¹⁶ City of Sacramento. Mixed Income Housing Ordinance - Revised Recommendations. March 3, 2024. Available at: <https://www.cityofsacramento.gov/content/dam/portal/cdd/Planning/Housing/mixed-income-housing-ordinance/MIHO%20Revised%20Recommendations%203.4.2024%20Post-PDC%20For%20Distribution.pdf>

¹⁷ City of Sacramento. Mixed Income Housing Ordinance - Revised Recommendations. PowerPoint presentation. February 22, 2024. Available at: <https://records.cityofsacramento.org/ViewDoc.aspx?ID=s6tFBnt4W+11Q8PlxV8duRePjC3ZpKko>

¹⁸ City of Rancho Cordova. Affordable Housing Plan for SunCreek Specific Plan. June 12, 2003. Available at: <https://www.cityofranhocordova.org/home/showpublisheddocument/18387/637962457721800000>

Selected Jurisdictions with Inclusionary Requirements and In-Lieu Fees

In addition to examining inclusionary housing policies around the Sacramento region, EPS also examined jurisdictions throughout the State whose inclusionary ordinance was structurally similar to the City of Folsom's, with a pre-set inclusionary requirement and in-lieu fee. As seen in **Table 4-2** below, EPS examined policies from the Berkeley, Santa Rosa, Sunnyvale, and Atascadero.

In summary, all three Bay Area jurisdictions (Berkeley, Santa Rosa, and Sunnyvale) subject rental projects to inclusionary requirements, and all four jurisdictions examined have a much higher in-lieu fee than either the current or recommended in-lieu fee in the City of Folsom. However, all these jurisdictions have housing prices much higher than Folsom.

City of Berkeley

In 2023, the City adopted its IHO, shifting from an Affordable Housing Mitigation Fee to an inclusionary requirement with an associated in-lieu fee. In 2025, the City once again adopted changes to its in-lieu fee. Previously, smaller projects were exempt or subject to a smaller fee. Projects below 5,000 SF of residential floor area were exempt from the fee, while projects between 5,000 and 11,999 SF were subject to a per-square-foot fee that rose with total project square footage. The 2025 update applied the same per-square foot fee to all projects but exempted the first 5,000 SF from the fee calculation.

For projects electing to build units on-site, 20 percent of units are required be below market rate (BMR) units. Rental housing inclusionary units must be split evenly, with half affordable to VLI households and the remainder affordable to LI households. For ownership projects, all units must be affordable to LI households.

In addition to complying with the IHO by paying a fee or building units, the ordinance also allows a blended compliance option, where developers can construct some of the required inclusionary units. The in-lieu fee is then prorated based on the percentage of inclusionary requirement remaining after accounted for the on-site BMR units. For example, if a developer builds half of the required inclusionary units, the in-lieu fee would be half of the fee that would be required if the developer were electing to comply purely through in-lieu fee payment.

Table 4-2. Comparison of Selected Jurisdictions' Inclusionary Housing Programs

| Jurisdiction | Inclusionary Housing Requirement and In-Lieu Fee | |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Inclusionary Requirement | In-Lieu Fee |
| City of Folsom | 10% of units in for-sale development projects, with 3% consisting of very low income units and 7% consisting of low income units. | - (1% x lowest priced for-sale residential unit in proposed subdivision) x total for-sale residential units. - Lots only: (0.5% x least expensive anticipated home in proposed subdivision) x total for-sale lots. |
| City of Berkeley | <u>Existing</u> Projects over 5,000 SF of residential area must provide at least 20% of floor area in affordable units | \$56.25 PSF for all new Residential Developments. Projects using 100% fee to comply deduct 5,000 SF from assessed SF. |
| City of Santa Rosa | Rental - 8% LI units OR 5% VLI units For Sale - 10% MI units | <u>Outside Downtown DUs</u> Less than 909 SF - \$5 PSF More than 910 SF - \$10 PSF <u>Downtown DUs</u> Less than 909 SF - \$2 PSF More than 910 SF - \$3 PSF |
| City of Sunnyvale | 15% (5% VLI and 10% LI) - All rental projects of 3 or more units - All for-sale projects of 7 or more | <u>Rental</u> 3-6 units - \$15.50 PSF 7 or more units - \$31.00 PSF <u>For Sale</u> 7% of the higher of sales price or appraised value |
| City of Atascadero | 20% for-sale condominium and subdivision projects with 11 units or more. | <u>For Sale (Proposed)</u> \$38.71 to \$42.06 PSF |

Source: Berkeley Municipal Code Chapter 23.328; City of Santa Rosa City Council Resolution No. Res-2019-153; City of Sunnyvale Municipal Code Chapter 19.77; City of Atascadero Affordable Housing Fee Nexus Study for For-Sale Housing Dated April 22, 2022.

City of Santa Rosa

The City of Santa Rosa imposes different inclusionary requirements on rental and for-sale projects. Rental projects must provide either 8 percent of their total units as affordable to LI households or 5 percent of their units as affordable to VLI households. For-sale projects must ensure that 10 percent of their units are affordable to MI households.

Because Santa Rosa is seeking to encourage housing development in its downtown, and additionally seeking to incentivize denser projects, it provides different in-lieu fee rates for projects in downtown and for smaller dwelling units. Within downtown, smaller dwelling units (909 square feet or less) are subject to an in-lieu fee of \$2 PSF, compared to \$5 PSF for similarly-sized units outside of downtown. For units larger than 910 SF, fees are \$10 PSF for units outside of downtown or \$5 PSF for units in downtown.

City of Sunnyvale

The City updated its IHO in 2019 to apply inclusionary requirements, including in-lieu fees as a compliance option, to rental projects. Both for-sale and rental projects to which the IHO applies must provide a total of 15 percent of their units as inclusionary units. A minimum of 5 percent of the total units must be affordable to VLI households, while the remainder must be affordable to LI households.

The IHO requirements do not apply to for-sale projects with six or less dwelling unit nor rental projects of two units or less. The IHO also calculates in-lieu fees for rental projects and for-sale projects differently.

Small rental projects (3 to 6 units) are subject to a per-square foot fee of \$15.50 PSF, while projects of 7 or more units pay twice this fee, \$31.00 PSF. In-lieu fees on for-sale projects are based on the value of the dwelling units. For each unit, the project must pay a fee equal to the 7 percent of the sales price or 7 percent of the appraised value of the unit, whichever amount is greater.

City of Atascadero

The current inclusionary policy only applies to residential developments of 11 units or larger that require legislative approval at the City council. Projects subject to the policy must provide 20 percent of their units as affordable. Single-family projects must include inclusionary units affordable to MI households, while multifamily projects must provide their inclusionary units as follows: 20 percent affordable to VLI households, 37 percent affordable to LI households, and 43 percent affordable to MI households.

Projects electing to pay an in-lieu fee pay a fee equal to 5 percent of the building permit construction value of the market rate units. The City is currently considering updates to its inclusionary housing ordinance due to recent changes in state law that increase the ability of projects to secure ministerial approvals, thus exempting them from Atascadero's inclusionary housing policy.

As part of this evaluation, the City retained EPS to calculate the maximum nexus-based fees for its in-lieu fee. Based on a similar methodology to the approach used in this Study, the maximum justifiable fee ranges from approximately \$39 to \$42 per square foot.¹⁹ At this time, Atascadero is still evaluating the fee amount.

Local Jurisdiction Fee Amounts

In addition to evaluating the policies of each jurisdiction examined in the Sacramento Region, this Study also includes a summary of the per-unit fee amount for the single-family low-density prototype. This analysis shows what the developer of one single-family unit would pay for an inclusionary housing in-lieu fee or affordable housing impact fee in jurisdictions throughout the Sacramento Region. As shown in **Table 4-3**, the City of Folsom's current fee and the recommended fee in this Study are broadly comparable to fees throughout the region. Folsom's fee is approximately 10 percent lower than the fees in the City of Sacramento and Sacramento County, but between 35 and 75 percent higher than fees in the City of Rancho Cordova and City of Elk Grove.

As noted in **Table 4-3**, the Rio Del Oro Specific Plan affordable housing fee was originally negotiated in 2016 and was not subject to inflationary adjustments until 2024. Additionally, that agreement also includes a stipulation allowing the City to buy certain sites within the project for developing affordable housing. While the City of Roseville's affordable housing agreements follow a similar structure to the City of Rancho Cordova's, no recent affordable housing agreements in Roseville include an in-lieu fee as part of the developer obligations.

The major outlier in the region is the City of Davis, which has a significantly higher inclusionary requirement and associated in-lieu fee for single-family subdivisions with lots greater than 5,000 square feet.

¹⁹ City of Atascadero Inclusionary Housing Policy and Program. Available at: https://www.atascadero.org/sites/default/files/2023-11/Nexus_Studies_and_Recommendations_4_15_22.pdf

Table 4-3. Sacramento Region Peer Cities Fee Comparison

| Jurisdiction | Fee Type | Fee Amount | Fee Calculation Method | Notes |
|----------------------------------------------------|---------------------------------|----------------|------------------------------------------------|-------|
| Prototype for Fee Comparison | | | | |
| Type | Single-Family Detached for Sale | | | |
| Density | 5 units/ acre | | | |
| Unit Sq. Ft. | 2,600 | | | |
| Sales Price | \$861,011 | | | |
| City of Folsom (existing in-lieu fee) | In-Lieu | \$8,610 | 1% of Lowest Sales Price in Subdivision | |
| City of Folsom (proposed in-lieu fee) | In-Lieu | \$7,800 | \$3.00 Per Square Foot | [1] |
| City of Rancho Cordova (Rio Del Oro Specific Plan) | Development Agreement | \$4,978 | Per Dwelling Unit | [2] |
| City of Elk Grove | Impact Fee | \$6,396 | Per Dwelling Unit | [3] |
| City of Davis [1] | In-Lieu | \$21,028 | Per Dwelling Unit | [4] |
| West Sacramento | In-Lieu | \$7,699 | Per Dwelling Unit | |
| Sacramento County | Impact Fee | \$9,854 | \$3.79 Per Square Foot | |
| City of Sacramento | Impact Fee | \$9,256 | \$3.56 Per Square Foot | [5] |

Source: City of Folsom, EPS; City of Rancho Cordova; City of Elk Grove; City of Davis; City of West Sacramento; Sacramento County.

[1] Rate based on Single-Family Low Density Prototype

[2] Fee was originally negotiated in 2016 and was not subject to inflationary increases for 7 years thereafter. Development agreement also includes City right to purchase sites within the Specific Plan area for the purposes of developing affordable housing.

[3] City is currently updating to a per-square-foot-fee.

[4] Payment of in-lieu fees as a method of complying with the City's Inclusionary Housing Ordinance must be approved by City Council. Based on a 25% inclusionary requirement for homes on lots greater than 5,000 sq. ft. and a \$84,410 in-lieu fee per affordable unit required.

[5] Fee only applies to developments under 20 units/ net acre.

5. Policy and Implementation Considerations

Maximum/Recommended Fee Levels

The City may choose to establish impact fees at levels below or equal to (but not higher than) the maximum fees calculated in the Nexus Study for policy, feasibility, or other reasons. As part of this project and to help guide this decision, EPS surveyed other affordable housing impact fees in other jurisdictions to provide the City with a comparison of adopted fees elsewhere in the region (see **Chapter 4**). The maximum supportable fee level would be significantly higher than the jurisdictions surveyed.

Implementing Ordinances/Resolutions

The updated in-lieu fee would be adopted by the City through an ordinance or resolution amending the existing inclusionary housing policy, including the updated fee amount, methodology for calculation, and any other related updated provisions. The new ordinances or resolutions should incorporate the automatic inflation adjustment factor discussed in this chapter and definitions for multifamily attached units that would be subject to a lower fee.

Alignment with Other City Housing Policies

The City's Housing Element contains several policies designed to incentivize higher-density housing development with smaller units, which are more naturally affordable to home buyers than larger units in low-density development. To align with these policies, EPS recommends that multifamily attached units be subject to a lower per-square foot in-lieu, as shown in **Table 1-2** and **Table 3-9**. The feasibility analysis in **Table 3-10** shows that the financial feasibility for these types of units is marginal and decreasing this in-lieu fee could increase the feasibility of these units.

Additionally, the City does not currently apply the inclusionary housing policy (including the in-lieu fee) to rental products. Given that renters tend to have lower incomes than homeowners, and recognizing the feasibility challenges of multifamily rental projects show in **Table 3-10**, EPS recommends that the City continue to exempt multifamily rental projects from the inclusionary housing policy.

Assessing the Fee

The City should be explicit about defining the area square footage or other fee metric that a fee is charged upon. If possible, the City's method for calculating the square footage subject to the fee should align with other City or local agency fees that are charged per-square-foot. If not, the City can use other existing definitions of assessable square footage for new development. For example, California Government Code section 65995, which describes methods for charging school impact fees for new development, defines residential and commercial spaces as follows:

Residential space: "Assessable space," for this purpose, means all the square footage within the perimeter of a residential structure, not including any carport, covered or uncovered walkway, garage, overhang, patio, enclosed patio, detached accessory structure, or similar area. The amount of the square footage within the perimeter of a residential structure shall be calculated by the building department of the city or county issuing the building permit, in accordance with the standard practice of that city or county in calculating structural perimeters.

In-Lieu Fee Update

EPS recommends that the fee be subject to automatic annual inflation adjustments, periodic updates, and a 5-year review requirement. The purpose of each update is described in this section.

Automatic Annual Inflation Adjustment

The proposed fee should be automatically adjusted by the City annually to account for the inflation of construction, environmental, or design costs. The City's Housing Trust Fund Fee, which applies to non-residential developments, is adjusted each year at the discretion of the City Council based on the change in construction costs described by the Engineering News Record's Construction Cost Index (ENR CCI).²⁰

The ENR CCI measures the change of construction costs by tracking the cost of construction labor and key construction materials. Additionally, using the CCI would ensure that fee revenue roughly keeps pace with the cost of constructing affordable housing.

In order to ensure the index adjustment is made in a manner that minimizes administrative burden to City staff, EPS recommends that an enabling ordinance give authority to the Finance Director or a similar City staff member to execute the inflationary adjustment, as is allowed for the Folsom Plan Area Specific Plan Infrastructure Fees.²¹

²⁰ Folsom Municipal Code Chapter 3.90.050(E).

²¹ Folsom Municipal Code Chapter 3.120.080(A).

In addition, the ordinance should specify that, if no listed index is available the Finance Director may use an alternative index or other source that the Finance Director finds, in his or her discretion, to be most equivalent to estimate changes in construction costs.

Study Timeframe: Updating the Impact Fee Nexus Study

While not required by law it is recommended that the City evaluate the fee at least every five years following this update. During the fee evaluation, the City should consider updating the fee based on:

- The overall fee and infrastructure burden in the City of Folsom compared to housing prices;
- Significant changes to land costs and/or costs for construction labor or materials;
- Changes in the City's affordable housing need;
- Changes in the cost of producing affordable housing and the availability of external funding for affordable housing;
- Feedback from stakeholders, such as affordable and market-rate housing developers.

Appendix



Appendix A: Detailed Calculations and Data

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Table A-1
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Low-Density Single-Family Detached Home Market Comparables

| Low-Density Single-Family Detached Home Market Comparables [1] | | | | | | | | |
|----------------------------------------------------------------|--------|------------------|----------|--------------|--------------|--------------|-----------------------|-------------|
| Item | City | Sales Price | Beds | Unit SF | Price/SF | Lot SF | Estimated Density [2] | Year Built |
| Property Address | | | | | | | | |
| 3302 Whispering Brook Way | Folsom | \$755,000 | 4 | 2,566 | \$294 | 4,000 | 8.7 | 2024 |
| 4625 Snapdragon Way | Folsom | \$879,990 | 4 | 2,458 | \$358 | 4,038 | 8.6 | 2023 |
| 4621 Snapdragon Way | Folsom | \$804,990 | 3 | 2,160 | \$373 | 4,121 | 8.5 | 2023 |
| 4651 Dandelion Way | Folsom | \$665,000 | 3 | 1,879 | \$354 | 4,121 | 8.5 | 2025 |
| 4647 Dandelion Way | Folsom | \$819,536 | 3 | 2,458 | \$333 | 4,121 | 8.5 | 2025 |
| 4639 Dandelion Way | Folsom | \$677,990 | 3 | 1,879 | \$361 | 4,121 | 8.5 | 2025 |
| 3422 Apollo Dr | Folsom | \$790,265 | 4 | 2,392 | \$330 | 4,500 | 7.7 | 2024 |
| 3362 Apollo Ct | Folsom | \$754,000 | 4 | 2,392 | \$315 | 4,500 | 7.7 | 2024 |
| 3419 Apollo Dr | Folsom | \$663,000 | 3 | 1,784 | \$372 | 4,991 | 7.0 | 2024 |
| 4268 Crescent Way | Folsom | \$873,000 | 4 | 3,056 | \$286 | 5,375 | 6.5 | 2024 |
| 4256 Crescent Way | Folsom | \$719,000 | 4 | 1,962 | \$366 | 5,375 | 6.5 | 2024 |
| 3308 Crooked Bed Way | Folsom | \$839,656 | 5 | 2,995 | \$280 | 5,432 | 6.4 | 2024 |
| 3129 Velvet Grove Ct | Folsom | \$855,000 | 4 | 2,150 | \$398 | 6,181 | 5.6 | 2024 |
| 3276 Bitterroot Way | Folsom | \$754,990 | 4 | 2,160 | \$350 | 6,438 | 5.4 | 2024 |
| 4244 Crescent Way | Folsom | \$777,000 | 4 | 2,517 | \$309 | 6,444 | 5.4 | 2024 |
| 3321 Garden Terrace Dr | Folsom | \$1,010,000 | 4 | 3,131 | \$323 | 6,573 | 5.3 | 2024 |
| 3369 Rock Springs Ranch Rd | Folsom | \$990,000 | 4 | 2,380 | \$416 | 6,961 | 5.0 | 2024 |
| 4514 Rocky Hills Circle | Folsom | \$1,205,880 | 5 | 3,952 | \$305 | 8,057 | 4.3 | 2024 |
| 5073 Brooks Circle | Folsom | \$1,016,000 | 4 | 3,308 | \$307 | 8,825 | 3.9 | 2023 |
| 4511 Rocky Hills Circle | Folsom | \$1,070,740 | 3 | 2,604 | \$411 | 9,330 | 3.7 | 2024 |
| 4510 Rocky Hills Circle | Folsom | \$1,160,200 | 4 | 3,476 | \$334 | 11,326 | 3.1 | 2024 |
| 5077 Brooks Circle | Folsom | \$1,016,000 | 5 | 3,008 | \$338 | 11,326 | 3.1 | 2023 |
| Average/Weighted Average | | \$861,011 | 4 | 2,576 | \$334 | 4,917 | 7.3 | 2024 |

Source: RedFin; Zillow; EPS.

[1] Includes detached single-family homes sold from October 2024 to March 2025 built 2023 or later. Excludes 55+ communities.

Table A-2
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Medium-Density Single-Family Detached Home Market Comparables

| Med-Density Single-Family Detached Home Market Comparables [1] | | | | | | | |
|-----------------------------------------------------------------------|-------------|------------------|-------------|----------------|---------------|--------------------------|-------------------|
| Item | City | Price | Beds | Unit SF | Lot SF | Estimated Density | Year Built |
| Property Address | | | | | | | |
| 3429 Magnolia Way | Folsom | \$580,000 | 3 | 1,705 | 2,449 | 14.2 | 2024 |
| 3376 Gallatin Dr | Folsom | \$621,000 | 4 | 2,239 | 2,644 | 13.2 | 2023 |
| 3395 Gallatin Dr | Folsom | \$650,000 | 4 | 1,990 | 2,801 | 12.4 | 2023 |
| 3425 Magnolia Way | Folsom | \$637,716 | 3 | 1,941 | 2,997 | 11.6 | 2024 |
| 4428 Sanderson Dr | Folsom | \$665,000 | 4 | 1,945 | 3,381 | 10.3 | 2023 |
| 3449 Magnolia Way | Folsom | \$675,000 | 4 | 1,990 | 3,511 | 9.9 | 2024 |
| 3485 Nightberry Dr | Folsom | \$690,427 | 3 | 2,033 | 3,935 | 8.9 | 2024 |
| 3469 Nightberry Dr | Folsom | \$665,000 | 3 | 2,033 | 4,328 | 8.1 | 2024 |
| 3481 Nightberry Dr | Folsom | \$625,000 | 3 | 1,822 | 3,611 | 9.7 | 2024 |
| 4759 Gailander Ct | Folsom | \$694,548 | 3 | 2,033 | 3,637 | 9.6 | 2024 |
| 4758 Gailander Ct | Folsom | \$672,683 | 3 | 2,033 | 4,186 | 8.3 | 2024 |
| 4750 Gailander Ct | Folsom | \$693,154 | 3 | 2,033 | 3,747 | 9.3 | 2024 |
| Average/Weighted Average | | \$655,794 | 3 | 1,983 | 3,436 | 10.5 | 2024 |

Source: RedFin; Zillow; EPS.

[1] Includes detached single-family homes sold from October 2024 to March 2025 built 2023 or later. Excludes 55+ communities.

**Table A-3
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Multifamily Attached Unit Market Comparables**

| Item | Multifamily Attached Comparables [1] | | | | | | |
|-----------------------------------------|--------------------------------------|------------------|----------|--------------|--------------|-------------------|-------------|
| | City | Price | Beds | Unit SF | Lot SF | Estimated Density | Year Built |
| Property Address - Recently Sold | | | | | | | |
| 2715 Democracy Aly | Sacramento | \$750,000 | 3 | 1,486 | 1,621 | 21.5 | 2023 |
| 2932 Chatelet Walk | Sacramento | \$485,000 | 4 | 1,920 | 1,920 | 18.2 | 2020 |
| 3057 Cityscape Walk | Sacramento | \$525,000 | 3 | 1,656 | 1,442 | 24.2 | 2020 |
| 3051 Copper Rose Walk | Sacramento | \$520,000 | 3 | 1,740 | 1,740 | 20.0 | 2020 |
| 990 Central St | West Sacramento | \$715,000 | 2 | 1,615 | 1,615 | 21.6 | 2020 |
| 4187 Gloster Way | Sacramento | \$425,000 | 3 | 1,263 | 1,307 | 26.7 | 2019 |
| 3764 E Commerce Way | Sacramento | \$500,000 | 3 | 1,263 | 1,424 | 24.5 | 2018 |
| 2559 Radar Ln | Sacramento | \$428,000 | 2 | 1,065 | 1,394 | 25.0 | 2018 |
| 10934 International Dr | Rancho Cordova | \$445,000 | 3 | 1,378 | 1,400 | 24.9 | 2015 |
| 3188 Bridgeway Dr | Rancho Cordova | \$420,000 | 3 | 1,311 | 1,917 | 18.2 | 2009 |
| 10946 Tower Park Dr | Rancho Cordova | \$405,000 | 2 | 1,065 | 1,306 | 26.7 | 2009 |
| 3139 Rushall | Rancho Cordova | \$475,000 | 3 | 1,649 | 1,742 | 20.0 | 2007 |
| 2430 Pavilions Place Ln | Sacramento | \$663,000 | 3 | 2,006 | 2,265 | 15.4 | 2007 |
| 7737 Park River Oak Cir | Sacramento | \$441,000 | 3 | 1,379 | 1,821 | 19.1 | 2005 |
| 3925 Oak Villa Cir | Carmichael | \$340,000 | 3 | 1,323 | 1,355 | 25.7 | 2002 |
| Average/Weighted Average | | \$502,467 | 3 | 1,475 | 1,618 | 22.1 | 2014 |

Source: RedFin; Zillow; EPS.

[1] Due to the limited number of Multifamily Attached comparables within the City of Folsom, the analysis compares sales prices for recent Multifamily Attached units constructed around the greater Sacramento Region.

Table A-4
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Multifamily Apartment Market Comparables

| Property Name | Address | Multifamily Property Details | | | | | | | | |
|---------------------------------|----------------------|------------------------------|-------------------|-----------------|-----------------|-----------------------|------------|------------|------------|-------------|
| | | Number of Units | Average Rent/Unit | Average Unit SF | Average Rent/SF | Average Bedroom Count | % 1-Bed | % 2-Bed | % 3-Bed | Year Built |
| Anindell [2] | 115 Healthy Way | 153 | \$3,317 | 919 | \$3.61 | 1.36 | 64% | 36% | 0% | 2025 |
| Broadstone Villas | 2840 E Bidwell St | 257 | \$2,801 | 1,105 | \$2.53 | 1.82 | 25% | 68% | 7% | 2024 |
| Verdell Pointe | 2137 Iron Point Rd | 253 | \$2,559 | 863 | \$2.96 | 1.53 | 55% | 38% | 7% | 2024 |
| Atwell at Folsom Ranch | 14481 Southpointe Dr | 278 | \$2,628 | 1,136 | \$2.31 | 1.71 | 47% | 34% | 18% | 2024 |
| Revel Folsom Apartments [2] | 2075 Iron Point Rd | 166 | \$4,139 | 754 | \$5.49 | 1.81 | 37% | 44% | 19% | 2024 |
| Average/Weighted Average | | 1,107 | \$2,974 | 979 | \$3.17 | 1.65 | 45% | 45% | 11% | 2024 |

Source: Costar; EPS.

[1] Data was filtered by active multifamily properties with rental units within the City of Folsom completed within the last 5 years.

**Table A-5
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Owner-Occupied Residential Utilities Calculations**

| Item | Single-Family For-Sale Residential Utility Costs |
|----------------------------------------------------|--------------------------------------------------------|
| Monthly Utility Cost Estimates | |
| Electric [1] | \$139 |
| Water [2] | \$51 |
| Waste [3] | \$82 |
| Sewer [4] | \$25 |
| Total Utility Allowance per Month (Rounded) | \$300 |

Source: Sacramento Municipal Utility District; City of Folsom; EPS.

[1] Electric estimated fees based on an average monthly price for a residential bill per month as of 10/01/2024, derived from Sacramento Municipal Utility District website.

[2] Estimated water costs assume a 1" meter size, for residential customer types, and 14.5 CCF a month.

[3] Estimated waste collection fees based on 2024-2025 rate for one (1) 32 gallon refuse carts, derived from City of Folsom website.

[4] Estimated sewer fees based on 2024-2025 rates for single-family units, established by the City of Folsom.

Table A-6
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Sacramento County Renter-Occupied Residential Utility Allowances per Month (2022\$)

| Item | Renter-Occupied Units by Number of Bedrooms | | | | | |
|------------------------------------------|---------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR |
| Heating [1] | \$12 | \$14 | \$18 | \$21 | \$25 | \$29 |
| Cooking [1] | \$6 | \$7 | \$11 | \$14 | \$18 | \$21 |
| Other Electric & Cooling | | | | | | |
| Other Electric (Lights & Appliances) | \$24 | \$28 | \$39 | \$50 | \$61 | \$73 |
| Air Conditioning | \$12 | \$14 | \$20 | \$25 | \$31 | \$36 |
| Water Heating [1] | \$15 | \$17 | \$22 | \$27 | \$32 | \$37 |
| Water, Sewer, Trash Collection | | | | | | |
| Water (avg) | \$46 | \$46 | \$49 | \$51 | \$54 | \$57 |
| Sewer (avg) | \$23 | \$23 | \$23 | \$23 | \$24 | \$25 |
| Trash Collection (avg) | \$47 | \$47 | \$47 | \$47 | \$47 | \$47 |
| Tenant-supplied Appliances | | | | | | |
| Range / Microwave - Tenant-supplied | \$11 | \$11 | \$11 | \$11 | \$11 | \$11 |
| Refrigerator - Tenant-supplied | \$12 | \$12 | \$12 | \$12 | \$12 | \$12 |
| Other | | | | | | |
| Electric Charge | \$26 | \$26 | \$26 | \$26 | \$26 | \$26 |
| Total Utility Allowance per Month | \$234 | \$245 | \$278 | \$307 | \$341 | \$374 |

Source: Utility Allowance Schedule for Sacramento Housing Redevelopment Agency Locality HUD as of 2025; EPS

[1] Assumes use of electricity for space heating, cooking, and water heating.

**Table A-7
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
HOA Fee Comparables (2024\$)**

| Item | HOA Fees |
|-----------------------------|-----------------|
| Address | |
| 4188 Eagle View Way | \$255 |
| 3324 Auburn Leaf Loop | \$123 |
| 3349 Jackrabbit Ct | \$119 |
| 4810 White Pine Dr | \$103 |
| 3363 Loggerhead Cir, Folsom | \$155 |
| 14869 Auburn Summit Dr | \$300 |
| 3325 Garden Terrace Dr | \$195 |
| 4522 Rocky Hills Cir | \$187 |
| 150 Barnhill Dr | \$124 |
| 106 Monet Ln | \$372 |
| 3320 Parasol Ct | \$195 |
| Average (Rounded) | \$190 |

Source: Redfin as of November 2024; EPS.

Table A-8
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 1 Low-Density SFR

| Item | % of Household Income Spent per Category [1] | % of Category Expenditure per Type of Business [2] | Low-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers/HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|--------------------------------------------------------------|----------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|------------------------|----------------------------|-------------------------------------|-------------------|---------------------------------------|----------------|-----------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$327,200 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Food at Home | 6.9% | 100% | \$22,540 | | | | | | | | | | | | |
| Food & Beverage Stores | | 100% | \$22,540 | \$22,539,708 | 9.85 | \$2,288,892 | 12,338 | \$28,279 | \$37,086 | 61.72 | 100.0% | 1.65 | 37.41 | \$61,191 | Very Low |
| Food Away From Home | 4.5% | 100% | \$14,645 | | | | | | | | | | | | |
| Food Services and Drinking Places | | 100% | \$14,645 | \$14,645,411 | 3.37 | \$4,351,428 | 50,828 | \$17,222 | \$22,585 | 192.67 | 87.5% | 1.65 | 102.17 | \$37,265 | Extremely Low |
| Alcoholic Beverages | 0.7% | 100% | \$2,372 | \$2,372,013 | | | | | | | | | | | |
| Food & Beverage Stores | | 50% | \$1,186 | \$1,186,006 | 9.85 | \$120,438 | 12,338 | \$28,279 | \$37,086 | 3.25 | 87.5% | 1.65 | 1.72 | \$61,191 | Very Low |
| Food Services and Drinking Places | | 50% | \$1,186 | \$1,186,006 | 3.37 | \$352,385 | 50,828 | \$17,222 | \$22,585 | 15.60 | 87.5% | 1.65 | 8.27 | \$37,265 | Extremely Low |
| Housing Maintenance, Repairs, Insurance, Other expens | 3.0% | 100% | \$9,678 | \$9,677,962 | | | | | | | | | | | |
| Personal and Household Goods Repair and Maintenance | | 45% | \$4,355 | \$4,355,083 | 3.13 | \$1,389,805 | 6,507 | \$24,559 | \$32,207 | 43.15 | 98.1% | 1.65 | 25.66 | \$53,142 | Very Low |
| Building Material and Garden Equipment and Supplies Dealer | | 45% | \$4,355 | \$4,355,083 | 8.85 | \$491,987 | 4,783 | \$31,497 | \$41,305 | 11.91 | 87.5% | 1.65 | 6.32 | \$68,154 | Very Low |
| Real Estate and Rental and Leasing | | 10% | \$968 | \$967,796 | 5.53 | \$175,158 | 9,009 | \$49,123 | \$64,420 | 2.72 | 98.1% | 1.65 | 1.62 | \$106,294 | Low |
| Fuel oil and Other fuels [7] | 0.2% | 100% | \$521 | \$521,322 | | | | | | | | | | | |
| Nonstore Retailers | | 100% | \$521 | \$521,322 | 14.48 | \$36,014 | 1,785 | \$35,886 | \$47,061 | 0.77 | 87.5% | 1.65 | 0.41 | \$77,650 | Low |
| Water and Other Public Services [7] | 0.9% | 100% | \$2,905 | \$2,904,506 | | | | | | | | | | | |
| Waste Management and Remediation Services | | 100% | \$2,905 | \$2,904,506 | 4.29 | \$676,664 | 1,267 | \$58,325 | \$76,488 | 8.85 | 98.1% | 1.65 | 5.26 | \$126,205 | Median |
| Household Operations Personal Services | 0.6% | 100% | \$2,048 | \$2,048,049 | | | | | | | | | | | |
| Nursing and Residential Care Facilities | | 40% | \$819 | \$819,220 | 2.41 | \$339,289 | 11,439 | \$30,269 | \$39,695 | 8.55 | 98.1% | 1.65 | 5.08 | \$65,497 | Very Low |
| Social Assistance | | 60% | \$1,229 | \$1,228,829 | 3.02 | \$407,317 | 15,778 | \$27,674 | \$36,292 | 11.22 | 98.1% | 1.65 | 6.67 | \$59,881 | Very Low |
| Household Operations Other Household Expenses | 1.6% | 100% | \$5,344 | \$5,343,546 | | | | | | | | | | | |
| Services to Buildings and Dwellings | | 100% | \$5,344 | \$5,343,546 | 2.50 | \$2,135,699 | 1,267 | \$58,325 | \$76,488 | 27.92 | 98.1% | 1.65 | 16.60 | \$126,205 | Median |
| Housekeeping Supplies | 0.9% | 100% | \$3,046 | \$3,046,007 | | | | | | | | | | | |
| Building Materials and Garden Equipment and Supplies Dealers | | 10% | \$305 | \$304,601 | 8.85 | \$34,410 | 4,783 | \$31,497 | \$41,305 | 0.83 | 87.5% | 1.65 | 0.44 | \$68,154 | Very Low |
| Food & Beverage Stores | | 35% | \$1,066 | \$1,066,102 | 9.85 | \$108,262 | 12,338 | \$28,279 | \$37,086 | 2.92 | 87.5% | 1.65 | 1.55 | \$61,191 | Very Low |
| General Merchandise | | 35% | \$1,066 | \$1,066,102 | 10.71 | \$99,496 | 12,002 | \$25,624 | \$33,604 | 2.96 | 87.5% | 1.65 | 1.57 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 20% | \$609 | \$609,201 | 5.89 | \$103,504 | 3,257 | \$21,765 | \$28,542 | 3.63 | 87.5% | 1.65 | 1.92 | \$47,095 | Very Low |

Table A-8
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 1 Low-Density SFR

| Item | % of Household Income Spent per Category [1] | % of Category Expenditure per Type of Business [2] | Low-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers/HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|-----------------------------------------------------|----------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|------------------------|----------------------------|-------------------------------------|-------------------|---------------------------------------|----------------|-----------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$327,200 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Household Furnishings and Equipment | 2.9% | 100% | \$9,339 | | | | | | | | | | | | |
| Furniture and Home Furnishings Stores | | 40% | \$3,736 | \$3,735,641 | 7.31 | \$510,888 | 1,671 | \$29,240 | \$38,346 | 13.3 | 87.5% | 1.65 | 7.1 | \$63,270 | Very Low |
| Electronics and Appliance Stores | | 40% | \$3,736 | \$3,735,641 | 9.51 | \$392,811 | 1,962 | \$27,499 | \$36,063 | 10.9 | 87.5% | 1.65 | 5.8 | \$59,504 | Very Low |
| General Merchandise | | 10% | \$934 | \$933,910 | 10.71 | \$87,159 | 12,002 | \$25,624 | \$33,604 | 2.6 | 87.5% | 1.65 | 1.4 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 10% | \$934 | \$933,910 | 5.89 | \$158,673 | 3,257 | \$21,765 | \$28,542 | 5.6 | 87.5% | 1.65 | 2.9 | \$47,095 | Very Low |
| Apparel and Services | 2.3% | 100% | \$7,600 | | | | | | | | | | | | |
| Clothing and Clothing Accessories Stores | | 40% | \$3,040 | \$3,040,049 | 7.56 | \$402,287 | 7,012 | \$18,120 | \$23,763 | 16.9 | 87.5% | 1.65 | 9.0 | \$39,209 | Extremely Low |
| General Merchandise | | 40% | \$3,040 | \$3,040,049 | 10.71 | \$283,719 | 12,002 | \$25,624 | \$33,604 | 8.4 | 87.5% | 1.65 | 4.5 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 10% | \$760 | \$760,012 | 5.89 | \$129,127 | 3,257 | \$21,765 | \$28,542 | 4.5 | 87.5% | 1.65 | 2.4 | \$47,095 | Very Low |
| Personal and Household Goods Repair and Maintenance | | 5% | \$380 | \$380,006 | 3.13 | \$121,269 | 6,507 | \$24,559 | \$32,207 | 3.8 | 87.5% | 1.65 | 2.0 | \$53,142 | Very Low |
| Drycleaning and Laundry Services | | 5% | \$380 | \$380,006 | 3.30 | \$115,164 | 1,824 | \$31,553 | \$41,379 | 2.8 | 87.5% | 1.65 | 1.5 | \$68,275 | Very Low |
| Vehicle Purchases (net outlay) | 6.3% | 100% | \$20,626 | | | | | | | | | | | | |
| Motor Vehicle and Parts Dealers | | 100% | \$20,626 | \$20,625,713 | 12.17 | \$1,695,068 | 8,549 | \$48,855 | \$64,069 | 26.5 | 87.5% | 1.65 | 14.0 | \$105,713 | Low |
| Gasoline and motor oil | 3.1% | 100% | \$10,032 | | | | | | | | | | | | |
| Gasoline Stations | | 100% | \$10,032 | \$10,031,715 | 32.04 | \$313,091 | 2,212 | \$22,756 | \$29,843 | 10.5 | 87.5% | 1.65 | 5.6 | \$49,241 | Very Low |
| Vehicle Maintenance and Repairs | 1.1% | 100% | \$3,631 | | | | | | | | | | | | |
| Repair and Maintenance | | 100% | \$3,631 | \$3,630,632 | 3.58 | \$1,014,557 | 6,004 | \$38,749 | \$50,815 | 20.0 | 98.1% | 1.65 | 11.9 | \$83,845 | Low |
| Medical Services | 1.4% | 100% | \$4,662 | | | | | | | | | | | | |
| Ambulatory Health Care Services | | 40% | \$1,865 | \$1,864,842 | 2.22 | \$839,836 | 35,993 | \$82,454 | \$108,131 | 7.8 | 98.1% | 1.65 | 4.6 | \$178,415 | Above Moderate |
| General Medical and Surgical Hospitals | | 30% | \$1,399 | \$1,398,631 | 2.75 | \$509,050 | 24,767 | \$92,641 | \$121,490 | 4.2 | 98.1% | 1.65 | 2.5 | \$200,459 | Above Moderate |
| Nursing and Residential Care Facilities | | 30% | \$1,399 | \$1,398,631 | 2.41 | \$579,258 | 11,439 | \$30,269 | \$39,695 | 14.6 | 98.1% | 1.65 | 8.7 | \$65,497 | Very Low |
| Drugs | 0.7% | 100% | \$2,201 | | | | | | | | | | | | |
| Health and Personal Care Stores | | 100% | \$2,201 | \$2,200,722 | 6.72 | \$327,449 | 4,366 | \$37,345 | \$48,974 | 6.7 | 87.5% | 1.65 | 3.5 | \$80,807 | Low |
| Medical Supplies | 0.3% | 100% | \$994 | | | | | | | | | | | | |
| Health and Personal Care Stores | | 100% | \$994 | \$994,235 | 6.72 | \$147,934 | 4,366 | \$37,345 | \$48,974 | 3.0 | 87.5% | 1.65 | 1.6 | \$80,807 | Low |
| Entertainment Fees and Admissions | 1.1% | 100% | \$3,541 | | | | | | | | | | | | |
| Arts, Entertainment, & Recreation | | 100% | \$3,541 | \$3,541,263 | 2.61 | \$1,359,127 | 8,187 | \$35,292 | \$46,282 | 29.4 | 87.5% | 1.65 | 15.6 | \$76,366 | Low |

Table A-8
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 1 Low-Density SFR

| Item | % of Household Income Spent per Category [1] | % of Category Expenditure per Type of Business [2] | Low-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers/HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category | |
|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------------|------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|---------------------|----------------------------|----------------------------------|------------------|------------------------------------|----------------|--------------------|-----------------------|-----------------|----------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$327,200 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | | |
| Entertainment Audio and Visual Equipment and Service Electronics and Appliance Stores | 1.1% | 100% | \$3,631 | \$3,631 | \$3,630,632 | 9.51 | \$381,769 | 1,962 | \$27,499 | \$36,063 | 10.6 | 87.5% | 1.65 | 5.6 | \$59,504 | Very Low |
| Entertainment Pets, Toys, Hobbies, and Playground Eq Sporting Goods, Hobby, and Musical Instrument Stores | 1.2% | 40% | \$1,574 | \$1,574,391 | 7.62 | \$206,636 | 2,355 | \$18,068 | \$23,694 | 8.7 | 87.5% | 1.65 | 4.6 | \$39,095 | Extremely Low | |
| Miscellaneous Store Retailers | | 40% | \$1,574 | \$1,574,391 | 5.89 | \$267,491 | 3,257 | \$21,765 | \$28,542 | 9.4 | 87.5% | 1.65 | 5.0 | \$47,095 | Very Low | |
| Veterinary Services | | 20% | \$787 | \$787,195 | 3.06 | \$257,264 | 34,059 | \$47,652 | \$62,491 | 4.1 | 98.1% | 1.65 | 2.4 | \$103,110 | Low | |
| Other Entertainment Supplies, Equipment, and Services Sporting Goods, Hobby, and Musical Instrument Stores | 0.7% | 85% | \$2,067 | \$2,066,854 | 7.62 | \$271,271 | 2,355 | \$18,068 | \$23,694 | 11.4 | 87.5% | 1.65 | 6.1 | \$39,095 | Extremely Low | |
| Photographic Services | | 15% | \$365 | \$364,739 | 4.27 | \$85,503 | 6,920 | \$30,385 | \$39,847 | 2.1 | 98.1% | 1.65 | 1.3 | \$65,748 | Very Low | |
| Personal Care Products and Services Unspecified Retail | 1.1% | 50% | \$1,769 | \$1,768,769 | 5.89 | \$300,517 | 3,257 | \$21,765 | \$28,542 | 10.5 | 87.5% | 1.65 | 5.6 | \$47,095 | Very Low | |
| Personal Care Services | | 50% | \$1,769 | \$1,768,769 | 2.90 | \$610,333 | 3,230 | \$18,932 | \$24,828 | 24.6 | 98.1% | 1.65 | 14.6 | \$40,966 | Extremely Low | |
| Reading Sporting Goods, Hobby, and Musical Instrument Stores | 0.1% | 100% | \$436 | \$435,676 | 7.62 | \$57,182 | 2,355 | \$18,068 | \$23,694 | 2.4 | 87.5% | 1.65 | 1.3 | \$39,095 | Extremely Low | |
| Education Educational Services | 1.9% | 100% | \$6,166 | \$6,166,489 | 2.84 | \$2,171,667 | 4,202 | \$29,430 | \$38,595 | 56.3 | 98.1% | 1.65 | 33.5 | \$63,681 | Very Low | |
| Tobacco Products and Smoking Supplies Unspecified Retail | 0.4% | 100% | \$1,378 | \$1,377,778 | 5.89 | \$234,087 | 3,257 | \$21,765 | \$28,542 | 0.1 | 87.5% | 1.65 | 0.1 | \$47,095 | Very Low | |
| Miscellaneous Accounting | 1.3% | 20% | \$882 | \$881,778 | 2.91 | \$302,981 | 4,019 | \$48,431 | \$63,512 | 4.8 | 98.1% | 1.65 | 2.8 | \$104,795 | Low | |
| Architectural, Engineering, and Related [8] | | 20% | \$882 | \$881,778 | 2.74 | \$321,688 | 6,361 | \$92,859 | \$121,777 | 2.6 | 98.1% | 1.65 | 1.6 | \$200,931 | Above Moderate | |
| Specialized Design Services | | 20% | \$882 | \$881,778 | 3.63 | \$242,713 | 22,856 | \$62,955 | \$82,560 | 2.9 | 98.1% | 1.65 | 1.7 | \$136,223 | Moderate | |
| Death Care Services | | 20% | \$882 | \$881,778 | 3.96 | \$222,628 | 10,167 | \$44,027 | \$57,738 | 3.9 | 98.1% | 1.65 | 2.3 | \$95,268 | Low | |
| Legal Services | | 20% | \$882 | \$881,778 | 2.94 | \$299,915 | 150,205 | \$101,023 | \$132,482 | 2.3 | 98.1% | 1.65 | 1.3 | \$218,595 | Above Moderate | |
| Total per 1,000 Market Rate Households | | | | | | | | | | | 746.8 | | | 416.9 | | |

Source: 2023 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; EPS.

- [1] Percentage of income spent per category is based on the nationwide 2023 Consumer Expenditure Survey data for households at this income level. Note that the sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represents a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/life insurance, cash contributions, and financing charges.
- [2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.
- [3] 2023 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2023 U.S. Consumer Expenditure Survey. Assumes a household income of \$327,200, as shown in Table 3-7.
- [4] 2017 wages converted to 2024 dollars using the CPI for the urban West from the BLS.
- [5] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers are 16-19 in other industries. EPS has assumed that such young workers do not form their own households.
- [6] Based on US Census, 2022 ACS data for the City of Folsom.
- [7] Part of the Utilities, Fuels, and Public Services category (includes natural gas, electricity, and telephone services). Natural gas, electricity, and telephone services not estimated because data was not available in the 2017 Economic Census.
- [8] Note that average salary reported for architecture, engineering and related industries reflects the full range of employees within the industry, not solely professional and technical staff.

Table A-9
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 2 Medium-Density SFR

| Item | % of Household Income Spent per Category [1] | % of Category Expenditure per Type of Business [2] | Medium-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers/HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|---------------------------------------------------------------|----------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|------------------------|----------------------------|-------------------------------------|-------------------|---------------------------------------|----------------|-----------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$253,500 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Food at Home | 6.9% | 100% | \$17,463 | | | | | | | | | | | | |
| Food & Beverage Stores | | 100% | \$17,463 | \$17,462,763 | 9.85 | \$1,773,332 | 12,338 | \$28,279 | \$37,086 | 47.82 | 100.0% | 1.65 | 28.98 | \$61,191 | Very Low |
| Food Away From Home | 4.5% | 100% | \$11,347 | | | | | | | | | | | | |
| Food Services and Drinking Places | | 100% | \$11,347 | \$11,346,613 | 3.37 | \$3,371,293 | 50,828 | \$17,222 | \$22,585 | 149.27 | 87.5% | 1.65 | 79.16 | \$37,265 | Extremely Low |
| Alcoholic Beverages | 0.7% | 100% | \$1,838 | \$1,837,730 | | | | | | | | | | | |
| Food & Beverage Stores | | 50% | \$919 | \$918,865 | 9.85 | \$93,310 | 12,338 | \$28,279 | \$37,086 | 2.52 | 87.5% | 1.65 | 1.33 | \$61,191 | Very Low |
| Food Services and Drinking Places | | 50% | \$919 | \$918,865 | 3.37 | \$273,012 | 50,828 | \$17,222 | \$22,585 | 12.09 | 87.5% | 1.65 | 6.41 | \$37,265 | Extremely Low |
| Housing Maintenance, Repairs, Insurance, Other expense | 3.0% | 100% | \$7,498 | \$7,498,054 | | | | | | | | | | | |
| Personal and Household Goods Repair and Maintenance | | 45% | \$3,374 | \$3,374,124 | 3.13 | \$1,076,759 | 6,507 | \$24,559 | \$32,207 | 33.43 | 98.1% | 1.65 | 19.88 | \$53,142 | Very Low |
| Building Material and Garden Equipment and Supplies Dealer | | 45% | \$3,374 | \$3,374,124 | 8.85 | \$381,169 | 4,783 | \$31,497 | \$41,305 | 9.23 | 87.5% | 1.65 | 4.89 | \$68,154 | Low |
| Real Estate and Rental and Leasing | | 10% | \$750 | \$749,805 | 5.53 | \$135,705 | 9,009 | \$49,123 | \$64,420 | 2.11 | 98.1% | 1.65 | 1.25 | \$106,294 | Median |
| Fuel oil and Other fuels [7] | 0.2% | 100% | \$404 | \$403,897 | | | | | | | | | | | |
| Nonstore Retailers | | 100% | \$404 | \$403,897 | 14.48 | \$27,902 | 1,785 | \$35,886 | \$47,061 | 0.59 | 87.5% | 1.65 | 0.31 | \$77,650 | Low |
| Water and Other Public Services [7] | 0.9% | 100% | \$2,250 | \$2,250,282 | | | | | | | | | | | |
| Waste Management and Remediation Services | | 100% | \$2,250 | \$2,250,282 | 4.29 | \$524,249 | 1,267 | \$58,325 | \$76,488 | 6.85 | 98.1% | 1.65 | 4.08 | \$126,205 | Moderate |
| Household Operations Personal Services | 0.6% | 100% | \$1,587 | \$1,586,737 | | | | | | | | | | | |
| Nursing and Residential Care Facilities | | 40% | \$635 | \$634,695 | 2.41 | \$262,866 | 11,439 | \$30,269 | \$39,695 | 6.62 | 98.1% | 1.65 | 3.94 | \$65,497 | Low |
| Social Assistance | | 60% | \$952 | \$952,042 | 3.02 | \$315,571 | 15,778 | \$27,674 | \$36,292 | 8.70 | 98.1% | 1.65 | 5.17 | \$59,881 | Very Low |
| Household Operations Other Household Expenses | 1.6% | 100% | \$4,140 | \$4,139,941 | | | | | | | | | | | |
| Services to Buildings and Dwellings | | 100% | \$4,140 | \$4,139,941 | 2.50 | \$1,654,645 | 1,267 | \$58,325 | \$76,488 | 21.63 | 98.1% | 1.65 | 12.86 | \$126,205 | Moderate |
| Housekeeping Supplies | 0.9% | 100% | \$2,360 | \$2,359,911 | | | | | | | | | | | |
| Building Materials and Garden Equipment and Supplies Dealers | | 10% | \$236 | \$235,991 | 8.85 | \$26,660 | 4,783 | \$31,497 | \$41,305 | 0.65 | 87.5% | 1.65 | 0.34 | \$68,154 | Low |
| Food & Beverage Stores | | 35% | \$826 | \$825,969 | 9.85 | \$83,877 | 12,338 | \$28,279 | \$37,086 | 2.26 | 87.5% | 1.65 | 1.20 | \$61,191 | Very Low |
| General Merchandise | | 35% | \$826 | \$825,969 | 10.71 | \$77,085 | 12,002 | \$25,624 | \$33,604 | 2.29 | 87.5% | 1.65 | 1.22 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 20% | \$472 | \$471,982 | 5.89 | \$80,190 | 3,257 | \$21,765 | \$28,542 | 2.81 | 87.5% | 1.65 | 1.49 | \$47,095 | Very Low |

Table A-9
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 2 Medium-Density SFR

| Item | % of Household Income Spent per Category [1] | % of Category Expenditure per Type of Business [2] | Medium-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers/HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|-----------------------------------------------------|----------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|------------------------|----------------------------|-------------------------------------|-------------------|---------------------------------------|----------------|-----------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$253,500 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Household Furnishings and Equipment | 2.9% | 100% | \$7,236 | | | | | | | | | | | | |
| Furniture and Home Furnishings Stores | | 40% | \$2,894 | \$2,894,208 | 7.31 | \$395,813 | 1,671 | \$29,240 | \$38,346 | 10.3 | 87.5% | 1.65 | 5.5 | \$63,270 | Very Low |
| Electronics and Appliance Stores | | 40% | \$2,894 | \$2,894,208 | 9.51 | \$304,332 | 1,962 | \$27,499 | \$36,063 | 8.4 | 87.5% | 1.65 | 4.5 | \$59,504 | Very Low |
| General Merchandise | | 10% | \$724 | \$723,552 | 10.71 | \$67,527 | 12,002 | \$25,624 | \$33,604 | 2.0 | 87.5% | 1.65 | 1.1 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 10% | \$724 | \$723,552 | 5.89 | \$122,933 | 3,257 | \$21,765 | \$28,542 | 4.3 | 87.5% | 1.65 | 2.3 | \$47,095 | Very Low |
| Apparel and Services | 2.3% | 100% | \$5,888 | | | | | | | | | | | | |
| Clothing and Clothing Accessories Stores | | 40% | \$2,355 | \$2,355,295 | 7.56 | \$311,674 | 7,012 | \$18,120 | \$23,763 | 13.1 | 87.5% | 1.65 | 7.0 | \$39,209 | Very Low |
| General Merchandise | | 40% | \$2,355 | \$2,355,295 | 10.71 | \$219,813 | 12,002 | \$25,624 | \$33,604 | 6.5 | 87.5% | 1.65 | 3.5 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 10% | \$589 | \$588,824 | 5.89 | \$100,042 | 3,257 | \$21,765 | \$28,542 | 3.5 | 87.5% | 1.65 | 1.9 | \$47,095 | Very Low |
| Personal and Household Goods Repair and Maintenance | | 5% | \$294 | \$294,412 | 3.13 | \$93,953 | 6,507 | \$24,559 | \$32,207 | 2.9 | 87.5% | 1.65 | 1.5 | \$53,142 | Very Low |
| Drycleaning and Laundry Services | | 5% | \$294 | \$294,412 | 3.30 | \$89,224 | 1,824 | \$31,553 | \$41,379 | 2.2 | 87.5% | 1.65 | 1.1 | \$68,275 | Low |
| Vehicle Purchases (net outlay) | 6.3% | 100% | \$15,980 | | | | | | | | | | | | |
| Motor Vehicle and Parts Dealers | | 100% | \$15,980 | \$15,979,885 | 12.17 | \$1,313,263 | 8,549 | \$48,855 | \$64,069 | 20.5 | 87.5% | 1.65 | 10.9 | \$105,713 | Median |
| Gasoline and motor oil | 3.1% | 100% | \$7,772 | | | | | | | | | | | | |
| Gasoline Stations | | 100% | \$7,772 | \$7,772,127 | 32.04 | \$242,569 | 2,212 | \$22,756 | \$29,843 | 8.1 | 87.5% | 1.65 | 4.3 | \$49,241 | Very Low |
| Vehicle Maintenance and Repairs | 1.1% | 100% | \$2,813 | | | | | | | | | | | | |
| Repair and Maintenance | | 100% | \$2,813 | \$2,812,852 | 3.58 | \$786,034 | 6,004 | \$38,749 | \$50,815 | 15.5 | 98.1% | 1.65 | 9.2 | \$83,845 | Low |
| Medical Services | 1.4% | 100% | \$3,612 | | | | | | | | | | | | |
| Ambulatory Health Care Services | | 40% | \$1,445 | \$1,444,796 | 2.22 | \$650,668 | 35,993 | \$82,454 | \$108,131 | 6.0 | 98.1% | 1.65 | 3.6 | \$178,415 | Above Moderate |
| General Medical and Surgical Hospitals | | 30% | \$1,084 | \$1,083,597 | 2.75 | \$394,389 | 24,767 | \$92,641 | \$121,490 | 3.2 | 98.1% | 1.65 | 1.9 | \$200,459 | Above Moderate |
| Nursing and Residential Care Facilities | | 30% | \$1,084 | \$1,083,597 | 2.41 | \$448,784 | 11,439 | \$30,269 | \$39,695 | 11.3 | 98.1% | 1.65 | 6.7 | \$65,497 | Low |
| Drugs | 0.7% | 100% | \$1,705 | | | | | | | | | | | | |
| Health and Personal Care Stores | | 100% | \$1,705 | \$1,705,021 | 6.72 | \$253,693 | 4,366 | \$37,345 | \$48,974 | 5.2 | 87.5% | 1.65 | 2.7 | \$80,807 | Low |
| Medical Supplies | 0.3% | 100% | \$770 | | | | | | | | | | | | |
| Health and Personal Care Stores | | 100% | \$770 | \$770,289 | 6.72 | \$114,613 | 4,366 | \$37,345 | \$48,974 | 2.3 | 87.5% | 1.65 | 1.2 | \$80,807 | Low |
| Entertainment Fees and Admissions | 1.1% | 100% | \$2,744 | | | | | | | | | | | | |
| Arts, Entertainment, & Recreation | | 100% | \$2,744 | \$2,743,613 | 2.61 | \$1,052,991 | 8,187 | \$35,292 | \$46,282 | 22.8 | 87.5% | 1.65 | 12.1 | \$76,366 | Low |

Table A-9
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 2 Medium-Density SFR

| Item | % of Household Income Spent per Category [1] | % of Category Expenditure per Type of Business [2] | Medium-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers/HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|----------------------------------------------------------------|----------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|------------------------|----------------------------|-------------------------------------|-------------------|---------------------------------------|----------------|-----------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$253,500 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Entertainment Audio and Visual Equipment and Services | 1.1% | 100% | \$2,813 | | | | | | | | | | | | |
| Electronics and Appliance Stores | | 100% | \$2,813 | \$2,812,852 | 9.51 | \$295,778 | 1,962 | \$27,499 | \$36,063 | 8.2 | 87.5% | 1.85 | 3.9 | \$66,682 | Low |
| Entertainment Pets, Toys, Hobbies, and Playground Equip | 1.2% | 100% | \$3,049 | | | | | | | | | | | | |
| Sporting Goods, Hobby, and Musical Instrument Stores | | 40% | \$1,220 | \$1,219,768 | 7.62 | \$160,093 | 2,355 | \$18,068 | \$23,694 | 6.8 | 87.5% | 1.85 | 3.2 | \$43,811 | Very Low |
| Miscellaneous Store Retailers | | 40% | \$1,220 | \$1,219,768 | 5.89 | \$207,240 | 3,257 | \$21,765 | \$28,542 | 7.3 | 87.5% | 1.85 | 3.4 | \$52,776 | Very Low |
| Veterinary Services | | 20% | \$610 | \$609,884 | 3.06 | \$199,317 | 34,059 | \$47,652 | \$62,491 | 3.2 | 98.1% | 1.85 | 1.7 | \$115,549 | Median |
| Other Entertainment Supplies, Equipment, and Services | 0.7% | 100% | \$1,884 | | | | | | | | | | | | |
| Sporting Goods, Hobby, and Musical Instrument Stores | | 85% | \$1,601 | \$1,601,306 | 7.62 | \$210,169 | 2,355 | \$18,068 | \$23,694 | 8.9 | 87.5% | 1.85 | 4.2 | \$43,811 | Very Low |
| Photographic Services | | 15% | \$283 | \$282,583 | 4.27 | \$66,244 | 6,920 | \$30,385 | \$39,847 | 1.7 | 98.1% | 1.85 | 0.9 | \$73,680 | Low |
| Personal Care Products and Services | 1.1% | 100% | \$2,741 | | | | | | | | | | | | |
| Unspecified Retail | | 50% | \$1,370 | \$1,370,364 | 5.89 | \$232,827 | 3,257 | \$21,765 | \$28,542 | 8.2 | 87.5% | 1.85 | 3.9 | \$52,776 | Very Low |
| Personal Care Services | | 50% | \$1,370 | \$1,370,364 | 2.90 | \$472,859 | 3,230 | \$18,932 | \$24,828 | 19.0 | 98.1% | 1.85 | 10.1 | \$45,908 | Very Low |
| Reading | 0.1% | 100% | \$338 | | | | | | | | | | | | |
| Sporting Goods, Hobby, and Musical Instrument Stores | | 100% | \$338 | \$337,542 | 7.62 | \$44,302 | 2,355 | \$18,068 | \$23,694 | 1.9 | 87.5% | 1.85 | 0.9 | \$43,811 | Very Low |
| Education | 1.9% | 100% | \$4,778 | | | | | | | | | | | | |
| Educational Services | | 100% | \$4,778 | \$4,777,521 | 2.84 | \$1,682,511 | 4,202 | \$29,430 | \$38,595 | 43.6 | 98.1% | 1.85 | 23.1 | \$71,364 | Low |
| Tobacco Products and Smoking Supplies | 0.4% | 100% | \$1,067 | | | | | | | | | | | | |
| Unspecified Retail | | 100% | \$1,067 | \$1,067,441 | 5.89 | \$181,360 | 3,257 | \$21,765 | \$28,542 | 0.1 | 87.5% | 1.85 | 0.1 | \$52,776 | Very Low |
| Miscellaneous | 1.3% | 100% | \$3,416 | | | | | | | | | | | | |
| Accounting | | 20% | \$683 | \$683,162 | 2.91 | \$234,736 | 4,019 | \$48,431 | \$63,512 | 3.7 | 98.1% | 1.85 | 2.0 | \$117,438 | Median |
| Architectural, Engineering, and Related [8] | | 20% | \$683 | \$683,162 | 2.74 | \$249,230 | 6,361 | \$92,859 | \$121,777 | 2.0 | 98.1% | 1.85 | 1.1 | \$225,171 | Above Moderat |
| Specialized Design Services | | 20% | \$683 | \$683,162 | 3.63 | \$188,043 | 22,856 | \$62,955 | \$82,560 | 2.3 | 98.1% | 1.85 | 1.2 | \$152,657 | Above Moderat |
| Death Care Services | | 20% | \$683 | \$683,162 | 3.96 | \$172,482 | 10,167 | \$44,027 | \$57,738 | 3.0 | 98.1% | 1.85 | 1.6 | \$106,760 | Median |
| Legal Services | | 20% | \$683 | \$683,162 | 2.94 | \$232,361 | 150,205 | \$101,023 | \$132,482 | 1.8 | 98.1% | 1.85 | 0.9 | \$244,965 | Above Moderat |
| Total per 1,000 Market Rate Households | | | | | | | | | | 578.6 | | | 315.5 | | |

Source: 2023 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; EPS.

[1] Percentage of income spent per category is based on the nationwide 2023 Consumer Expenditure Survey data for households at this income level. Note that the sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represents a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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

[3] 2023 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2023 U.S. Consumer Expenditure Survey. Assumes a household income of \$253,500, as shown in Table 3-7.

[4] 2017 wages converted to 2024 dollars using the CPI for the urban West from the BLS.

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

[6] Based on US Census, 2022 ACS data for the City of Folsom.

[7] Part of the Utilities, Fuels, and Public Services category (includes natural gas, electricity, and telephone services). Natural gas, electricity, and telephone services not estimated because data was not available in the 2017 Economic Census.

[8] Note that average salary reported for architecture, engineering and related industries reflects the full range of employees within the industry, not solely professional and technical staff.

Table A-10
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 3 Multifamily Attached

| Item | Household Income Spent per Category [1] | Category Expenditure per Type of Business [2] | Medium-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers/HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|----------------------------------------------------------------|-----------------------------------------|-----------------------------------------------|------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|---------------------|----------------------------|----------------------------------|------------------|------------------------------------|----------------|--------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$199,100 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Food at Home | 6.9% | 100% | \$13,715 | | | | | | | | | | | | |
| Food & Beverage Stores | | 100% | \$13,715 | \$13,715,330 | 9.85 | \$1,392,783 | 12,338 | \$28,279 | \$37,086 | 37.56 | 100.0% | 1.65 | 22.76 | \$61,191 | Very Low |
| Food Away From Home | 4.5% | 100% | \$8,912 | | | | | | | | | | | | |
| Food Services and Drinking Places | | 100% | \$8,912 | \$8,911,679 | 3.37 | \$2,647,828 | 50,828 | \$17,222 | \$22,585 | 117.24 | 87.5% | 1.65 | 62.17 | \$37,265 | Extremely Low |
| Alcoholic Beverages | 0.7% | 100% | \$1,443 | \$1,443,361 | | | | | | | | | | | |
| Food & Beverage Stores | | 50% | \$722 | \$721,681 | 9.85 | \$73,286 | 12,338 | \$28,279 | \$37,086 | 1.98 | 87.5% | 1.65 | 1.05 | \$61,191 | Very Low |
| Food Services and Drinking Places | | 50% | \$722 | \$721,681 | 3.37 | \$214,425 | 50,828 | \$17,222 | \$22,585 | 9.49 | 87.5% | 1.65 | 5.03 | \$37,265 | Extremely Low |
| Housing Maintenance, Repairs, Insurance, Other expenses | 3.0% | 100% | \$5,889 | \$5,889,004 | | | | | | | | | | | |
| Personal and Household Goods Repair and Maintenance | | 45% | \$2,650 | \$2,650,052 | 3.13 | \$845,692 | 6,507 | \$24,559 | \$32,207 | 26.26 | 98.1% | 1.65 | 15.61 | \$53,142 | Very Low |
| Building Material and Garden Equipment and Supplies Dealer | | 45% | \$2,650 | \$2,650,052 | 8.85 | \$299,372 | 4,783 | \$31,497 | \$41,305 | 7.25 | 87.5% | 1.65 | 3.84 | \$68,154 | Low |
| Real Estate and Rental and Leasing | | 10% | \$589 | \$588,900 | 5.53 | \$106,583 | 9,009 | \$49,123 | \$64,420 | 1.65 | 98.1% | 1.65 | 0.98 | \$106,294 | Median |
| Fuel oil and Other fuels [7] | 0.2% | 100% | \$317 | \$317,222 | | | | | | | | | | | |
| Nonstore Retailers | | 100% | \$317 | \$317,222 | 14.48 | \$21,914 | 1,785 | \$35,886 | \$47,061 | 0.47 | 87.5% | 1.65 | 0.25 | \$77,650 | Low |
| Water and Other Public Services [7] | 0.9% | 100% | \$1,767 | \$1,767,381 | | | | | | | | | | | |
| Waste Management and Remediation Services | | 100% | \$1,767 | \$1,767,381 | 4.29 | \$411,748 | 1,267 | \$58,325 | \$76,488 | 5.38 | 98.1% | 1.65 | 3.20 | \$126,205 | Moderate |
| Household Operations Personal Services | 0.6% | 100% | \$1,246 | \$1,246,230 | | | | | | | | | | | |
| Nursing and Residential Care Facilities | | 40% | \$498 | \$498,492 | 2.41 | \$206,456 | 11,439 | \$30,269 | \$39,695 | 5.20 | 98.1% | 1.65 | 3.09 | \$65,497 | Low |
| Social Assistance | | 60% | \$748 | \$747,738 | 3.02 | \$247,851 | 15,778 | \$27,674 | \$36,292 | 6.83 | 98.1% | 1.65 | 4.06 | \$59,881 | Very Low |
| Household Operations Other Household Expenses | 1.6% | 100% | \$3,252 | \$3,251,528 | | | | | | | | | | | |
| Services to Buildings and Dwellings | | 100% | \$3,252 | \$3,251,528 | 2.50 | \$1,299,565 | 1,267 | \$58,325 | \$76,488 | 16.99 | 98.1% | 1.65 | 10.10 | \$126,205 | Moderate |
| Housekeeping Supplies | 0.9% | 100% | \$1,853 | \$1,853,484 | | | | | | | | | | | |
| Building Materials and Garden Equipment and Supplies Dealers | | 10% | \$185 | \$185,348 | 8.85 | \$20,939 | 4,783 | \$31,497 | \$41,305 | 0.51 | 87.5% | 1.65 | 0.27 | \$68,154 | Low |
| Food & Beverage Stores | | 35% | \$649 | \$648,719 | 9.85 | \$65,877 | 12,338 | \$28,279 | \$37,086 | 1.78 | 87.5% | 1.65 | 0.94 | \$61,191 | Very Low |
| General Merchandise | | 35% | \$649 | \$648,719 | 10.71 | \$60,543 | 12,002 | \$25,624 | \$33,604 | 1.80 | 87.5% | 1.65 | 0.96 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 20% | \$371 | \$370,697 | 5.89 | \$62,982 | 3,257 | \$21,765 | \$28,542 | 2.21 | 87.5% | 1.65 | 1.17 | \$47,095 | Very Low |

Table A-10
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 3 Multifamily Attached

| Item | Household Income Spent per Category [1] | Category Expenditure per Type of Business [2] | Medium-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers/HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|-----------------------------------------------------|-----------------------------------------|-----------------------------------------------|------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|---------------------|----------------------------|----------------------------------|------------------|------------------------------------|----------------|--------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$199,100 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Household Furnishings and Equipment | 2.9% | 100% | \$5,683 | | | | | | | | | | | | |
| Furniture and Home Furnishings Stores | | 40% | \$2,273 | \$2,273,124 | 7.31 | \$310,873 | 1,671 | \$29,240 | \$38,346 | 8.1 | 87.5% | 1.65 | 4.3 | \$63,270 | Very Low |
| Electronics and Appliance Stores | | 40% | \$2,273 | \$2,273,124 | 9.51 | \$239,024 | 1,962 | \$27,499 | \$36,063 | 6.6 | 87.5% | 1.65 | 3.5 | \$59,504 | Very Low |
| General Merchandise | | 10% | \$568 | \$568,281 | 10.71 | \$53,036 | 12,002 | \$25,624 | \$33,604 | 1.6 | 87.5% | 1.65 | 0.8 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 10% | \$568 | \$568,281 | 5.89 | \$96,552 | 3,257 | \$21,765 | \$28,542 | 3.4 | 87.5% | 1.65 | 1.8 | \$47,095 | Very Low |
| Apparel and Services | 2.3% | 100% | \$4,625 | | | | | | | | | | | | |
| Clothing and Clothing Accessories Stores | | 40% | \$1,850 | \$1,849,859 | 7.56 | \$244,790 | 7,012 | \$18,120 | \$23,763 | 10.3 | 87.5% | 1.65 | 5.5 | \$39,209 | Very Low |
| General Merchandise | | 40% | \$1,850 | \$1,849,859 | 10.71 | \$172,642 | 12,002 | \$25,624 | \$33,604 | 5.1 | 87.5% | 1.65 | 2.7 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 10% | \$462 | \$462,465 | 5.89 | \$78,573 | 3,257 | \$21,765 | \$28,542 | 2.8 | 87.5% | 1.65 | 1.5 | \$47,095 | Very Low |
| Personal and Household Goods Repair and Maintenance | | 5% | \$231 | \$231,232 | 3.13 | \$73,791 | 6,507 | \$24,559 | \$32,207 | 2.3 | 87.5% | 1.65 | 1.2 | \$53,142 | Very Low |
| Drycleaning and Laundry Services | | 5% | \$231 | \$231,232 | 3.30 | \$70,077 | 1,824 | \$31,553 | \$41,379 | 1.7 | 87.5% | 1.65 | 0.9 | \$68,275 | Low |
| Vehicle Purchases (net outlay) | 6.3% | 100% | \$12,551 | | | | | | | | | | | | |
| Motor Vehicle and Parts Dealers | | 100% | \$12,551 | \$12,550,671 | 12.17 | \$1,031,443 | 8,549 | \$48,855 | \$64,069 | 16.1 | 87.5% | 1.65 | 8.5 | \$105,713 | Median |
| Gasoline and motor oil | 3.1% | 100% | \$6,104 | | | | | | | | | | | | |
| Gasoline Stations | | 100% | \$6,104 | \$6,104,262 | 32.04 | \$190,515 | 2,212 | \$22,756 | \$29,843 | 6.4 | 87.5% | 1.65 | 3.4 | \$49,241 | Very Low |
| Vehicle Maintenance and Repairs | 1.1% | 100% | \$2,209 | | | | | | | | | | | | |
| Repair and Maintenance | | 100% | \$2,209 | \$2,209,226 | 3.58 | \$617,355 | 6,004 | \$38,749 | \$50,815 | 12.1 | 98.1% | 1.65 | 7.2 | \$83,845 | Low |
| Medical Services | 1.4% | 100% | \$2,837 | | | | | | | | | | | | |
| Ambulatory Health Care Services | | 40% | \$1,135 | \$1,134,749 | 2.22 | \$511,037 | 35,993 | \$82,454 | \$108,131 | 4.7 | 98.1% | 1.65 | 2.8 | \$178,415 | Above Moderate |
| General Medical and Surgical Hospitals | | 30% | \$851 | \$851,062 | 2.75 | \$309,755 | 24,767 | \$92,641 | \$121,490 | 2.5 | 98.1% | 1.65 | 1.5 | \$200,459 | Above Moderate |
| Nursing and Residential Care Facilities | | 30% | \$851 | \$851,062 | 2.41 | \$352,477 | 11,439 | \$30,269 | \$39,695 | 8.9 | 98.1% | 1.65 | 5.3 | \$65,497 | Low |
| Drugs | 0.7% | 100% | \$1,339 | | | | | | | | | | | | |
| Health and Personal Care Stores | | 100% | \$1,339 | \$1,339,131 | 6.72 | \$199,252 | 4,366 | \$37,345 | \$48,974 | 4.1 | 87.5% | 1.65 | 2.2 | \$80,807 | Low |
| Medical Supplies | 0.3% | 100% | \$605 | | | | | | | | | | | | |
| Health and Personal Care Stores | | 100% | \$605 | \$604,988 | 6.72 | \$90,017 | 4,366 | \$37,345 | \$48,974 | 1.8 | 87.5% | 1.65 | 1.0 | \$80,807 | Low |
| Entertainment Fees and Admissions | 1.1% | 100% | \$2,155 | | | | | | | | | | | | |
| Arts, Entertainment, & Recreation | | 100% | \$2,155 | \$2,154,845 | 2.61 | \$827,024 | 8,187 | \$35,292 | \$46,282 | 17.9 | 87.5% | 1.65 | 9.5 | \$76,366 | Low |

Table A-10
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 3 Multifamily Attached

| Item | Household Income Spent per Category [1] | Category Expenditure per Type of Business [2] | Medium-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers/HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|----------------------------------------------------------------|-----------------------------------------|-----------------------------------------------|------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|---------------------|----------------------------|----------------------------------|------------------|------------------------------------|----------------|--------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$199,100 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Entertainment Audio and Visual Equipment and Services | 1.1% | 100% | \$2,209 | | | | | | | | | | | | |
| Electronics and Appliance Stores | | 100% | \$2,209 | \$2,209,226 | 9.51 | \$232,305 | 1,962 | \$27,499 | \$36,063 | 6.4 | 87.5% | 1.85 | 3.0 | \$66,682 | Low |
| Entertainment Pets, Toys, Hobbies, and Playground Equip | 1.2% | 100% | \$2,395 | | | | | | | | | | | | |
| Sporting Goods, Hobby, and Musical Instrument Stores | | 40% | \$958 | \$958,011 | 7.62 | \$125,737 | 2,355 | \$18,068 | \$23,694 | 5.3 | 87.5% | 1.85 | 2.5 | \$43,811 | Very Low |
| Miscellaneous Store Retailers | | 40% | \$958 | \$958,011 | 5.89 | \$162,768 | 3,257 | \$21,765 | \$28,542 | 5.7 | 87.5% | 1.85 | 2.7 | \$52,776 | Very Low |
| Veterinary Services | | 20% | \$479 | \$479,006 | 3.06 | \$156,544 | 34,059 | \$47,652 | \$62,491 | 2.5 | 98.1% | 1.85 | 1.3 | \$115,549 | Median |
| Other Entertainment Supplies, Equipment, and Services | 0.7% | 100% | \$1,480 | | | | | | | | | | | | |
| Sporting Goods, Hobby, and Musical Instrument Stores | | 85% | \$1,258 | \$1,257,673 | 7.62 | \$165,067 | 2,355 | \$18,068 | \$23,694 | 7.0 | 87.5% | 1.85 | 3.3 | \$43,811 | Very Low |
| Photographic Services | | 15% | \$222 | \$221,942 | 4.27 | \$52,028 | 6,920 | \$30,385 | \$39,847 | 1.3 | 98.1% | 1.85 | 0.7 | \$73,680 | Low |
| Personal Care Products and Services | 1.1% | 100% | \$2,153 | | | | | | | | | | | | |
| Unspecified Retail | | 50% | \$1,076 | \$1,076,290 | 5.89 | \$182,863 | 3,257 | \$21,765 | \$28,542 | 6.4 | 87.5% | 1.85 | 3.0 | \$52,776 | Very Low |
| Personal Care Services | | 50% | \$1,076 | \$1,076,290 | 2.90 | \$371,385 | 3,230 | \$18,932 | \$24,828 | 15.0 | 98.1% | 1.85 | 7.9 | \$45,908 | Very Low |
| Reading | 0.1% | 100% | \$265 | | | | | | | | | | | | |
| Sporting Goods, Hobby, and Musical Instrument Stores | | 100% | \$265 | \$265,107 | 7.62 | \$34,795 | 2,355 | \$18,068 | \$23,694 | 1.5 | 87.5% | 1.85 | 0.7 | \$43,811 | Very Low |
| Education | 1.9% | 100% | \$3,752 | | | | | | | | | | | | |
| Educational Services | | 100% | \$3,752 | \$3,752,286 | 2.84 | \$1,321,452 | 4,202 | \$29,430 | \$38,595 | 34.2 | 98.1% | 1.85 | 18.2 | \$71,364 | Low |
| Tobacco Products and Smoking Supplies | 0.4% | 100% | \$838 | | | | | | | | | | | | |
| Unspecified Retail | | 100% | \$838 | \$838,373 | 5.89 | \$142,441 | 3,257 | \$21,765 | \$28,542 | 0.1 | 87.5% | 1.85 | 0.1 | \$52,776 | Very Low |
| Miscellaneous | 1.3% | 100% | \$2,683 | | | | | | | | | | | | |
| Accounting | | 20% | \$537 | \$536,559 | 2.91 | \$184,363 | 4,019 | \$48,431 | \$63,512 | 2.9 | 98.1% | 1.85 | 1.5 | \$117,438 | Median |
| Architectural, Engineering, and Related [8] | | 20% | \$537 | \$536,559 | 2.74 | \$195,746 | 6,361 | \$92,859 | \$121,777 | 1.6 | 98.1% | 1.85 | 0.9 | \$225,171 | Above Moderate |
| Specialized Design Services | | 20% | \$537 | \$536,559 | 3.63 | \$147,690 | 22,856 | \$62,955 | \$82,560 | 1.8 | 98.1% | 1.85 | 0.9 | \$152,657 | Above Moderate |
| Death Care Services | | 20% | \$537 | \$536,559 | 3.96 | \$135,468 | 10,167 | \$44,027 | \$57,738 | 2.3 | 98.1% | 1.85 | 1.2 | \$106,760 | Median |
| Legal Services | | 20% | \$537 | \$536,559 | 2.94 | \$182,497 | 150,205 | \$101,023 | \$132,482 | 1.4 | 98.1% | 1.85 | 0.7 | \$244,965 | Above Moderate |
| Total per 1,000 Market Rate Households | | | | | | | | | | 454.5 | | | 247.8 | | |

Source: 2023 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; EPS.

[1] Percentage of income spent per category is based on the nationwide 2023 Consumer Expenditure Survey data for households at this income level. Note that the sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represents a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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

[3] 2023 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2023 U.S. Consumer Expenditure Survey. Assumes a household income of \$199,100, as shown in Table 3-7.

[4] 2017 wages converted to 2024 dollars using the CPI for the urban West from the BLS.

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

[6] Based on US Census, 2022 ACS data for the City of Folsom.

[7] Part of the Utilities, Fuels, and Public Services category (includes natural gas, electricity, and telephone services). Natural gas, electricity, and telephone services not estimated because data was not available in the 2017 Economic Census.

[8] Note that average salary reported for architecture, engineering and related industries reflects the full range of employees within the industry, not solely professional and technical staff.

Table A-11
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 4 Multifamily Apartment

| Item | % of Household Income Spent per Category [1] | % of Category Expenditure per Type of Business [2] | Medium-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers / HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|----------------------------------------------------------------|----------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|------------------------|----------------------------|-------------------------------------|-------------------|---------------------------------------|------------------|-----------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$130,100 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Food at Home | 6.9% | 100% | \$8,962 | | | | | | | | | | | | |
| Food & Beverage Stores | | 100% | \$8,962 | \$8,962,152 | 9.85 | \$910,101 | 12,338 | \$28,279 | \$37,086 | 24.54 | 100.0% | 1.65 | 14.87 | \$61,191 | Low |
| Food Away From Home | 4.5% | 100% | \$5,823 | | | | | | | | | | | | |
| Food Services and Drinking Places | | 100% | \$5,823 | \$5,823,252 | 3.37 | \$1,730,198 | 50,828 | \$17,222 | \$22,585 | 76.61 | 87.5% | 1.65 | 40.63 | \$37,265 | Very Low |
| Alcoholic Beverages | 0.7% | 100% | \$943 | \$943,151 | | | | | | | | | | | |
| Food & Beverage Stores | | 50% | \$472 | \$471,575 | 9.85 | \$47,888 | 12,338 | \$28,279 | \$37,086 | 1.29 | 87.5% | 1.65 | 0.68 | \$61,191 | Low |
| Food Services and Drinking Places | | 50% | \$472 | \$471,575 | 3.37 | \$140,114 | 50,828 | \$17,222 | \$22,585 | 6.20 | 87.5% | 1.65 | 3.29 | \$37,265 | Very Low |
| Housing Maintenance, Repairs, Insurance, Other expenses | 3.0% | 100% | \$3,848 | \$3,848,114 | | | | | | | | | | | |
| Personal and Household Goods Repair and Maintenance | | 45% | \$1,732 | \$1,731,651 | 3.13 | \$552,609 | 6,507 | \$24,559 | \$32,207 | 17.16 | 98.1% | 1.65 | 10.20 | \$53,142 | Very Low |
| Building Material and Garden Equipment and Supplies Dealer | | 45% | \$1,732 | \$1,731,651 | 8.85 | \$195,622 | 4,783 | \$31,497 | \$41,305 | 4.74 | 87.5% | 1.65 | 2.51 | \$68,154 | Low |
| Real Estate and Rental and Leasing | | 10% | \$385 | \$384,811 | 5.53 | \$69,646 | 9,009 | \$49,123 | \$64,420 | 1.08 | 98.1% | 1.65 | 0.64 | \$106,294 | Median |
| Fuel oil and Other fuels [7] | 0.2% | 100% | \$207 | \$207,286 | | | | | | | | | | | |
| Nonstore Retailers | | 100% | \$207 | \$207,286 | 14.48 | \$14,320 | 1,785 | \$35,886 | \$47,061 | 0.30 | 87.5% | 1.65 | 0.16 | \$77,650 | Low |
| Water and Other Public Services [7] | 0.9% | 100% | \$1,155 | \$1,154,878 | | | | | | | | | | | |
| Waste Management and Remediation Services | | 100% | \$1,155 | \$1,154,878 | 4.29 | \$269,053 | 1,267 | \$58,325 | \$76,488 | 3.52 | 98.1% | 1.65 | 2.09 | \$126,205 | Moderate |
| Household Operations Personal Services | 0.6% | 100% | \$814 | \$814,337 | | | | | | | | | | | |
| Nursing and Residential Care Facilities | | 40% | \$326 | \$325,735 | 2.41 | \$134,907 | 11,439 | \$30,269 | \$39,695 | 3.40 | 98.1% | 1.65 | 2.02 | \$65,497 | Low |
| Social Assistance | | 60% | \$489 | \$488,602 | 3.02 | \$161,956 | 15,778 | \$27,674 | \$36,292 | 4.46 | 98.1% | 1.65 | 2.65 | \$59,881 | Low |
| Household Operations Other Household Expenses | 1.6% | 100% | \$2,125 | \$2,124,680 | | | | | | | | | | | |
| Services to Buildings and Dwellings | | 100% | \$2,125 | \$2,124,680 | 2.50 | \$849,188 | 1,267 | \$58,325 | \$76,488 | 11.10 | 98.1% | 1.65 | 6.60 | \$126,205 | Moderate |
| Housekeeping Supplies | 0.9% | 100% | \$1,211 | \$1,211,142 | | | | | | | | | | | |
| Building Materials and Garden Equipment and Supplies Dealers | | 10% | \$121 | \$121,114 | 8.85 | \$13,682 | 4,783 | \$31,497 | \$41,305 | 0.33 | 87.5% | 1.65 | 0.18 | \$68,154 | Low |
| Food & Beverage Stores | | 35% | \$424 | \$423,900 | 9.85 | \$43,047 | 12,338 | \$28,279 | \$37,086 | 1.16 | 87.5% | 1.65 | 0.62 | \$61,191 | Low |
| General Merchandise | | 35% | \$424 | \$423,900 | 10.71 | \$39,561 | 12,002 | \$25,624 | \$33,604 | 1.18 | 87.5% | 1.65 | 0.62 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 20% | \$242 | \$242,228 | 5.89 | \$41,155 | 3,257 | \$21,765 | \$28,542 | 1.44 | 87.5% | 1.65 | 0.76 | \$47,095 | Very Low |

Table A-11
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 4 Multifamily Apartment

| Item | % of Household Income Spent per Category [1] | % of Category Expenditure per Type of Business [2] | Medium-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers / HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|-----------------------------------------------------|----------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|------------------------|----------------------------|-------------------------------------|-------------------|---------------------------------------|------------------|-----------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$130,100 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Household Furnishings and Equipment | 2.9% | 100% | \$3,713 | | | | | | | | | | | | |
| Furniture and Home Furnishings Stores | | 40% | \$1,485 | \$1,485,351 | 7.31 | \$203,137 | 1,671 | \$29,240 | \$38,346 | 5.3 | 87.5% | 1.65 | 2.8 | \$63,270 | Low |
| Electronics and Appliance Stores | | 40% | \$1,485 | \$1,485,351 | 9.51 | \$156,188 | 1,962 | \$27,499 | \$36,063 | 4.3 | 87.5% | 1.65 | 2.3 | \$59,504 | Low |
| General Merchandise | | 10% | \$371 | \$371,338 | 10.71 | \$34,656 | 12,002 | \$25,624 | \$33,604 | 1.0 | 87.5% | 1.65 | 0.5 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 10% | \$371 | \$371,338 | 5.89 | \$63,091 | 3,257 | \$21,765 | \$28,542 | 2.2 | 87.5% | 1.65 | 1.2 | \$47,095 | Very Low |
| Apparel and Services | 2.3% | 100% | \$3,022 | | | | | | | | | | | | |
| Clothing and Clothing Accessories Stores | | 40% | \$1,209 | \$1,208,773 | 7.56 | \$159,956 | 7,012 | \$18,120 | \$23,763 | 6.7 | 87.5% | 1.65 | 3.6 | \$39,209 | Very Low |
| General Merchandise | | 40% | \$1,209 | \$1,208,773 | 10.71 | \$112,811 | 12,002 | \$25,624 | \$33,604 | 3.4 | 87.5% | 1.65 | 1.8 | \$55,446 | Very Low |
| Miscellaneous Store Retailers | | 10% | \$302 | \$302,193 | 5.89 | \$51,343 | 3,257 | \$21,765 | \$28,542 | 1.8 | 87.5% | 1.65 | 1.0 | \$47,095 | Very Low |
| Personal and Household Goods Repair and Maintenance | | 5% | \$151 | \$151,097 | 3.13 | \$48,218 | 6,507 | \$24,559 | \$32,207 | 1.5 | 87.5% | 1.65 | 0.8 | \$53,142 | Very Low |
| Drycleaning and Laundry Services | | 5% | \$151 | \$151,097 | 3.30 | \$45,791 | 1,824 | \$31,553 | \$41,379 | 1.1 | 87.5% | 1.65 | 0.6 | \$68,275 | Low |
| Vehicle Purchases (net outlay) | 6.3% | 100% | \$8,201 | | | | | | | | | | | | |
| Motor Vehicle and Parts Dealers | | 100% | \$8,201 | \$8,201,116 | 12.17 | \$673,986 | 8,549 | \$48,855 | \$64,069 | 10.5 | 87.5% | 1.65 | 5.6 | \$105,713 | Median |
| Gasoline and motor oil | 3.1% | 100% | \$3,989 | | | | | | | | | | | | |
| Gasoline Stations | | 100% | \$3,989 | \$3,988,772 | 32.04 | \$124,490 | 2,212 | \$22,756 | \$29,843 | 4.2 | 87.5% | 1.65 | 2.2 | \$49,241 | Very Low |
| Vehicle Maintenance and Repairs | 1.1% | 100% | \$1,444 | | | | | | | | | | | | |
| Repair and Maintenance | | 100% | \$1,444 | \$1,443,598 | 3.58 | \$403,404 | 6,004 | \$38,749 | \$50,815 | 7.9 | 98.1% | 1.65 | 4.7 | \$83,845 | Low |
| Medical Services | 1.4% | 100% | \$1,854 | | | | | | | | | | | | |
| Ambulatory Health Care Services | | 40% | \$741 | \$741,491 | 2.22 | \$333,932 | 35,993 | \$82,454 | \$108,131 | 3.1 | 98.1% | 1.65 | 1.8 | \$178,415 | Above Moderate |
| General Medical and Surgical Hospitals | | 30% | \$556 | \$556,118 | 2.75 | \$202,407 | 24,767 | \$92,641 | \$121,490 | 1.7 | 98.1% | 1.65 | 1.0 | \$200,459 | Above Moderate |
| Nursing and Residential Care Facilities | | 30% | \$556 | \$556,118 | 2.41 | \$230,322 | 11,439 | \$30,269 | \$39,695 | 5.8 | 98.1% | 1.65 | 3.4 | \$65,497 | Low |
| Drugs | 0.7% | 100% | \$875 | | | | | | | | | | | | |
| Health and Personal Care Stores | | 100% | \$875 | \$875,042 | 6.72 | \$130,199 | 4,366 | \$37,345 | \$48,974 | 2.7 | 87.5% | 1.65 | 1.4 | \$80,807 | Low |
| Medical Supplies | 0.3% | 100% | \$395 | | | | | | | | | | | | |
| Health and Personal Care Stores | | 100% | \$395 | \$395,324 | 6.72 | \$58,821 | 4,366 | \$37,345 | \$48,974 | 1.2 | 87.5% | 1.65 | 0.6 | \$80,807 | Low |
| Entertainment Fees and Admissions | 1.1% | 100% | \$1,408 | | | | | | | | | | | | |
| Arts, Entertainment, & Recreation | | 100% | \$1,408 | \$1,408,063 | 2.61 | \$540,411 | 8,187 | \$35,292 | \$46,282 | 11.7 | 87.5% | 1.65 | 6.2 | \$76,366 | Low |

Table A-11
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Household Expenditures and Employment Generation - Prototype 4 Multifamily Apartment

| Item | % of Household Income Spent per Category [1] | % of Category Expenditure per Type of Business [2] | Medium-Density SFR in Folsom Expenditures [3] | Expenditures per 1,000 HHs | Gross Receipts to Wages | Total Wages per 1,000 Households | # of Workers | 2017 Avg. Wages per Worker | 2024 Avg. Wages [4] | # of New Workers | % Forming HH [5] | Workers / HH [6] | Total Worker HH | Avg. Worker HH Income | Income Category |
|-----------------------------------------------------------------|----------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|----------------------------|-------------------------|----------------------------------|------------------------|----------------------------|-------------------------------------|-------------------|---------------------------------------|------------------|-----------------------|-----------------------|-----------------|
| Source Formula | Consumer Expenditure Survey 2023 a | EPS b | Min HH Income to Afford Low-Density SFR of \$130,100 * a c | Calc d = c * 1,000 | Econ. Census 2017 e | Calc f = d / e | Econ. Census 2017 g | Econ. Census 2017/g h | Escalated using CPI i = h * 1.31 | Calc j = f / i | Adj. to exclude workers under 20 k | ACS 2023 l | Calc m = j * k / l | Calc n = i * l | |
| Entertainment Audio and Visual Equipment and Services | 1.1% | 100% | \$1,444 | | | | | | | | | | | | |
| Electronics and Appliance Stores | | 100% | \$1,444 | \$1,443,598 | 9.51 | \$151,797 | 1,962 | \$27,499 | \$36,063 | 4.2 | 87.5% | 1.85 | 2.0 | \$66,682 | Low |
| Entertainment Pets, Toys, Hobbies, and Playground Equip. | 1.2% | 100% | \$1,565 | | | | | | | | | | | | |
| Sporting Goods, Hobby, and Musical Instrument Stores | | 40% | \$626 | \$626,003 | 7.62 | \$82,162 | 2,355 | \$18,068 | \$23,694 | 3.5 | 87.5% | 1.85 | 1.6 | \$43,811 | Very Low |
| Miscellaneous Store Retailers | | 40% | \$626 | \$626,003 | 5.89 | \$106,359 | 3,257 | \$21,765 | \$28,542 | 3.7 | 87.5% | 1.85 | 1.8 | \$52,776 | Very Low |
| Veterinary Services | | 20% | \$313 | \$313,002 | 3.06 | \$102,292 | 34,059 | \$47,652 | \$62,491 | 1.6 | 98.1% | 1.85 | 0.9 | \$115,549 | Moderate |
| Other Entertainment Supplies, Equipment, and Services | 0.7% | 100% | \$967 | | | | | | | | | | | | |
| Sporting Goods, Hobby, and Musical Instrument Stores | | 85% | \$822 | \$821,814 | 7.62 | \$107,862 | 2,355 | \$18,068 | \$23,694 | 4.6 | 87.5% | 1.85 | 2.2 | \$43,811 | Very Low |
| Photographic Services | | 15% | \$145 | \$145,026 | 4.27 | \$33,997 | 6,920 | \$30,385 | \$39,847 | 0.9 | 98.1% | 1.85 | 0.5 | \$73,680 | Low |
| Personal Care Products and Services | 1.1% | 100% | \$1,407 | | | | | | | | | | | | |
| Unspecified Retail | | 50% | \$703 | \$703,291 | 5.89 | \$119,490 | 3,257 | \$21,765 | \$28,542 | 4.2 | 87.5% | 1.85 | 2.0 | \$52,776 | Very Low |
| Personal Care Services | | 50% | \$703 | \$703,291 | 2.90 | \$242,678 | 3,230 | \$18,932 | \$24,828 | 9.8 | 98.1% | 1.85 | 5.2 | \$45,908 | Very Low |
| Reading | 0.1% | 100% | \$173 | | | | | | | | | | | | |
| Sporting Goods, Hobby, and Musical Instrument Stores | | 100% | \$173 | \$173,232 | 7.62 | \$22,736 | 2,355 | \$18,068 | \$23,694 | 1.0 | 87.5% | 1.85 | 0.5 | \$43,811 | Very Low |
| Education | 1.9% | 100% | \$2,452 | | | | | | | | | | | | |
| Educational Services | | 100% | \$2,452 | \$2,451,895 | 2.84 | \$863,490 | 4,202 | \$29,430 | \$38,595 | 22.4 | 98.1% | 1.85 | 11.9 | \$71,364 | Low |
| Tobacco Products and Smoking Supplies | 0.4% | 100% | \$548 | | | | | | | | | | | | |
| Unspecified Retail | | 100% | \$548 | \$547,827 | 5.89 | \$93,077 | 3,257 | \$21,765 | \$28,542 | 0.1 | 87.5% | 1.85 | 0.1 | \$52,776 | Very Low |
| Miscellaneous | 1.3% | 100% | \$1,753 | | | | | | | | | | | | |
| Accounting | | 20% | \$351 | \$350,609 | 2.91 | \$120,470 | 4,019 | \$48,431 | \$63,512 | 1.9 | 98.1% | 1.85 | 1.0 | \$117,438 | Moderate |
| Architectural, Engineering, and Related [8] | | 20% | \$351 | \$350,609 | 2.74 | \$127,908 | 6,361 | \$92,859 | \$121,777 | 1.1 | 98.1% | 1.85 | 0.6 | \$225,171 | Above Moderate |
| Specialized Design Services | | 20% | \$351 | \$350,609 | 3.63 | \$96,506 | 22,856 | \$62,955 | \$82,560 | 1.2 | 98.1% | 1.85 | 0.6 | \$152,657 | Above Moderate |
| Death Care Services | | 20% | \$351 | \$350,609 | 3.96 | \$88,520 | 10,167 | \$44,027 | \$57,738 | 1.5 | 98.1% | 1.85 | 0.8 | \$106,760 | Median |
| Legal Services | | 20% | \$351 | \$350,609 | 2.94 | \$119,251 | 150,205 | \$101,023 | \$132,482 | 0.9 | 98.1% | 1.85 | 0.5 | \$244,965 | Above Moderate |
| Total per 1,000 Market Rate Households | | | | | | | | | | 297.0 | | | 162.0 | | |

Source: 2022 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; EPS.

[1] Percentage of income spent per category is based on the nationwide 2023 Consumer Expenditure Survey data for households at this income level. Note that the sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represents a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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

[3] 2023 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2023 U.S. Consumer Expenditure Survey. Assumes a household income of \$130,100, as shown in Table 3-7.

[4] 2017 wages converted to 2024 dollars using the CPI for the urban West from the BLS.

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

[6] Based on US Census, 2022 ACS data for the City of Folsom.

[7] Part of the Utilities, Fuels, and Public Services category (includes natural gas, electricity, and telephone services). Natural gas, electricity, and telephone services not estimated because data was not available in the 2017 Economic Census.

[8] Note that average salary reported for architecture, engineering and related industries reflects the full range of employees within the industry, not solely professional and technical staff.

Table A-12
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Worker Household Generation per 1,000 Market-Rate Units - Prototype 1

| Item | Total Workers [1] | Total Worker Households [1] [2] | Households by Income Level [3] | | | | | |
|-----------------------------------------------------------------|-------------------|---------------------------------|--------------------------------|--------------|--------------|-------------|-------------|----------------|
| | | | Extremely Low | Very Low | Low | Median | Moderate | Above Moderate |
| Retail | | | | | | | | |
| Unspecified Retail | 10.64 | 5.6 | 0.00 | 5.64 | 0.00 | 0.00 | 0.00 | 0.00 |
| Food & Beverage Stores | 67.89 | 40.7 | 0.00 | 40.68 | 0.00 | 0.00 | 0.00 | 0.00 |
| Food Services and Drinking Places | 208.27 | 110.4 | 110.45 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Health and Personal Care Stores | 9.71 | 5.1 | 0.00 | 0.00 | 5.15 | 0.00 | 0.00 | 0.00 |
| General Merchandise | 14.00 | 7.4 | 0.00 | 7.42 | 0.00 | 0.00 | 0.00 | 0.00 |
| Furniture and Home Furnishings Stores | 13.32 | 7.1 | 0.00 | 7.07 | 0.00 | 0.00 | 0.00 | 0.00 |
| Building Material and Garden Equipment and Supplies Dealers | 12.74 | 6.8 | 0.00 | 6.76 | 0.00 | 0.00 | 0.00 | 0.00 |
| Electronics and Appliance Stores | 21.48 | 11.4 | 0.00 | 11.39 | 0.00 | 0.00 | 0.00 | 0.00 |
| Clothing and Clothing Accessories Stores | 16.93 | 9.0 | 8.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Motor Vehicle and Parts Dealers | 26.46 | 14.0 | 0.00 | 0.00 | 14.03 | 0.00 | 0.00 | 0.00 |
| Gasoline Stations | 10.49 | 5.6 | 0.00 | 5.56 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sporting Goods, Hobby, and Musical Instrument Stores | 22.58 | 12.0 | 11.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous Store Retailers | 23.08 | 12.2 | 0.00 | 12.24 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non-store Retailers | 0.77 | 0.4 | 0.00 | 0.00 | 0.41 | 0.00 | 0.00 | 0.00 |
| Arts, Entertainment, & Recreation | 29.37 | 15.6 | 0.00 | 0.00 | 15.57 | 0.00 | 0.00 | 0.00 |
| Medical/Health | | | | | | | | |
| Ambulatory Health Care Services | 7.77 | 4.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.62 |
| General Medical and Surgical Hospitals | 4.19 | 2.5 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.49 |
| Nursing and Residential Care Facilities | 23.14 | 13.8 | 0.00 | 13.76 | 0.00 | 0.00 | 0.00 | 0.00 |
| Social Assistance | 11.22 | 6.7 | 0.00 | 6.67 | 0.00 | 0.00 | 0.00 | 0.00 |
| Services | | | | | | | | |
| Personal and Household Goods Repair and Maintenance | 46.92 | 27.7 | 0.00 | 27.65 | 0.00 | 0.00 | 0.00 | 0.00 |
| Services to Buildings and Dwellings | 27.92 | 16.6 | 0.00 | 0.00 | 0.00 | 16.60 | 0.00 | 0.00 |
| Waste Management and Remediation Services | 8.85 | 5.3 | 0.00 | 0.00 | 0.00 | 5.26 | 0.00 | 0.00 |
| Real Estate and Rental and Leasing | 2.72 | 1.6 | 0.00 | 0.00 | 1.62 | 0.00 | 0.00 | 0.00 |
| Personal Care Services | 24.58 | 14.6 | 14.62 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dry Cleaning and Laundry Services | 2.78 | 1.5 | 0.00 | 1.48 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vehicle Repair and Maintenance | 19.97 | 11.9 | 0.00 | 0.00 | 11.87 | 0.00 | 0.00 | 0.00 |
| Veterinary Services | 4.12 | 2.4 | 0.00 | 0.00 | 2.45 | 0.00 | 0.00 | 0.00 |
| Photographic Services | 2.15 | 1.3 | 0.00 | 1.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| Educational Services | 56.27 | 33.5 | 0.00 | 33.45 | 0.00 | 0.00 | 0.00 | 0.00 |
| Accounting | 4.77 | 2.8 | 0.00 | 0.00 | 2.84 | 0.00 | 0.00 | 0.00 |
| Architectural, Engineering, and Related | 2.64 | 1.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.57 |
| Specialized Design Services | 2.94 | 1.7 | 0.00 | 0.00 | 0.00 | 0.00 | 1.75 | 0.00 |
| Death Care Services | 3.86 | 2.3 | 0.00 | 0.00 | 2.29 | 0.00 | 0.00 | 0.00 |
| Legal Services | 2.26 | 1.3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.35 |
| Government | 38.78 | 23.5 | 0.00 | 0.00 | 2.00 | 0.37 | 1.73 | 19.41 |
| Total Workers and Households per 1,000 HH | 785.6 | 440.4 | 146.0 | 181.0 | 58.2 | 22.2 | 3.5 | 29.4 |
| Total Income-Qualified HH Generated Per 1,000 Market-Rate Units | | 440.4 | 146.0 | 181.0 | 58.2 | 22.2 | 3.5 | 29.4 |
| Total Income-Qualified HH Generated Per 100 Market-Rate Units | | 44.0 | 14.6 | 18.1 | 5.8 | 2.2 | 0.3 | 2.9 |

Source: 2022 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; EPS.

[1] See Table A-8.

[2] Assumes 1.65 workers per worker household in the City of Folsom based on data from the Table B-1. Includes a 12.5% discount for retail and 1.9% discount for other

[3] Households for each industry by income level are counted only for the income level that the average household income falls within. See Table A-8 for income level by category.

Table A-13
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Worker Household Generation per 1,000 Market-Rate Units - Prototype 2

| Item | Total Workers [1] | Total Worker Households [1] [2] | Households by Income Level [3] | | | | | |
|-----------------------------------------------------------------|-------------------|---------------------------------|--------------------------------|--------------|--------------|-------------|-------------|----------------|
| | | | Extremely Low | Very Low | Low | Median | Moderate | Above Moderate |
| Retail | | | | | | | | |
| Unspecified Retail | 8.27 | 3.9 | 0.00 | 3.91 | 0.00 | 0.00 | 0.00 | 0.00 |
| Food & Beverage Stores | 52.59 | 31.5 | 0.00 | 31.51 | 0.00 | 0.00 | 0.00 | 0.00 |
| Food Services and Drinking Places | 161.36 | 85.6 | 85.57 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Health and Personal Care Stores | 7.52 | 4.0 | 0.00 | 0.00 | 3.99 | 0.00 | 0.00 | 0.00 |
| General Merchandise | 10.84 | 5.8 | 0.00 | 5.75 | 0.00 | 0.00 | 0.00 | 0.00 |
| Furniture and Home Furnishings Stores | 10.32 | 5.5 | 0.00 | 5.47 | 0.00 | 0.00 | 0.00 | 0.00 |
| Building Material and Garden Equipment and Supplies Dealer | 9.87 | 5.2 | 0.00 | 0.00 | 5.24 | 0.00 | 0.00 | 0.00 |
| Electronics and Appliance Stores | 16.64 | 8.4 | 0.00 | 4.48 | 3.88 | 0.00 | 0.00 | 0.00 |
| Clothing and Clothing Accessories Stores | 13.12 | 7.0 | 0.00 | 6.96 | 0.00 | 0.00 | 0.00 | 0.00 |
| Motor Vehicle and Parts Dealers | 20.50 | 10.9 | 0.00 | 0.00 | 0.00 | 10.87 | 0.00 | 0.00 |
| Gasoline Stations | 8.13 | 4.3 | 0.00 | 4.31 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sporting Goods, Hobby, and Musical Instrument Stores | 17.50 | 8.3 | 0.00 | 8.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous Store Retailers | 17.88 | 9.1 | 0.00 | 9.07 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non-store Retailers | 0.59 | 0.3 | 0.00 | 0.00 | 0.31 | 0.00 | 0.00 | 0.00 |
| Arts, Entertainment, & Recreation | 22.75 | 12.1 | 0.00 | 0.00 | 12.07 | 0.00 | 0.00 | 0.00 |
| Medical/Health | | | | | | | | |
| Ambulatory Health Care Services | 6.02 | 3.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.58 |
| General Medical and Surgical Hospitals | 3.25 | 1.9 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.93 |
| Nursing and Residential Care Facilities | 17.93 | 10.7 | 0.00 | 0.00 | 10.66 | 0.00 | 0.00 | 0.00 |
| Social Assistance | 8.70 | 5.2 | 0.00 | 5.17 | 0.00 | 0.00 | 0.00 | 0.00 |
| Services | | | | | | | | |
| Personal and Household Goods Repair and Maintenance | 36.35 | 21.4 | 0.00 | 21.42 | 0.00 | 0.00 | 0.00 | 0.00 |
| Services to Buildings and Dwellings | 21.63 | 12.9 | 0.00 | 0.00 | 0.00 | 0.00 | 12.86 | 0.00 |
| Waste Management and Remediation Services | 6.85 | 4.1 | 0.00 | 0.00 | 0.00 | 0.00 | 4.08 | 0.00 |
| Real Estate and Rental and Leasing | 2.11 | 1.3 | 0.00 | 0.00 | 0.00 | 1.25 | 0.00 | 0.00 |
| Personal Care Services | 19.05 | 10.1 | 0.00 | 10.10 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dry Cleaning and Laundry Services | 2.16 | 1.1 | 0.00 | 0.00 | 1.14 | 0.00 | 0.00 | 0.00 |
| Vehicle Repair and Maintenance | 15.47 | 9.2 | 0.00 | 0.00 | 9.20 | 0.00 | 0.00 | 0.00 |
| Veterinary Services | 3.19 | 1.7 | 0.00 | 0.00 | 0.00 | 1.69 | 0.00 | 0.00 |
| Photographic Services | 1.66 | 0.9 | 0.00 | 0.00 | 0.88 | 0.00 | 0.00 | 0.00 |
| Educational Services | 43.59 | 23.1 | 0.00 | 0.00 | 23.13 | 0.00 | 0.00 | 0.00 |
| Accounting | 3.70 | 2.0 | 0.00 | 0.00 | 0.00 | 1.96 | 0.00 | 0.00 |
| Architectural, Engineering, and Related | 2.05 | 1.1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.09 |
| Specialized Design Services | 2.28 | 1.2 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.21 |
| Death Care Services | 2.99 | 1.6 | 0.00 | 0.00 | 0.00 | 1.58 | 0.00 | 0.00 |
| Legal Services | 1.75 | 0.9 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.93 |
| Government | 38.78 | 23.5 | 0.00 | 0.00 | 2.00 | 0.37 | 1.73 | 19.41 |
| Total Workers and Households per 1,000 HH | 617.4 | 339.0 | 85.6 | 116.4 | 72.5 | 17.7 | 18.7 | 28.1 |
| Total Income-Qualified HH Generated Per 1,000 Market-Rate Units | | 339.0 | 85.6 | 116.4 | 72.5 | 17.7 | 18.7 | 28.1 |
| Total Income-Qualified HH Generated Per 100 Market-Rate Units | | 33.9 | 8.6 | 11.6 | 7.2 | 1.8 | 1.9 | 2.8 |

Source: 2022 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; EPS.

[1] See Table A-9.

[2] Assumes 1.65 workers per worker household in the City of Folsom based on data from the Table B-1. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

[3] Households for each industry by income level are counted only for the income level that the average household income falls within. See Table A-9 for income level by category.

Table A-14
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Worker Household Generation per 1,000 Market-Rate Units - Prototype 3

| Item | Total Workers [1] | Total Worker Households [1] [2] | Households by Income Level [3] | | | | | |
|-----------------------------------------------------------------|-------------------|---------------------------------|--------------------------------|-------------|-------------|-------------|-------------|----------------|
| | | | Extremely Low | Very Low | Low | Median | Moderate | Above Moderate |
| Retail | | | | | | | | |
| Unspecified Retail | 6.52 | 3.1 | 0.00 | 3.09 | 0.00 | 0.00 | 0.00 | 0.00 |
| Food & Beverage Stores | 41.31 | 24.8 | 0.00 | 24.75 | 0.00 | 0.00 | 0.00 | 0.00 |
| Food Services and Drinking Places | 126.73 | 67.2 | 67.21 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Health and Personal Care Stores | 5.91 | 3.1 | 0.00 | 0.00 | 3.13 | 0.00 | 0.00 | 0.00 |
| General Merchandise | 8.52 | 4.5 | 0.00 | 4.52 | 0.00 | 0.00 | 0.00 | 0.00 |
| Furniture and Home Furnishings Stores | 8.11 | 4.3 | 0.00 | 4.30 | 0.00 | 0.00 | 0.00 | 0.00 |
| Building Material and Garden Equipment and Supplies Dealer | 7.75 | 4.1 | 0.00 | 0.00 | 4.11 | 0.00 | 0.00 | 0.00 |
| Electronics and Appliance Stores | 13.07 | 6.6 | 0.00 | 3.51 | 3.05 | 0.00 | 0.00 | 0.00 |
| Clothing and Clothing Accessories Stores | 10.30 | 5.5 | 0.00 | 5.46 | 0.00 | 0.00 | 0.00 | 0.00 |
| Motor Vehicle and Parts Dealers | 16.10 | 8.5 | 0.00 | 0.00 | 0.00 | 8.54 | 0.00 | 0.00 |
| Gasoline Stations | 6.38 | 3.4 | 0.00 | 3.39 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sporting Goods, Hobby, and Musical Instrument Stores | 13.74 | 6.5 | 0.00 | 6.50 | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous Store Retailers | 14.05 | 7.1 | 0.00 | 7.12 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non-store Retailers | 0.47 | 0.2 | 0.00 | 0.00 | 0.25 | 0.00 | 0.00 | 0.00 |
| Arts, Entertainment, & Recreation | 17.87 | 9.5 | 0.00 | 0.00 | 9.48 | 0.00 | 0.00 | 0.00 |
| Medical/Health | | | | | | | | |
| Ambulatory Health Care Services | 4.73 | 2.8 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.81 |
| General Medical and Surgical Hospitals | 2.55 | 1.5 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.52 |
| Nursing and Residential Care Facilities | 14.08 | 8.4 | 0.00 | 0.00 | 8.37 | 0.00 | 0.00 | 0.00 |
| Social Assistance | 6.83 | 4.1 | 0.00 | 4.06 | 0.00 | 0.00 | 0.00 | 0.00 |
| Services | | | | | | | | |
| Personal and Household Goods Repair and Maintenance | 28.55 | 16.8 | 0.00 | 16.83 | 0.00 | 0.00 | 0.00 | 0.00 |
| Services to Buildings and Dwellings | 16.99 | 10.1 | 0.00 | 0.00 | 0.00 | 0.00 | 10.10 | 0.00 |
| Waste Management and Remediation Services | 5.38 | 3.2 | 0.00 | 0.00 | 0.00 | 0.00 | 3.20 | 0.00 |
| Real Estate and Rental and Leasing | 1.65 | 1.0 | 0.00 | 0.00 | 0.00 | 0.98 | 0.00 | 0.00 |
| Personal Care Services | 14.96 | 7.9 | 0.00 | 7.94 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dry Cleaning and Laundry Services | 1.69 | 0.9 | 0.00 | 0.00 | 0.90 | 0.00 | 0.00 | 0.00 |
| Vehicle Repair and Maintenance | 12.15 | 7.2 | 0.00 | 0.00 | 7.22 | 0.00 | 0.00 | 0.00 |
| Veterinary Services | 2.51 | 1.3 | 0.00 | 0.00 | 0.00 | 1.33 | 0.00 | 0.00 |
| Photographic Services | 1.31 | 0.7 | 0.00 | 0.00 | 0.69 | 0.00 | 0.00 | 0.00 |
| Educational Services | 34.24 | 18.2 | 0.00 | 0.00 | 18.17 | 0.00 | 0.00 | 0.00 |
| Accounting | 2.90 | 1.5 | 0.00 | 0.00 | 0.00 | 1.54 | 0.00 | 0.00 |
| Architectural, Engineering, and Related | 1.61 | 0.9 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.85 |
| Specialized Design Services | 1.79 | 0.9 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.95 |
| Death Care Services | 2.35 | 1.2 | 0.00 | 0.00 | 0.00 | 1.24 | 0.00 | 0.00 |
| Legal Services | 1.38 | 0.7 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.73 |
| Government | 38.78 | 23.5 | 0.00 | 0.00 | 2.00 | 0.37 | 1.73 | 19.41 |
| Total Workers and Households per 1,000 HH | 493.2 | 271.3 | 67.2 | 91.5 | 57.4 | 14.0 | 15.0 | 26.3 |
| Total Income-Qualified HH Generated Per 1,000 Market-Rate Units | | 271.3 | 67.2 | 91.5 | 57.4 | 14.0 | 15.0 | 26.3 |
| Total Income-Qualified HH Generated Per 100 Market-Rate Units | | 27.1 | 6.7 | 9.1 | 5.7 | 1.4 | 1.5 | 2.6 |

Source: 2022 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; EPS.

[1] See Table A-10.

[2] Assumes 1.65 workers per worker household in the City of Folsom based on data from the Table B-1. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

[3] Households for each industry by income level are counted only for the income level that the average household income falls within. See Table A-10 for income level by category.

Table A-15
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Worker Household Generation per 1,000 Market-Rate Units - Prototype 4

| Item | Total Workers [1] | Total Worker Households [1] [2] | Households by Income Level [3] | | | | | |
|-----------------------------------------------------------------|-------------------|---------------------------------|--------------------------------|-------------|-------------|------------|-------------|----------------|
| | | | Extremely Low | Very Low | Low | Median | Moderate | Above Moderate |
| Retail | | | | | | | | |
| Unspecified Retail | 4.30 | 2.0 | 0.00 | 2.04 | 0.00 | 0.00 | 0.00 | 0.00 |
| Food & Beverage Stores | 26.99 | 16.2 | 0.00 | 0.00 | 16.17 | 0.00 | 0.00 | 0.00 |
| Food Services and Drinking Places | 82.81 | 43.9 | 0.00 | 43.92 | 0.00 | 0.00 | 0.00 | 0.00 |
| Health and Personal Care Stores | 3.86 | 2.0 | 0.00 | 0.00 | 2.05 | 0.00 | 0.00 | 0.00 |
| General Merchandise | 5.57 | 3.0 | 0.00 | 2.95 | 0.00 | 0.00 | 0.00 | 0.00 |
| Furniture and Home Furnishings Stores | 5.30 | 2.8 | 0.00 | 0.00 | 2.81 | 0.00 | 0.00 | 0.00 |
| Building Material and Garden Equipment and Supplies Dealer | 5.07 | 2.7 | 0.00 | 0.00 | 2.69 | 0.00 | 0.00 | 0.00 |
| Electronics and Appliance Stores | 8.54 | 4.3 | 0.00 | 0.00 | 4.29 | 0.00 | 0.00 | 0.00 |
| Clothing and Clothing Accessories Stores | 6.73 | 3.6 | 0.00 | 3.57 | 0.00 | 0.00 | 0.00 | 0.00 |
| Motor Vehicle and Parts Dealers | 10.52 | 5.6 | 0.00 | 0.00 | 0.00 | 5.58 | 0.00 | 0.00 |
| Gasoline Stations | 4.17 | 2.2 | 0.00 | 2.21 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sporting Goods, Hobby, and Musical Instrument Stores | 8.98 | 4.2 | 0.00 | 4.25 | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous Store Retailers | 9.18 | 4.7 | 0.00 | 4.65 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non-store Retailers | 0.30 | 0.2 | 0.00 | 0.00 | 0.16 | 0.00 | 0.00 | 0.00 |
| Arts, Entertainment, & Recreation | 11.68 | 6.2 | 0.00 | 0.00 | 6.19 | 0.00 | 0.00 | 0.00 |
| Medical/Health | | | | | | | | |
| Ambulatory Health Care Services | 3.09 | 1.8 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.84 |
| General Medical and Surgical Hospitals | 1.67 | 1.0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.99 |
| Nursing and Residential Care Facilities | 9.20 | 5.5 | 0.00 | 0.00 | 5.47 | 0.00 | 0.00 | 0.00 |
| Social Assistance | 4.46 | 2.7 | 0.00 | 0.00 | 2.65 | 0.00 | 0.00 | 0.00 |
| Services | | | | | | | | |
| Personal and Household Goods Repair and Maintenance | 18.65 | 11.0 | 0.00 | 11.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Services to Buildings and Dwellings | 11.10 | 6.6 | 0.00 | 0.00 | 0.00 | 0.00 | 6.60 | 0.00 |
| Waste Management and Remediation Services | 3.52 | 2.1 | 0.00 | 0.00 | 0.00 | 0.00 | 2.09 | 0.00 |
| Real Estate and Rental and Leasing | 1.08 | 0.6 | 0.00 | 0.00 | 0.00 | 0.64 | 0.00 | 0.00 |
| Personal Care Services | 9.77 | 5.2 | 0.00 | 5.19 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dry Cleaning and Laundry Services | 1.11 | 0.6 | 0.00 | 0.00 | 0.59 | 0.00 | 0.00 | 0.00 |
| Vehicle Repair and Maintenance | 7.94 | 4.7 | 0.00 | 0.00 | 4.72 | 0.00 | 0.00 | 0.00 |
| Veterinary Services | 1.64 | 0.9 | 0.00 | 0.00 | 0.00 | 0.00 | 0.87 | 0.00 |
| Photographic Services | 0.85 | 0.5 | 0.00 | 0.00 | 0.45 | 0.00 | 0.00 | 0.00 |
| Educational Services | 22.37 | 11.9 | 0.00 | 0.00 | 11.87 | 0.00 | 0.00 | 0.00 |
| Accounting | 1.90 | 1.0 | 0.00 | 0.00 | 0.00 | 0.00 | 1.01 | 0.00 |
| Architectural, Engineering, and Related | 1.05 | 0.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.56 |
| Specialized Design Services | 1.17 | 0.6 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.62 |
| Death Care Services | 1.53 | 0.8 | 0.00 | 0.00 | 0.00 | 0.81 | 0.00 | 0.00 |
| Legal Services | 0.90 | 0.5 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.48 |
| Government | 38.78 | 23.5 | 0.00 | 0.00 | 2.00 | 0.37 | 1.73 | 19.41 |
| Total Workers and Households per 1,000 HH | 335.8 | 185.5 | 0.0 | 79.8 | 62.1 | 7.4 | 12.3 | 23.9 |
| Total Income-Qualified HH Generated Per 1,000 Market-Rate Units | | 185.5 | 0.00 | 79.8 | 62.1 | 7.4 | 12.3 | 23.9 |
| Total Income-Qualified HH Generated Per 100 Market-Rate Units | | 18.5 | 0.00 | 8.0 | 6.2 | 0.7 | 1.2 | 2.4 |

Source: 2022 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2017 Economic Census, American Community Survey; EPS.

[1] See Table A-11.

[2] Assumes 1.65 workers per worker household in the City of Folsom based on data from Table B-1. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

[3] Households for each industry by income level are counted only for the income level that the average household income falls within. See Table A-11 for income level by category.

Table A-16
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Representative Public-Sector Employment and Wages (2023\$)

| Item [1] | Assumptions | Sacramento MSA | | | | | Income Category |
|--------------------------------------------------------------------|-------------|-------------------------------|-------------------------------|------------------------|------------------|--------------------------------------|-----------------|
| | | Estimated Public Sector Empl. | Public Sector Empl / 1,000 HH | Sector Employee HH [2] | Avg. Wage 2023\$ | Public Sector Employee HH Income [3] | |
| Sacramento-Roseville-Folsom MSA 2023 HH | 888,619 | | | | | | |
| Occupations | | | | | | | |
| Protective Service Occupations [4] | | 7,780 | 8.8 | 5.3 | \$75,530 | \$124,625 | Above Moderate |
| Education | | 2,930 | 3.3 | 2.0 | \$49,590 | \$81,824 | Low Income |
| Kindergarten Teachers, Except Special Education | | 300 | 0.3 | 0.2 | \$87,530 | \$144,425 | Above Moderate |
| Elementary School Teachers, Except Special Education | | 9,220 | 10.4 | 6.3 | \$82,420 | \$135,993 | Above Moderate |
| Secondary School Teachers, Except Special and Vocational Education | | 6,300 | 7.1 | 4.3 | \$98,700 | \$162,855 | Above Moderate |
| Special Education Teachers, Kindergarten and Elementary School | | 220 | 0.2 | 0.2 | \$93,920 | \$154,968 | Above Moderate |
| Special Education Teachers, Middle School | | 730 | 0.8 | 0.5 | \$101,280 | \$167,112 | Above Moderate |
| Special Education Teachers, Secondary School | | 850 | 1.0 | 0.6 | \$100,710 | \$166,172 | Above Moderate |
| Teachers and Instructors, All Other | | 3,060 | 3.4 | 2.1 | \$77,810 | \$128,387 | Above Moderate |
| Bus Drivers, School | | 540 | 0.6 | 0.4 | \$53,880 | \$88,902 | Median |
| Postal Service Clerks | | 470 | 0.5 | 0.3 | \$60,380 | \$99,627 | Moderate |
| Postal Service Mail Carriers | | 2,060 | 2.3 | 1.4 | \$61,030 | \$100,700 | Moderate |
| Total | | | 38.8 | 23.5 | | | |

Sources: Bureau of Labor Statistics; Occupational Employment Statistics; CA Employment Development Department; California Department of Finance; EPS.

[1] Not a comprehensive list of public sector employment. Rather a sampling of public sector jobs for which employment and wage data was available from the BLS.

[2] Total worker households derived assuming 1.65 workers per household based on the ACS 2023 estimates for the City of Folsom; 98.1% of workers assumed to be forming households.

[3] Household income assumes 1.65 workers per household.

[4] Protective Service Occupations includes firefighters and police officers.

Table A-17
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Development Costs by Prototype: Maximum Supportable Fee

| Item | Input Assumptions | For-Sale Prototype | | | Rental Prototype |
|----------------------------------------------------------|----------------------------|-------------------------------------------|----------------------------------------------|------------------------------------------|---------------------------------------|
| | | Single-Family Detached Home (Low Density) | Single-Family Detached Home (Medium Density) | Multifamily Attached Home (High Density) | Multifamily Apartments (High Density) |
| Development Program Assumptions | | | | | |
| Acreage | | 20.00 | 10.00 | 5.56 | 3.33 |
| Density/Acre | | 5 | 10 | 18 | 30 |
| Total Unit Count | | 100 | 100 | 100 | 100 |
| Gross Unit Size [1] | | 2,600 | 2,000 | 1,765 | 1,176 |
| Net Unit Size | | 2,600 | 2,000 | 1,500 | 1,000 |
| Number of Bedrooms | | 4 | 3 | 3 | 2 |
| Parking Spaces/Unit [2] | | 2 | 2 | 2 | 1.5 |
| Cost Assumptions per Unit | | | | | |
| Land Value/ Acre [3] | | \$470,000 | \$470,000 | \$470,000 | \$810,000 |
| Land Value (rounded) | | \$9,400,000 | \$4,700,000 | \$2,611,000 | \$2,700,000 |
| Land Cost/ Unit [3] | | \$94,000 | \$47,000 | \$26,110 | \$27,000 |
| <u>Direct Costs</u> | | | | | |
| Basic Site Work/Grading | \$10 per land site sq. ft. | \$48,100 | \$37,000 | \$32,647 | \$21,765 |
| Construction Costs/Gross SF [4] | | \$150 | \$150 | \$150 | \$200 |
| Direct Construction Costs/Unit (rounded) | | \$390,000 | \$300,000 | \$264,700 | \$235,300 |
| Carport Parking Construction Cost/Unit [5] | \$8,000 per space | \$0 | \$0 | \$0 | \$12,000 |
| Subtotal, Direct Costs/Unit | | \$438,100 | \$337,000 | \$297,347 | \$269,065 |
| <u>Indirect Costs</u> | | | | | |
| Indirect Costs/Unit (rounded) [6] | 12.0% of direct costs | \$63,900 | \$40,400 | \$35,700 | \$32,300 |
| <u>Impact Fees</u> | | | | | |
| Existing Affordable Housing In-Lieu Fee | | \$154,856 | \$88,700 | \$53,730 | \$34,010 |
| Other Impact Fees (North of 50) | Table A-20 | \$66,524 | \$59,764 | \$54,131 | \$34,016 |
| Other Impact Fees (FPASP) | Table A-21 | \$128,340 | \$121,421 | \$96,693 | \$78,079 |
| Total Impact Fees (North of 50) [7] | | \$221,380 | \$148,464 | \$107,861 | \$68,026 |
| Total Impact Fees (FPASP) [7] | | \$283,196 | \$210,121 | \$150,423 | \$112,089 |
| <u>Financing + Developer Fee Costs</u> | | | | | |
| Interest (7.0%, 50% LTC, 50% Outstanding) [8] | | \$12,659 | \$9,203 | \$7,716 | \$6,464 |
| Fees (2.0% of loan amount) | | \$7,234 | \$5,259 | \$4,409 | \$3,694 |
| Developer Fee | 10.0% of direct costs | \$74,327 | \$54,033 | \$45,303 | \$37,955 |
| Subtotal Financing + Developer Fee Costs | | \$94,220 | \$68,494 | \$57,428 | \$48,113 |
| Total Estimated Cost/Unit (rounded) (North of 50) | | \$911,600 | \$641,400 | \$524,400 | \$444,500 |
| Total Estimated Cost/ Unit (rounded) (FPSAP) | | \$973,400 | \$703,000 | \$567,000 | \$488,600 |

Source: Saylor Construction Costs 2023 Edition 2022 Construction Costs; City of Folsom; Production home developers in Folsom; EPS.

- [1] Gross size per unit includes garage for multifamily attached units and common areas for high-density multifamily (assumed efficiency ratio of 85%).
- [2] Parking assumption is consistent with the City's parking requirements for the prototype..
- [3] Single family land value assumption based on 2024 appraisal for Folsom SPIF Public Land/ Parkland Equalization Fee. Multifamily land value assumption based on 2024 appraisal for Folsom CFD No.18 Bond sale.
- [4] Construction cost estimates for single family (both attached and detached) ownership product is based on conversations with developers in Folsom Construction cost estimate for multifamily rental product is based on 2022 Saylor Construction Cost data, adjusted for inflation to 2024 dollars, and conversations with the BIA.
- [5] Garage parking costs for the single family units is assumed to be included in the construction costs per gross square foot. The 1.5 parking spaces per multifamily unit are assumed to be covered carport spaces.
- [6] Includes estimated costs for architecture and engineering; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; developer fee and contingency.
- [7] See Table 3-9 for detail.

Table A-18
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Development Costs by Prototype: Potential Updated Fee Scenario Low % of Maximum

| Item | Input Assumptions | For-Sale Prototype | | | Rental Prototype |
|----------------------------------------------------------|----------------------------|-------------------------------------------|----------------------------------------------|------------------------------------------|---------------------------------------|
| | | Single-Family Detached Home (Low Density) | Single-Family Detached Home (Medium Density) | Multifamily Attached Home (High Density) | Multifamily Apartments (High Density) |
| Development Program Assumptions | | | | | |
| Acreage | | 20.00 | 10.00 | 5.56 | 3.33 |
| Density/Acre | | 5 | 10 | 18 | 30 |
| Total Unit Count | | 100 | 100 | 100 | 100 |
| Gross Unit Size [1] | | 2,600 | 2,000 | 1,765 | 1,176 |
| Net Unit Size | | 2,600 | 2,000 | 1,500 | 1,000 |
| Number of Bedrooms | | 4 | 3 | 3 | 2 |
| Parking Spaces/Unit [2] | | 2 | 2 | 2 | 1.5 |
| Cost Assumptions per Unit | | | | | |
| Land Value/ Acre [3] | | \$470,000 | \$470,000 | \$470,000 | \$810,000 |
| Land Value (rounded) | | \$9,400,000 | \$4,700,000 | \$2,611,000 | \$2,700,000 |
| Land Cost/ Unit [3] | | \$94,000 | \$47,000 | \$26,110 | \$27,000 |
| <u>Direct Costs</u> | | | | | |
| Basic Site Work/Grading | \$10 per land site sq. ft. | \$48,100 | \$37,000 | \$32,647 | \$21,765 |
| Construction Costs/Gross SF [4] | | \$150 | \$150 | \$150 | \$200 |
| Direct Construction Costs/Unit (rounded) | | \$390,000 | \$300,000 | \$264,700 | \$235,300 |
| Carport Parking Construction Cost/Unit [5] | \$8,000 per space | \$0 | \$0 | \$0 | \$12,000 |
| Subtotal, Direct Costs/Unit | | \$438,100 | \$337,000 | \$297,347 | \$269,065 |
| <u>Indirect Costs</u> | | | | | |
| Indirect Costs/Unit (rounded) [6] | 12.0% of direct costs | \$63,900 | \$40,400 | \$35,700 | \$32,300 |
| <u>Impact Fees</u> | | | | | |
| Existing Affordable Housing In-Lieu Fee | | \$7,800 | \$6,000 | \$3,750 | \$0 |
| Other Impact Fees (North of 50) | Table A-20 | \$66,524 | \$59,764 | \$54,131 | \$34,016 |
| Other Impact Fees (FPASP) | Table A-21 | \$128,340 | \$121,421 | \$96,693 | \$78,079 |
| Total Impact Fees (North of 50) [7] | | \$74,324 | \$65,764 | \$57,881 | \$34,016 |
| Total Impact Fees (FPASP) [7] | | \$136,140 | \$127,421 | \$100,443 | \$78,079 |
| <u>Financing + Developer Fee Costs</u> | | | | | |
| Interest (7.0%, 50% LTC, 50% Outstanding) [8] | | \$11,167 | \$8,834 | \$7,586 | \$6,640 |
| Fees (2.0% of loan amount) | | \$6,381 | \$5,048 | \$4,335 | \$3,794 |
| Developer Fee | 10% | \$59,387 | \$45,705 | \$40,285 | \$34,582 |
| Subtotal Financing + Developer Fee Costs | | \$76,936 | \$59,587 | \$52,206 | \$45,016 |
| Total Estimated Cost/Unit (rounded) (North of 50) | | \$747,300 | \$549,800 | \$469,200 | \$407,400 |
| Total Estimated Cost/ Unit (rounded) (FPSAP) | | \$809,100 | \$611,400 | \$511,800 | \$451,500 |

Source: Saylor Construction Costs 2023 Edition 2022 Construction Costs; City of Folsom Municipal Code; California HCD; CoStar; Weekly; local developers;

- [1] Gross size per unit includes garage for multifamily attached units and common areas for high-density multifamily (assumed efficiency ratio of 85%).
- [2] Parking assumption is consistent with the City's parking requirements for the prototype..
- [3] Single family land value assumption based on 2024 appraisal for Folsom SPIF Public Land/ Parkland Equalization Fee. Multifamily land value
- [4] Construction cost estimates for townhome and condominium ownership product is based on conversations with developers. Construction cost estimate for multifamily rental product is based on 2022 Saylor Construction Cost data and adjusted for inflation to 2024 dollars.
- [5] Garage parking costs for the single family units is assumed to be included in the construction costs per gross square foot. The 1.5 parking spaces per multifamily unit are assumed to be covered carport spaces.
- [6] Includes estimated costs for architecture and engineering; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; developer fee and contingency.
- [7] See Table 3-9 for detail.

Table A-19
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Development Costs by Prototype: Potential Updated Fee Scenario High % of Maximum

| Item | Input Assumptions | For-Sale Prototype | | | Rental Prototype |
|----------------------------------------------------------|----------------------------|-------------------------------------------|----------------------------------------------|------------------------------------------|---------------------------------------|
| | | Single-Family Detached Home (Low Density) | Single-Family Detached Home (Medium Density) | Multifamily Attached Home (High Density) | Multifamily Apartments (High Density) |
| Development Program Assumptions | | | | | |
| Acreage | | 20.00 | 10.00 | 5.56 | 3.33 |
| Density/Acre | | 5 | 10 | 18 | 30 |
| Total Unit Count | | 100 | 100 | 100 | 100 |
| Gross Unit Size [1] | | 2,600 | 2,000 | 1,765 | 1,176 |
| Net Unit Size | | 2,600 | 2,000 | 1,500 | 1,000 |
| Number of Bedrooms | | 4 | 3 | 3 | 2 |
| Parking Spaces/Unit [2] | | 2 | 2 | 2 | 1.5 |
| Cost Assumptions per Unit | | | | | |
| Land Value/ Acre [3] | | \$470,000 | \$470,000 | \$470,000 | \$810,000 |
| Land Value (rounded) | | \$9,400,000 | \$4,700,000 | \$2,611,000 | \$2,700,000 |
| Land Cost/ Unit [3] | | \$94,000 | \$47,000 | \$26,110 | \$27,000 |
| <u>Direct Costs</u> | | | | | |
| Basic Site Work/Grading | \$10 per land site sq. ft. | \$48,100 | \$37,000 | \$32,647 | \$21,765 |
| Construction Costs/Gross SF [4] | | \$150 | \$150 | \$150 | \$200 |
| Direct Construction Costs/Unit (rounded) | | \$390,000 | \$300,000 | \$264,700 | \$235,300 |
| Carport Parking Construction Cost/Unit [5] | \$8,000 per space | \$0 | \$0 | \$0 | \$12,000 |
| Subtotal, Direct Costs/Unit | | \$438,100 | \$337,000 | \$297,347 | \$269,065 |
| <u>Indirect Costs</u> | | | | | |
| Indirect Costs/Unit (rounded) [6] | 12.0% of direct costs | \$63,900 | \$40,400 | \$35,700 | \$32,300 |
| <u>Impact Fees</u> | | | | | |
| Existing Affordable Housing In-Lieu Fee | | \$30,966 | \$17,740 | \$10,740 | \$6,800 |
| Other Impact Fees (North of 50) | Table A-20 | \$66,524 | \$59,764 | \$54,131 | \$34,016 |
| Other Impact Fees (FPASP) | Table A-21 | \$128,340 | \$121,421 | \$96,693 | \$78,079 |
| Total Impact Fees (North of 50) [7] | | \$97,490 | \$59,764 | \$54,131 | \$34,016 |
| Total Impact Fees (FPASP) [7] | | \$159,306 | \$139,161 | \$107,433 | \$84,879 |
| <u>Financing + Developer Fee Costs</u> | | | | | |
| Interest (7.0%, 50% LTC, 50% Outstanding) [8] | | \$11,573 | \$9,040 | \$7,708 | \$6,759 |
| Fees (2.0% of loan amount) | | \$6,613 | \$5,166 | \$4,405 | \$3,862 |
| Developer Fee | 10.0% of direct costs | \$61,768 | \$45,137 | \$39,929 | \$34,600 |
| Subtotal Financing + Developer Fee Costs | | \$79,954 | \$59,342 | \$52,042 | \$45,222 |
| Total Estimated Cost/Unit (rounded) (North of 50) | | \$773,400 | \$543,500 | \$465,300 | \$407,600 |
| Total Estimated Cost/ Unit (rounded) (FPSAP) | | \$835,300 | \$622,900 | \$518,600 | \$458,500 |

Source: Saylor Construction Costs 2023 Edition 2022 Construction Costs; City of Folsom Municipal Code; California HCD; CoStar; Weekly; local

- [1] Gross size per unit includes garage for multifamily attached units and common areas for high-density multifamily (assumed efficiency ratio of 85%).
- [2] Parking assumption is consistent with the City's parking requirements for the prototype..
- [3] Single family land value assumption based on 2024 appraisal for Folsom SPIF Public Land/ Parkland Equalization Fee. Multifamily land value assumption based on 2024 appraisal for Folsom CFD No.18 Bond sale.
- [4] Construction cost estimates for single family (both attached and detached) ownership product is based on conversations with developers. Construction cost estimate for multifamily rental product is based on 2022 Saylor Construction Cost data and adjusted for inflation to 2024 dollars.
- [5] Garage parking costs for the single family units is assumed to be included in the construction costs per gross square foot. The 1.5 parking spaces per multifamily unit are assumed to be covered carport spaces.
- [6] Includes estimated costs for architecture and engineering; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; developer fee and contingency.
- [7] See Table 3-9 for detail.

Table A-20
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Development Impact Fee Summary: North of 50

| Item | Single Family Residential | | Multifamily | Multifamily Unit |
|----------------------------------------------------|---------------------------|-----------------|-----------------|------------------|
| | Detached LD | Detached MD | Attached HD | |
| Unit Size (sq. ft.) | 2,600 | 2,000 | 1,500 | 1,000 |
| Lot Size (sq. ft.) | 6,970 | 3,485 | 1,936 | 17,424 |
| Building Valuation [1] | \$469,424 | \$367,970 | \$283,425 | \$198,880 |
| Zoning | SFHD | SFHD | MLD | MHD |
| Processing Fees per Unit [1] | | | | |
| Building Permit | \$3,823 | \$3,076 | \$2,454 | \$1,832 |
| Plan Check | \$150 | \$150 | \$150 | \$150 |
| Plan Review Fee | \$30 | \$30 | \$30 | \$30 |
| Processing Fee | \$77 | \$77 | \$77 | \$77 |
| CASP Training Fund Fee | \$4 | \$4 | \$4 | \$4 |
| City General Plan Fee | \$199 | \$161 | \$130 | \$99 |
| Master Plan Plan Check Fee | \$30 | \$30 | \$30 | \$30 |
| Poduction Permit Intake Plan Check Fee | \$400 | \$400 | \$400 | \$400 |
| Poduction Permit Fee for Fire Submittals | \$460 | \$460 | \$460 | \$460 |
| State Disability Access Fee | \$0 | \$0 | \$0 | \$0 |
| California Building Standards Commission (CBSC) Fe | \$19 | \$19 | \$19 | \$19 |
| Strong Motion Instrumentation Fee | \$61 | \$61 | \$61 | \$61 |
| Business License Fee | \$25 | \$25 | \$25 | \$25 |
| General Plan Update Fee | \$8 | \$8 | \$8 | \$8 |
| Subtotal Processing Fees per Unit | \$5,285 | \$4,501 | \$3,848 | \$3,194 |
| Citywide Impact Fees | | | | |
| Roads | \$9,115 | \$9,115 | \$9,115 | \$661 |
| Water | \$1,148 | \$1,148 | \$1,148 | \$618 |
| Water Connection | \$3,916 | \$3,916 | \$3,916 | \$2,545 |
| Water Meter Fee | \$349 | \$349 | \$349 | \$349 |
| Sewer | \$1,250 | \$1,250 | \$1,250 | \$1,250 |
| Drainage | \$1,208 | \$1,208 | \$1,208 | \$1,208 |
| General Capital | \$1,860 | \$1,860 | \$1,860 | \$1,860 |
| Fire | \$1,265 | \$1,265 | \$1,265 | \$1,223 |
| Police | \$700 | \$700 | \$700 | \$794 |
| Park Equipment | \$109 | \$109 | \$109 | \$109 |
| Transportation Management Fee | \$35 | \$35 | \$35 | \$25 |
| Citywide Parks | \$8,199 | \$8,199 | \$8,199 | \$5,446 |
| Light Rail | \$844 | \$844 | \$844 | \$580 |
| Solid Waste | \$422 | \$422 | \$422 | \$422 |
| Waste Management Admin | \$21 | \$21 | \$21 | \$5 |
| School Impact Mitigation Fee | \$45 | \$45 | \$45 | \$45 |
| Inclusionary Housing In-Lieu Fee [2] | - | - | - | - |
| Subtotal Citywide Impact Fees per Unit | \$30,486 | \$30,486 | \$30,486 | \$17,140 |

Table A-20
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Development Impact Fee Summary: North of 50

| Item | Single Family Residential | | Multifamily | Multifamily Unit |
|---------------------------------------------------|---------------------------|-----------------|-----------------|------------------|
| | Detached LD | Detached MD | Attached HD | |
| Unit Size (sq. ft.) | 2,600 | 2,000 | 1,500 | 1,000 |
| Lot Size (sq. ft.) | 6,970 | 3,485 | 1,936 | 17,424 |
| Building Valuation [1] | \$469,424 | \$367,970 | \$283,425 | \$198,880 |
| Zoning | SFHD | SFHD | MLD | MHD |
| Other Agency Impact Fees | | | | |
| Sacramento Transportation Authority (STA) Measure | \$1,574 | \$1,574 | \$1,574 | \$1,260 |
| Regional SAN Sewer Fee [3] | \$3,283 | \$3,283 | \$3,283 | \$2,462 |
| Folsom Cordova USD School Facilities Fee | \$25,896 | \$19,920 | \$14,940 | \$9,960 |
| Subtotal Other Agency Fees | \$30,753 | \$24,777 | \$19,797 | \$13,682 |
| Total Fee Summary | | | | |
| Processing Fees | \$5,285 | \$4,501 | \$3,848 | \$3,194 |
| Citywide Impact Fees | \$30,486 | \$30,486 | \$30,486 | \$17,140 |
| Other Agency Fees | \$30,753 | \$24,777 | \$19,797 | \$13,682 |
| Total | \$66,524 | \$59,764 | \$54,131 | \$34,016 |

Source: City of Folsom; Folsom Cordova USD; Regional SAN; Goodwin Consulting Group; EPS.

[1] Processing fees exclude mechanical, electrical, plumbing and other similar review fees.

[2] The existing City of Folsom Inclusionary Housing Fee is excluded from this calculation.

[3] Assumes development north of Highway 50 pays Regional San impact fees for infill development.

Table A-21
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Development Impact Fee Summary: FPASP

| Item | Single Family Residential | | Multifamily | Multifamily Unit |
|---------------------------------------------------------|---------------------------|-----------------|-----------------|------------------|
| | Detached LD | Detached MD | Attached HD | |
| Unit Size (sq. ft.) | 2,600 | 2,000 | 1,500 | 1,000 |
| Lot Size (sq. ft.) | 6,970 | 3,485 | 1,936 | 1,162 |
| Building Valuation [1] | \$469,424 | \$367,970 | \$283,425 | \$198,880 |
| Zoning | SFHD | SFHD | MLD | MHD |
| Processing Fees per Unit [1] | | | | |
| Building Permit | \$3,823 | \$3,076 | \$2,454 | \$1,832 |
| Plan Check | \$150 | \$150 | \$150 | \$150 |
| Plan Review Fee | \$30 | \$30 | \$30 | \$30 |
| Processing Fee | \$77 | \$77 | \$77 | \$77 |
| CASP Training Fund Fee | \$4 | \$4 | \$4 | \$4 |
| City General Plan Fee | \$199 | \$161 | \$130 | \$99 |
| Master Plan Plan Check Fee | \$30 | \$30 | \$30 | \$30 |
| Production Permit Intake Plan Check Fee | \$400 | \$400 | \$400 | \$400 |
| Production Permit Fee for Fire Submittals | \$460 | \$460 | \$460 | \$460 |
| State Disability Access Fee | \$0 | \$0 | \$0 | \$0 |
| California Building Standards Commission (CBSC) Fee | \$19 | \$19 | \$19 | \$19 |
| Strong Motion Instrumentation Fee | \$61 | \$61 | \$61 | \$61 |
| Business License Fee | \$25 | \$25 | \$25 | \$25 |
| General Plan Update Fee | \$8 | \$8 | \$8 | \$8 |
| Subtotal Processing Fees per Unit | \$5,285 | \$4,501 | \$3,848 | \$3,194 |
| Citywide Impact Fees | | | | |
| Transportation Management Fee | \$35 | \$35 | \$35 | \$25 |
| School Impact Mitigation Fee | \$45 | \$45 | \$45 | \$45 |
| Water Meter Fee | \$384 | \$384 | \$384 | \$384 |
| General Park Equipment Fee | \$99 | \$99 | \$99 | \$99 |
| Inclusionary Housing In-Lieu Fee [2] | - | - | - | - |
| Subtotal Citywide Impact Fees per Unit | \$563 | \$563 | \$563 | \$553 |
| Other Agency Impact Fees | | | | |
| Sacramento Transportation Authority (STA) Measure A [2] | \$1,765 | \$1,605 | \$1,480 | \$1,354 |
| Regional SAN Sewer Fee [2] | \$6,479 | \$6,479 | \$6,479 | \$4,859 |
| Folsom Cordova USD School Facilities Fee | \$25,896 | \$19,920 | \$14,940 | \$9,960 |
| Subtotal Other Agency Fees | \$34,140 | \$28,004 | \$22,899 | \$16,173 |
| TOTAL CITY/COUNTY/SPECIAL DISTRICT FEES PER UNIT | \$39,988 | \$33,068 | \$27,310 | \$19,920 |

Table A-21
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Development Impact Fee Summary: FPASP

| Item | Single Family Residential | | Multifamily | Multifamily Unit |
|--------------------------------------------------------------|---------------------------|-----------------|-----------------|------------------|
| | Detached LD | Detached MD | Attached HD | |
| Unit Size (sq. ft.) | 2,600 | 2,000 | 1,500 | 1,000 |
| Lot Size (sq. ft.) | 6,970 | 3,485 | 1,936 | 1,162 |
| Building Valuation [1] | \$469,424 | \$367,970 | \$283,425 | \$198,880 |
| Zoning | SFHD | SFHD | MLD | MHD |
| PLAN AREA FEES PER UNIT | | | | |
| <i>Folsom Plan Area Specific Plan (FPASP) Fees</i> | | | | |
| General Capital Facilities Fee [3] | \$1,550 | \$1,550 | \$1,275 | \$1,275 |
| Library | \$391 | \$391 | \$260 | \$260 |
| Municipal Center | \$712 | \$712 | \$474 | \$474 |
| Police [3] | \$471 | \$471 | \$532 | \$532 |
| Fire [3] | \$1,325 | \$1,325 | \$1,283 | \$1,283 |
| Parks [3] | \$10,077 | \$10,077 | \$6,696 | \$6,696 |
| Trails [3] | \$1,993 | \$1,993 | \$1,323 | \$1,323 |
| Subtotal Folsom Plan Area Specific Plan (FPASP) Fees | \$16,519 | \$16,519 | \$11,843 | \$11,843 |
| <i>FPASP Stand Alone Fees</i> | | | | |
| Solid Waste | \$627 | \$627 | \$417 | \$417 |
| Corp Yard | \$1,010 | \$1,010 | \$608 | \$219 |
| Transit | \$1,599 | \$1,599 | \$1,439 | \$1,198 |
| Highway 50 Improvement Fee | \$1,549 | \$1,549 | \$1,394 | \$1,162 |
| Highway 50 Interchange Fee | \$3,149 | \$3,149 | \$2,833 | \$2,363 |
| Sacramento County TDF | \$6,048 | \$6,048 | \$5,445 | \$4,539 |
| Subtotal City of Folsom FPASP Stand Alone Fees | \$13,982 | \$13,982 | \$12,136 | \$9,898 |
| <i>Specific Plan Infrastructure Fees (SPIF)</i> | | | | |
| On- and Off-Site Roadways [3] | \$16,983 | \$16,983 | \$15,258 | \$12,737 |
| Dry Utilities | \$4,072 | \$4,072 | \$3,054 | \$3,054 |
| On-Site Water [3] | \$11,898 | \$11,898 | \$7,396 | \$5,788 |
| Off-Site Water | \$1,075 | \$1,075 | \$668 | \$523 |
| Recycled Water | \$3,320 | \$3,320 | \$2,064 | \$1,615 |
| Drainage | \$7,577 | \$7,577 | \$7,920 | \$4,347 |
| Sewer [3] | \$2,692 | \$2,692 | \$2,019 | \$2,019 |
| Habitat Mitigation | \$1,040 | \$1,040 | \$725 | \$298 |
| Administration | \$1,460 | \$1,460 | \$1,174 | \$911 |
| Subtotal Specific Plan Infrastructure Fees (SPIF) | \$50,117 | \$50,117 | \$40,278 | \$31,292 |
| <i>SPIF Parkland Equalization Fee [4]</i> | \$6,682 | \$6,682 | \$4,439 | \$4,439 |
| <i>SPIF Public Facility Land Equalization Fee [4]</i> | \$1,053 | \$1,053 | \$687 | \$687 |
| TOTAL PLAN AREA FEES PER UNIT | \$88,353 | \$88,353 | \$69,383 | \$58,159 |

Table A-21
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Development Impact Fee Summary: FPASP

| Item | Single Family Residential | | Multifamily | Multifamily Unit |
|------------------------|---------------------------|------------------|-----------------|------------------|
| | Detached LD | Detached MD | Attached HD | |
| Unit Size (sq. ft.) | 2,600 | 2,000 | 1,500 | 1,000 |
| Lot Size (sq. ft.) | 6,970 | 3,485 | 1,936 | 1,162 |
| Building Valuation [1] | \$469,424 | \$367,970 | \$283,425 | \$198,880 |
| Zoning | SFHD | SFHD | MLD | MHD |
| Fee Summary | | | | |
| Processing Fees | \$5,285 | \$4,501 | \$3,848 | \$3,194 |
| Citywide Impact Fees | \$563 | \$563 | \$563 | \$553 |
| Other Agency Fees | \$34,140 | \$28,004 | \$22,899 | \$16,173 |
| FPASP Fees | \$88,353 | \$88,353 | \$69,383 | \$58,159 |
| Total | \$128,340 | \$121,421 | \$96,693 | \$78,079 |

Source: City of Folsom; Folsom Cordova USD; Regional SAN; EPS.

- [1] Processing fees exclude mechanical, electrical, plumbing and other similar review fees.
- [2] The existing City of Folsom Inclusionary Housing Fee is excluded from this calculation.
- [3] These fees replace existing City fees.
- [4] The SPIF Equalization Fees are based on the fair share dedication of land for parkland and public facilities (e.g., water storage tanks, transit facilities). These fees vary based on a developer's dedication of parkland or public facility land.



Appendix B: Assumptions and Sources

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| Table B-1. Assumptions and Sources | 85 |
|------------------------------------------|----|

Table B-1
City of Folsom
Inclusionary Housing In-Lieu Fee and Nexus Study
Assumptions and Sources

| Item | Total | Unit | Source |
|---------------------------------------|--------------|----------------------|-----------------------------------------------------|
| Demographic Assumptions | | | |
| Total Population | 80,585 | persons | DOF 2024 |
| Total Employed (Workers) | 42,183 | persons | American Community Survey 1-Year Estimates 2023 |
| Households | 32,761 | households | American Community Survey 1-Year Estimates 2023 |
| Households with Earnings | 25,559 | households | American Community Survey 1-Year Estimates 2023 |
| Workers per Household with Workers | 1.65 | persons | American Community Survey 1-Year Estimates 2023 |
| Persons per Working Household | 3.15 | persons | American Community Survey 1-Year Estimates 2023 |
| Folsom Workers Living in Folsom | 7,235 | of workers | US Census Bureau "On The Map" 2022 data |
| Employment Density Assumptions | | | |
| Commercial/Retail | 450 | sq. ft. per employee | EPS; based on typical industry employment densities |
| Hotel | 750 | sq. ft. per employee | EPS; based on typical industry employment densities |
| Manufacturing | 600 | sq. ft. per employee | EPS; based on typical industry employment densities |
| Office | 250 | sq. ft. per employee | EPS; based on typical industry employment densities |
| Warehouse | 1,000 | sq. ft. per employee | EPS; based on typical industry employment densities |

Sources: DOF 2024; U.S. Census American Community Survey 1-Year Estimates 2023; US Census Bureau "On The Map" 2022; EPS.