

RESPONSE TO COUNCIL QUESTIONS RE: 9/24/19 CITY COUNCIL AGENDA

Agenda Item #: 1.E

Title: Approve a Power Purchase Agreement with Borrego Solar Systems, Inc. for Solar Arrays Installation (F18-175)

Council Question: There is a 2.5% rate escalation for kWh Rate (Contract Price: Page 80). How does this compare to the expected escalation of SVCE rates?

Staff Response: The cost analysis provided by the project consultant uses a utility cost escalation factor of 3% per year; this is footnoted on Attachment 1 to the RTC. Silicon Valley Clean Energy (SVCE) does not develop rate projections for future years as their rates are built upon adopted PG&E rates and the "exit fee" assigned to SVCE customers, but SVCE staff notes that a 3% estimated annual rate increase is comparable to past average rate increases and the general rate of inflation.

Council Question: Is there Staff expertise if we at some point went with the buy-out option? Or would this need to be new training/new hire if we decided to purchase the panel installation?

Staff Response: Staff capacity, rather than expertise, is the bigger concern with exercising the buy-out option, as system maintenance would become the City's responsibility. The City already has solar arrays on some City facilities, the Senior Center and Fire Station #2, but adding to that inventory would impact staff capacity and could necessitate additional staffing. Another key consideration with buy-out is that the City would incur the full risk of system failure or reduced performance.

Agenda Item #: 2

Title: Introduce an Ordinance to add Chapter 19.77 ("Inclusionary Below Market Rate Rental Housing") to Title 19 ("Zoning") of the Sunnyvale Municipal Code to create an Inclusionary Rental Housing Program, and adopt a Resolution to amend the Master Fee Schedule and create a Rental Housing In-Lieu Fee.

Council Question: From attachment 1, Staff analyzed neighboring jurisdictions rental inclusionary housing programs (and gave a few examples). Can you provide a spreadsheet comparison of surrounding cities (Mountain View/Palo Alto/others) on the **inclusionary percentage requirement** (15% and breakdown of VERY LOW/LOW/MODERATE) and what is their **In-Lieu rate** is (compared to \$12.50/\$25 a sq ft)?

Staff Response: See Attachment 1.

Council Question: What was our mix of Very Low/Low/Moderate Income when our previous ordinance was obviated by the Palmer Decision?

Staff Response: Sunnyvale's prior requirement for rental was 15%; the ordinance stated "less than 70% of the Area Median Income (AMI)," meaning Low and Very Low Income, however rents were typically set for affordable to 70% of AMI for various household sizes. The City has never had a rental program for moderate income (only ownership is set at moderate).

Council Question: If we wanted to go higher than 15%, would a new Nexus Study need to be done? (How long did it take for the first Study?)

Staff Response:

1. Yes, a nexus study should be prepared for higher than 15%. A nexus study is not required (per state law) for up to 15%. If you are creating an ordinance that has a higher inclusionary requirement than 15% of the units, then State Housing and Community Development (HCD) department can

request review of your ordinance and can require that you prepare a study showing whether the inclusionary requirement causes a constraint on development.

2. A feasibility analysis (a form of nexus study) was prepared in 2003. The actual timeframe was likely several months.

Council Question: Would it be possible to create an option for developers (e.g. 10% moderate and 7.5% low) at a higher percentage than 15%? (Or would a Nexus Study be required?)

Staff Response:

1. Any across the board change in percentage would require review by the State Housing and Community Development (HCD) department. At any point, with a staff proposed ordinance, a developer could present an alternative compliance with a different mix of affordability. The Housing Strategy could recommend studying higher percentages which would trigger additional analysis.
2. Staff would recommend that any percentage above 15% have a nexus study. If a stand-alone policy was written with a higher percentage than 15%, HCD would have to review the ordinance and could ask for a Nexus Study. The way the proposed ordinance is written, a developer could propose a mix of units as outlined in the question and the Council would have the ability to consider each "Alternative Compliance Plan" on a case by case basis.

Council Question: Please send a copy (or link) of the last Nexus Study from 2015.

Staff Response: See Attachment 2.

Council Question: When was the last time we updated our BMR for-sale inclusionary housing percentage? If we wanted to update that (to higher than the current 12.5%), would that require a new Nexus Study?

Staff Response:

1. 2003, RTC No. 03-031. A feasibility analysis was prepared by BAE for the City in 2003.
2. Updating the ownership program from 12.5 to 15% would not require a new Nexus Study, but one can be performed at the request of the Council or recommendation from the Housing Strategy.

Council Question: What is the process for increasing the In Lieu Fees? What is the current commercial fee amount? (when was it set?)

Staff Response:

1. A fee Study is typically required for fee increases in excess of CPI or CCI. The proposed in-lieu fee is based off a recent Nexus Study and the existing impact fee, slated to increase annually with CPI, and therefore does not require its own fee study.
2. The commercial fee (office, industrial, R&D) amount was established in 2015, and is currently \$8.60 for the first 25,000 square feet and \$17.20 for all remaining square feet. This fee increases annually, based on CPI.

Council Question: Over the last five years, how many ownership housing projects that were required to provide BMR units were allowed to pay the fee instead?

Staff Response: Three projects, single-family detached and duet units only: Butchers (4.875 units), Pastoria/ECR (1.125 units), Corn Palace (7.25 units). Fee is based on 12.5% of the sales price for all units sold in the project. For the Butchers and Pastoria/ECR projects only the units offered for sale initially were approved.

Agenda Item #: 3

Title: Proposed Amendment to Title 6 (Animals) of the Sunnyvale Municipal Code to Modernize and Reorganize Content

Council Question: Do we have estimates on the population of dogs and cats in the city (with 150K residents)?

Staff Response: Based upon a generic formula provided by the American Veterinary Medical Association:

Estimate of dogs: 34,815

Estimate of cats: 38,035

Council Question: Did Staff inform all on-line Survey Respondents (and meeting attendees) of the final Staff Report going to Council (with final code changes)?

Staff Response: All attendees to meetings were encouraged to sign in and provide their email addresses. On September 23, staff sent out a link to the RTC to on-line survey respondents and outreach meeting attendees. The information was sent to all the email addresses that were provided.

Council Question: Why is staff removing **Cat Licensing** from the code? Multiple people complain about Outdoor Cats in Survey response. Couldn't these fees be utilized for a program to spay/neuter feral cats?

Staff Response: We are not removing cat licensing from the code, as it is not in the current code. Currently, residents may voluntarily register their cats; however, cat registration is not included in the proposed update.

Council Question: What is Staff's plan to publicize/disseminate the new rules (assuming the code changes are passed)? Dog Park Rules signs can just be reprinted, but what about getting the word out to general residents?

Staff Response: Title 6 Animals, as adopted by Council, will be publicized via standard social media channels. Staff will work with Parks on updated signage.

Council Question: Is there any general goal on education for dog owners (as well as people/children in correctly interfacing with dogs)? What about funding for free spay and neuter for all owners below a specific income?

Staff Response: Title 6 does not address educational goals for the public. Sunnyvale participates in the County's subsidized spay/neuter voucher program.

Council Question: There were comments that "Any restrictions should exclude support animals that are documented to be certified support animals." I see comments about guide dogs, but I didn't see any comments in the code concerning support animals (comments about support-pig, support-horse etc.); how do these apply (or is any restriction in forced)?

Staff Response: *Service* animals are protected under the Americans with Disabilities Act, however *emotional support* animals are not. The proposed Title 6 update provides for limited exceptions from Chapter 6.04 for service animals, such as an exemption from the license fee and leash law. Emotional support animals are not exempted under any provision of the proposed Title 6 update.

Council Question: There were calls for “stricter laws for abuse or mistreatment.” Can Staff clarify the legal implications to someone abusing an animal?

Staff Response: Staff has a variety of enforcement options: warnings, citations, misdemeanor charges, and felony charges.

Council Question: There are several comments requesting not allowing non-neutered dogs in dog parks. Dog park rules don’t allow females in heat.

Staff Response: The proposed code only prohibits dogs in heat.

Council Question: Couldn’t dog parks also prohibit “unneutered dogs over a certain age” (say 1 year or 2 years old)? [In that unneutered males are often aggressive and/or cause other dogs to be aggressive]

For example, see LA Dog Park Rules, <http://losdogs.com/park-rules/> All dogs must be spayed or neutered. LAMC. 53.15.2. I think there are also some good general rules here to educate owners [no food/drink; no communicable disease, etc.]

Staff Response: The proposed code only addresses dogs in heat; however, could be changed to prohibit unneutered dogs over a certain age.

Council Question: Are there any goals to make “licensing needs to be simplified and automated” as was suggested? Many residents don’t license because of the nuisance in licensing. If it was easier, couldn’t we get more people in compliance (and then utilize the funds for animal programs—education/spay&neuter/etc.)?

Staff Response: Pet owners have the option to license on-line through PetData <https://www.petdata.com/> or via mail. The on-line option was instituted to provide ease of licensing and has been available since 2016.

Council Question: Does the Department of Public Safety have the resources necessary to enforce the requirements of SMC 6.16.010 (Leash required), SMC 9.62.070(d) (Conduct - prohibited acts), or any other dog-leash requirement of the Sunnyvale Municipal Code? If not, please provide an estimate of the dollar amount of a budgetary action and the form of budgetary action (e.g. Budget Modification, Budget Issue) necessary to close the resource gap.

Staff Response: Yes, animal control officers respond on a complaint basis when available. Additional resources would be needed to provide proactive leash-law enforcement citywide. Currently, DPS has two full-time animal control officers consistent with budgeted positions.

Council Question: How many citations for dog-leash violations has DPS issued so far this year? As practical, please also provide prior-year (e.g. 2018, 2017, etc.) citation numbers.

Staff Response: FY2017/2018: 19 citations

FY2018/2019: 19 citations

Council Question: Can Staff briefly speculate as to how or why Sunnyvale ended up with dog-leash requirements in both Title 6 and Title 9 of the Municipal Code?

Staff Response: Title 6 includes all regulations pertaining to animals, including restraint of dogs in all locations. *Chapter 9.62. PUBLIC PARKS* prohibits off-leash dogs in parks.

Council Question: Please provide a copy of the dog license application form currently in use by the City.

Staff Response: See Attachment 3.

Council Question: What does the phrase “rebuttably presumed” mean? For example, we define what constitutes a “dangerous animal” and then go out of our way to state that an animal demonstrating the defined behaviors is “rebuttably presumed” to be dangerous. Why is that?

Staff Response: *An assumption that is taken to be true, unless someone comes forward to contest it or prove otherwise.* An animal control officer may determine an animal is dangerous based upon behavior. This may be contested/rebutted through the hearing process.

Council Question: As such term is proposed, would Animal Assisted Happiness be considered a “Zoo”?

Staff Response: A zoo is defined in Chapter 6.01 of the proposed Title 6 update, however this definition is very narrow, applying only to organizations open to the general public, at least 30 hours a week, where the animals are not for sale to private individuals. Animal Assisted Happiness (AAH) provides recreational and educational services to special needs clients on an appointment basis, and is open to the general public one Sunday per month and every Tuesday afternoon. Based on this definition and information regarding AAH’s operation, AAH is unlikely considered a zoo under the Sunnyvale Municipal Code. As the council is aware, the City has a long term lease of Baylands from the County, and AAH is a subtenant of the City. The sublease provides that AAH is subject to the governing law of both the City and County, thus AAH may be subject to regulation under the Sunnyvale Municipal Code, the Santa Clara County code, and/or State law.

Council Question: Please briefly describe the requirements of Penal Code Section 597t and Health and Safety Code Section 122335 as pertains to dog confinement.

Staff Response: Prohibits tying an animal in an inhumane manner. Penal Code Section 597t prohibits tying an animal in a manner that deprives the animal of food, water, or shelter. Code Section 122335 prohibits dogs from being tethered to any stationary object.

Council Question: How many instances of “special authorizations” has the Administrator granted in recent years under SMC 6.16.060 (Wild, exotic or nondomestic animals in captivity)?

Staff Response: None. No knowledge of any requests to date.

Council Question: How many “vicious animal permits” has the City issued in recent years under SMC 6.08.110 (Diseased or vicious animals)?

Staff Response: FY2016/2017: 0

FY2017/2018: 3 deemed vicious, 2 permits issued

FY2018/2019: 2 deemed vicious, 0 permits issued

Council Question: Please provide an example of a vicious dog sign that would fulfill the requirements of SMC 6.08.118(b) (Control of vicious animals).

Staff Response: See attachment 4.

Council Question: I believe that a few years ago, a Study Issue was done pertaining to the implementation of dedicated hours for dogs off-leash in City parks. Can Staff please provide a copy of the Study Issue paper and RTC?

Staff Response: <https://archive.sunnyvale.ca.gov/Portals/0/Archive/RTC/2013/20130723/13-178.pdf?timestamp=1569263138897>

Agenda Item #: Information Only

Title: Wolfe Road Pavement Options (Information Only)

Council Question: Please provide a copy of the RTC where Council prioritized Wolfe Road as a Rule 20 project.

Staff Response: Please see Attachments 5 and 6: RTC No. 09-260 sets the prioritization of the underground districts (Attachment 5) and RTC No. 09-282 is the formation of the Wolfe Road underground district (Attachment 6).

Council Question: What would be the legislative mechanics if Council wished to deprioritize some or all of Wolfe as a Rule 20 project and reprioritize another undergrounding opportunity (e.g. Homestead) instead?

Staff Response: Staff is confirming the process with PG&E, but it would likely require Council action to modify the priority list and an underground utility district for Homestead Road would need to be established via public hearing.

Council Question: Please clarify the start and end points of the undergrounding project. For example, the west side of Wolfe starting at APN XXX and ending at APN YYY, and the east side of Wolfe, starting at APN XXX and ending at APN YYY.

Staff Response: Rule 20A at Wolfe Road starts at west side of Wolfe south of Old San Francisco Road, stays on the west side until across from 1668 South Wolfe (New Port Dim Sum Restaurant) where it ends on the east side north of Homestead Road. Exhibit "A" in the attached RTC No. 09-282 maps the limits of the undergrounding district.

Council Question: Please clarify the start and end points of the gas line work PG&E wishes to undertake. For example, the far western side of the Wolfe roadway, starting at APN XXX and ending at APN YYY.

Staff Response: The Wolfe Road undergrounding district follows the alignment of the roadway, therefore the limits have been defined by cross-streets instead of APNs. The gas main replacement is on the west side of Wolfe Road starting just south of Old San Francisco Road, crosses to the east side north of Dartshire Way and ends on the east side of Wolfe Road on the south side of Marion Way. The position of the proposed gas main shares the Rule 20A trench between Old San Francisco Road and Maria Lane, then again from approximately 500' south of Fremont Avenue to Marion Way.

Council Question: It seems like PG&E got the idea to do the gas line work because it would be convenient to do so at the same time as the undergrounding project. But now that the undergrounding project is in question, they still want to do the gas line work regardless. What's going on? Is the gas line replacement project necessary to fix a public safety hazard, a "nice to have" or what?

Staff Response: PG&E has had replacement of the gas main on their list of maintenance projects. Staff is verifying with PG&E the urgency of the gas main replacement; however, PG&E would like to replace the gas main prior to comprehensive pavement rehabilitation.

Council Question: Is there a more precise timeline on the installation of the traffic signal at Wolfe and Dartshire? For example, Fall 2020, Spring 2021, etc.

Staff Response: The new traffic signal is anticipated to start construction in spring 2021.

Council Question: Does the installation of a signal at Dartshire have any impact on when the comprehensive street pavement restoration could be done? For example, would Staff want to wait until the signal is installed before doing the pavement restoration?

Staff Response: The installation of the new traffic signal at Wolfe/Dartshire will not impact the comprehensive pavement restoration. The work within Wolfe Road is primarily installation of new accessible ramps on the corners and boring of new traffic signal conduit across the intersection. Any impact to the new pavement would be relatively minor.

Council Question: As I recall, one of the Conditions of Approval on the Butcher's Corner project is the creation of a new traffic lane on the short stretch of southbound Wolfe between eastbound El Camino and westbound Fremont. Is there any sort of timeline on when this lane will be installed?

Staff Response: The Butcher's Corner development will move the existing curb along Wolfe Road. to accommodate a new bike lane and a new right turn only lane between El Camino Real and Fremont. There is no clear timeline on improvements as this is developer driven and no permits have been issued. Typically, after receipt of permit to begin construction, off-site roadway work is the last to be completed.

Council Question: Does the installation of the new lane at Butcher's Corner have any impact on when the comprehensive street pavement restoration could be done? For example, would Staff want to wait until the lane is installed before doing the pavement restoration?

Staff Response: Staff would not wait for the Butcher's Corner frontage improvements (which include traffic signal modification at Wolfe/ECR and Wolfe/Fremont due to curb lane shift) to be completed prior to installation of the pavement restoration on Wolfe Road. The development is conditioned to restore pavement along all street frontages (ECR, Wolfe, Fremont).

Council Question: Section 3a of the staff report states there are two properties that have not consented to easements, while Section 3b says there are three. Please clarify, and in the case there are three properties, please identify the third.

Staff Response: There are three properties which PG&E identified the need for easements. They are:

1. Olive Tree Apartments (1331 S. Wolfe Road): PG&E is currently contracting pothole work to more precisely define the limits of the easements needed. The property owner has asked that PG&E mark in the field where the easements are needed prior to further discussion. The property owner has indicated that they may consider granting the easement if the Rule 20A construction will not interfere with their driveway and the private parking lot.
2. New Port Dim Sum Restaurant (1686 S. Wolfe Road): Staff has made direct contact with the owner, and they are not willing to grant the easement. Since this property is on the very southern end of the underground district, PG&E will be looking to terminate the district short of this property. The property owner understands that upon redevelopment, undergrounding of the overhead facilities along the frontage would be required and paid for exclusively by the developer.
3. House at 1443 S. Wolfe Road: The need for the easement is driven by work area surrounding the vault located in the public right of way. PG&E is requesting a variance for the working area, which would negate the need for an easement.

Council Question: Has PG&E stated to the City what's going on with the easement negotiations? Are these cases of absentee property owners, monetary disputes or what? What is Staff's candid assessment of PG&E ever getting the three necessary easements in a reasonable period of time?

Staff Response: The City has been involved in the negotiations with PG&E and the property owners. Staff is confident that two of the locations (#1 and #3 above) will be resolved in a reasonable timeline, and the third location is at the southern boundary of the undergrounding district so the boundary may be adjusted to leave the property out of the project. This is undesirable because it would create an island of overhead lines fronting the property, but it would allow the PG&E project to move to construction.

Council Question: There are four projects involving the Wolfe roadway between El Camino and Homestead that I am aware of: (a) new traffic lane at Butcher's Corner; (b) new traffic signal at Dartshire; (c) PG&E undergrounding project; and (d) PG&E gas line work. Are there any other projects coming up that Staff is aware of that are impediments to the City commencing the comprehensive street pavement restoration?

Staff Response: There are no projects which are impediments. There are three projects along the corridor which will construct improvements, but will not impede the comprehensive pavement restoration. Should the corridor restoration be completed prior to these projects' completion dates, staff would require a more robust pavement restoration in order to minimize the pavement cuts and maintain drivability.

1. Summerhill Homes at 925 Wolfe Road is currently scheduled for hearing for entitlement on 10/14/19 in entitlement phase. This project will redevelop 130 apartments to 105 townhomes. Summerhill is aware of the pending undergrounding of the Wolfe Road corridor, but has elected to underground their projects' frontage independently of PG&E. Summerhill will provide an easement to PG&E on their project frontage for the Rule 20A project.
2. Hampton Inn (861 E El Camino Real) is currently under plan review for the frontage work construction. It is likely that this project will be ahead of the corridor pavement restoration.
3. Zayo has an encroachment permit to install fiber optic communication lines along the corridor. Zayo is aware of the PG&E project timing and intends to construct their improvements ahead of PG&E.

	Rental						Ownership				
City	Inclusionary Percent Required	Threshold	Affordability	Bld vs Fee Requirement	In-lieu Fee	Inclusionary	Treshhold	Affordability	In-lieu Fee	Notes	
Cupertino	15%	>7 Units	9% LI, 6% VLI	Optional	\$20/net new habitable SF	15%	>6 Units	50% Med, 50% Mod	\$20/Net New habitable SF	The fee is \$25 for mixed-use projects -inclusionary fee is optional	
San Jose	On-site 15%, Off-site 20%	>19 Units	On-Site: 9% LI, 6% VLI Off-Site: 12% LI, 8% VLI	Optional	125,000 per inclusionary	On-site 15%, Off-site 20%	>19 Units	Mod	\$167,207		
Mountain View	15%	>4 Units	VLI	See Notes	\$34.57/ net new SF	10%	>2 Units	50% Med, 50% Mod	3% of the sales price for each unit	>5 units for mixed-tenure. in-lieu-fee if <10 units or if >9 units and units>\$400k	
Los Gatos	<20 -> 10% <100 -> (.225 x Mkt rate units) >100 -> 20%	5+ Units	Up to 80%	Mandatory for >10 units	6% BL permit valuation	<21 -> 10% <100 -> 22.5% >100 -> 20%	>4 Units	Mod	6% BL permit	5-10 units -> In-lieu fee, Affordability remains in perpetuity	
Santa Clara	15%	>9 Units	ELI, VLI, Li and Mod: the avg 100% AMI		\$20/net new habitable SF	12.5%	>9 Units	ELI, VLI, Li and Mod: the avg 100% AMI	\$30/single-family, \$25/TH, \$20/Condo	after 1/18/19: In-lieu fee Min. 20% of all units, lower % if deeper affordability provided, <10 units can pay in-lieu fee	
Campbell	15%	>6 Units	9% LI, 6% at VLI	Mandatory		15%	>6 Units	Mod		only <7 units can pay in-lieu fee	
Milpitas	15%	>10 Units	LI and VLI	Optional, CC authorization	\$33/ net new square foot	15.0%	>10 Units	VLI, LI, Mod	\$33/ net new square foot		
Morgan Hill	Downtown 10% Other 15%	>2 Units	50% must be VLI	Mandatory	\$14.5/SF in DT, \$29 in Other	Downtown 10% Other 15%	>2 Untis	Mod	\$13.2/SF in DT, \$19.7 in Other	Incentive: allots more points to projects that include on site affordable units.	
Palo Alto	lots > 5 acre 20%- others 15%	> 2 Units	Mod, LI, VLI	Fractional In-Lieu	\$20 for apartments, \$50 for condos, \$75 for SFRs	lots > 5 acre 20%- others 15%		75% @ 80%-100% - 25% Mod		Projects w. loss of existing rental may provide a 25% In-lieu fee: 20% project = 10% ; 25% project = 12.5%	
Fremont	20%	>9 Units	LI (1/3 @60%, 1/3 @70% 1/3 @80%)		fee/unit: See Notes	20%	>9 Untis	Mod ((1/3 @90%, 1/3 @100% 1/3 @110%))		3<Projects <10 units pay costs of constructing a market rate unit in the proposed project, including land and improvements.	
Redwood City	20%	> 19 Units	VLI, Li and Mod			15%	> 19 Units	Mod		10% @ Mod, 5%@LI 5% VLI 4<Projects <20 units -> pay \$	
Daly City	10%	20+ units	Low Income	Required	<20 units	20%	>14 Untis	Moderate Income	<15 units	Incentive: allots waivers or concessionsto projects with on site affordable units.	

Data as of January 2019

Notes:	VLI	less than 50% of Area Median Income
	LI	less than 80% of Area Median Income
	Mod	less than 120% of Area Median Income

DB	Min	5%- 11% VLI 10%- 20% LI 10%- 40% Mod (for sale)	20%-35% 20%-35% 5%- 35%
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Report

Nexus-Based Affordable Housing Fee Analysis for Rental Housing

The Economics of Land Use



Prepared for:

City of Sunnyvale

Prepared by:

Economic & Planning Systems, Inc.

December 5, 2014

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Table of Contents

EXECUTIVE SUMMARY	1
1. AFFORDABILITY GAP ANALYSIS.....	7
Product Type	7
Development Cost Assumptions	10
Revenue Assumptions	10
Affordability Gap Results.....	10
2. DEMAND-BASED NEXUS FEE CALCULATION	12
Market-Rate Household Income Levels	12
Household Expenditures and Job Creation by Income Level.....	12
Demand for Public-Sector Workers.....	16
Combined Demand for Income-Qualified Workers	17
Fee Calculation	17
APPENDIX A: Household Expenditures and Employment Generation	
APPENDIX B: Income Levels for Worker Households	

List of Figures and Tables

Figure 1	Illustration of Nexus-Based Housing Fee Methodology.....	2
Table 1	Summary of Maximum Supportable Nexus-Based Housing Fees or Unit Requirements In-Lieu of Fees.....	6
Table 2	Affordability Gap Analysis -- For-Sale Affordable Unit Type.....	8
Table 3	Affordability Gap Analysis—Rental Product Type.....	9
Table 4	Required Income by Unit Type - Market-Rate Rental Apartments	13
Table 5	Income Limits for Affordable Housing	18
Table 6	Summary of Worker and Household Generation per 100 Market-Rate Units	19
Table 7	Nexus-Based Housing Fee Calculations (For-Rent Studio Apartment)	20
Table 8	Nexus-Based Housing Fee Calculations (For-Rent 1-Bedroom Apartment)	21
Table 9	Nexus-Based Housing Fee Calculations (For-Rent 2-Bedroom Apartment)	22
Table 10	Nexus-Based Housing Fee Calculations (For-Rent 3-Bedroom Apartment)	23

EXECUTIVE SUMMARY

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

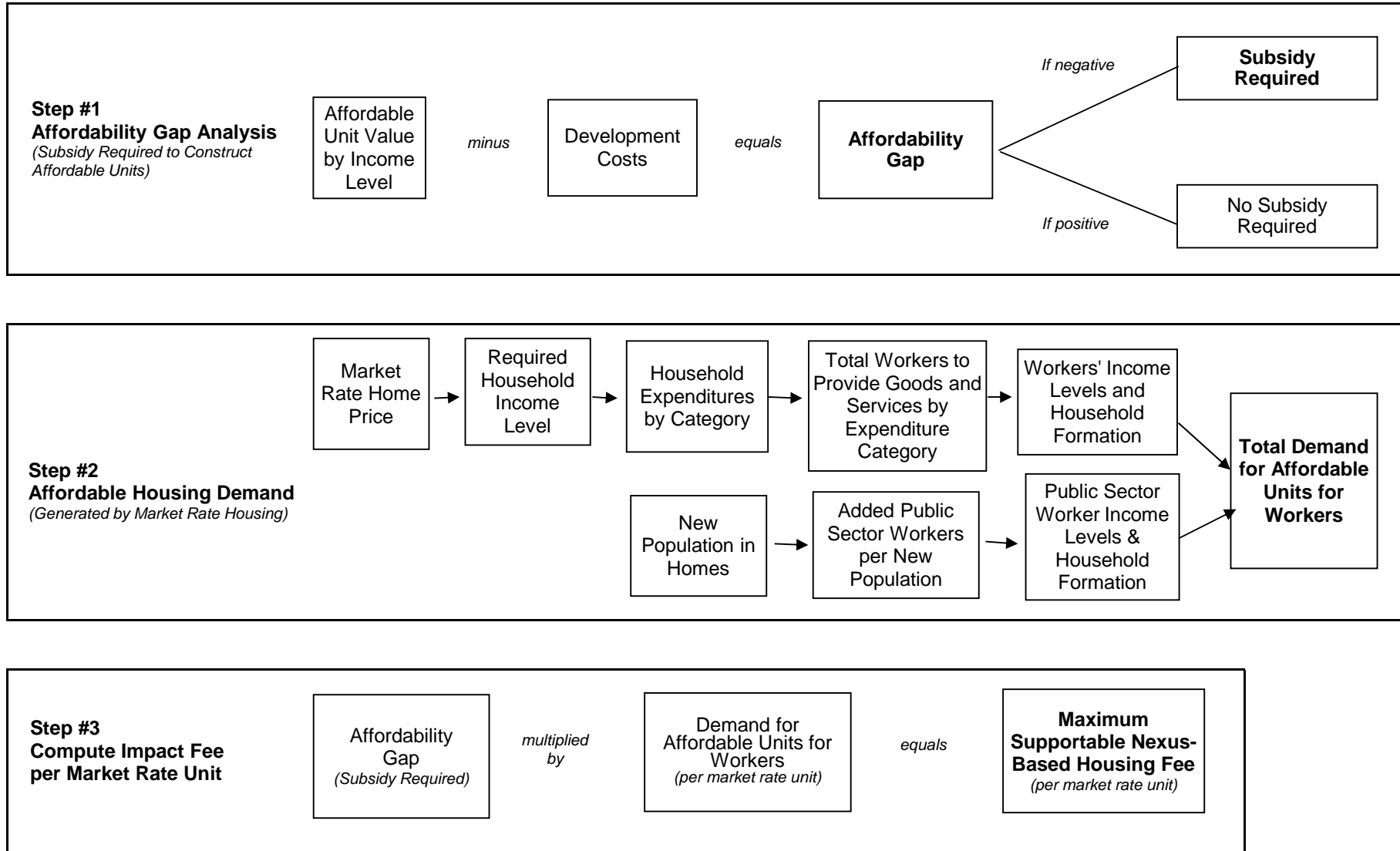
The technical approach used herein quantifies the impacts that the introduction of market-rate rental apartments have on the local economy and the demand for additional affordable housing. As new households are added to the community, local employment also will grow to provide the goods and services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

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

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

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

Figure 1
Illustration of Nexus-Based Housing Fee Methodology



1. ***The costs to construct affordable housing units affordable to many households exceed those units' values based on the rents or prices that the households can afford to pay. The subsidy required to construct affordable housing units in Sunnyvale range from \$12,100 for a Median Income household to \$302,500 for a Very Low Income (VLI) household. Moderate Income households do not appear to require subsidies, as affordable prices for such households appear able to support the costs of construction due to favorable current financing terms.***

An "affordability gap analysis" evaluates whether or not the costs to construct affordable units exceed the values of units that are affordable to lower- and moderate-income households. For each affordable housing income level (Very Low Income [VLI], Low Income [LI], Median Income, and Moderate Income) this analysis estimates the subsidy required to construct affordable housing units.

The affordability gap analysis assumes that the average affordable unit for all income levels will be a 2-bedroom unit in a multifamily development. The estimated costs to construct the prototypical affordable unit are based on recent Sunnyvale development projects and transactions, as well as other development cost data sources. The costs of land acquisition are included in these development cost calculations.

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

2. ***The demand for affordable housing generated by the expenditures of new households in Sunnyvale increases along with the market-rate rent price (and related renter income). For example, a studio unit that rents for \$2,500 per month is estimated to create demand for 0.182 affordable housing units requiring development subsidy, while a 3-bedroom unit that rents for \$4,600 per month creates demand for 0.317 affordable units.***

Any justified nexus fee is based on the total demand for affordable housing units generated by 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 wage earners (for example, retail sales clerks) who typically cannot afford market-rate housing and thus require affordable housing.

Because more expensive housing units require renters to have higher incomes, *and* higher income households create more jobs through their spending, the nexus impacts and thus the justified fees for rental units vary according to the rental price range of the market-rate units. Typically, larger apartments (i.e., more bedrooms) command higher rents, so their occupants are required to have higher household incomes than renters of smaller units. Thus, larger units create more jobs as a result of their occupants' spending. Nexus impacts and the justified fees for market-rate rental apartments, therefore, vary based on unit size.

This analysis evaluates the demand for affordable housing generated by a range of for-rent unit sizes. For each unit size, the demand-based nexus fee calculation involves the following steps:

- A. Market-Rate Household Income Levels.** The required income levels of households occupying new market-rate housing are derived based on the rental rate, assuming standard housing cost expenses as a proportion of overall household income. For example, a typical household renting a recently constructed market-rate two-bedroom unit for around \$3,700 per month would have an annual income of roughly \$153,700, if they spent 30 percent of their income on housing costs (rent and utilities).
- B. Household Expenditures.** Based on the household income computed in Step A, Consumer Expenditure Survey data was used to evaluate the spending patterns of the household. This analysis provides an estimate of how much the household spends on specific categories of expenditures, such as "Food at Home." 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).
- C. Job Creation and Worker Households.** Having estimated the households' spending on various items, that spending is then converted into an estimation of jobs created. For each expenditure category, data regarding average worker wages and the ratio between gross business receipts and wages were 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), the demand for new workers was 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 (Sunnyvale has an average of 1.53 workers per working household), the total number of new households created is somewhat less than the number of new jobs created. 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.¹
- D. Worker Households by Income Category.** Each worker household generated is assigned to an income category—Very Low Income (VLI), Low Income (LI), Median, Moderate, and Above Moderate—based on its estimated gross wages. This provides the total number of households generated at each income level by construction of market-rate units at various price points. The results indicate that residents of lower-priced units generate fewer worker households requiring affordable housing than do residents of higher-priced units.

¹ 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 in other industries. EPS has assumed that such young workers do not form their own households.

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

- 3. *This analysis calculates the fees that could be charged to fully mitigate the impact that new market-rate housing has on Sunnyvale's affordable housing demand at various representative unit sizes. These fees could range from roughly \$47,200 for studio apartments to \$85,300 for 3-bedroom apartments.***

The nexus fee is calculated by applying the number of affordable units needed by income qualified households to the affordability gap for each housing income category. This calculation is made for several different apartment sizes. **Table 1** summarizes the maximum nexus-based fees calculated for representative rental unit sizes. The City may also consider whether to allow developers to provide affordable units within their projects, rather than paying the nexus-based fee. **Table 1** illustrates the proportions of affordable units that correspond to the fee calculation and demands created by the market-rate units. For instance, a project offering only two-bedroom units would effectively mitigate the demand being created by the market-rate units if it provided 0.253 affordable units (very-low, low, and median income) for each market-rate unit. Please note that these maximum fees are based on the nexus relationship of affordable housing demand created by new market-rate units; EPS recommends that the City consider the feasibility impact of imposing fees while setting any fee on rental housing.

Table 1
Summary of Maximum Supportable Nexus-Based Housing Fees or Unit Requirements In-Lieu of Fees
City of Sunnyvale Rental Housing Fee, EPS #21123

	Maximum Nexus-Based Fees		Unit Requirements by Income Level			
	Fee per Unit	Fee/Sq Ft [1]	VLI	Low	Median	Total
			(50% of AMI)	(80% of AMI)	(100% of AMI)	
<u>For-Rent Apartments</u>						
Studio	\$47,154	\$98	14.1%	3.0%	1.1%	18.2%
1 Bedroom	\$47,563	\$60	14.3%	2.8%	1.1%	18.2%
2 Bedroom	\$66,042	\$55	20.3%	3.0%	2.0%	25.3%
3 Bedroom	\$85,343	\$61	26.2%	4.1%	1.4%	31.7%

[1] Fee/Sq Ft is calculated by dividing the maximum fee per unit by the average square footage of various unit types, as shown on Table 4.

Source: Economic & Planning Systems, Inc.

1. AFFORDABILITY GAP ANALYSIS

For any nexus-based affordable housing fee calculation, it is necessary to estimate the subsidy required to construct affordable housing units. **Table 2** shows the subsidy needed to produce multifamily for-sale housing that is affordable to median- and moderate-income households, while **Table 3** calculates the subsidies for rental housing affordable to very low-, low-, median- and moderate-income households.

Product Type

This analysis assumes that new lower-income worker households would be housed in multifamily developments in Sunnyvale. Developable residential land in Sunnyvale is very expensive, assumed to be approximately \$4.1 million per acre but with other transactions reflecting still higher rates². Constructing single-family detached or even attached housing would require land costs of several hundred thousand dollars per unit, in addition to the costs of actually building the housing units. Multifamily affordable housing is more financially feasible in this market context because the high land costs can be spread over more units per acre, and the overall prices to develop the affordable units can be closer to the prices that income-qualified households can afford. EPS has assumed that these projects will have an average density of 42 units per acre, and be built in wood-frame buildings of three to four stories over parking podiums beneath the building (but not fully underground).

In order to determine the average household size of future affordable housing units, EPS used two estimates from the 2010 Census. The American Community Survey indicates that the average household size in Sunnyvale is 2.64 people and the average family size is 3.22 people. Each of these figures rounds to an average of three people per household, so EPS uses this assumption to determine the applicable income limits for the new units.

California State law (California Health and Safety Code Section 50052.5) assumes that a 2-bedroom unit is occupied by a 3-person household, and this assumption is used in this analysis. Typically, a 2-bedroom unit in the Bay Area has a gross size of about 1,100 square feet (accounting for shared lobbies, hallways, etc.) and a net size of 950 square feet.

This analysis assumes that all new affordable housing for very low- and low-income households would be rental units, rather than for-sale units. This assumption reflects the fact that many households at lower incomes will not have adequate wealth reserves for down payments on homeownership units, and may have further difficulty absorbing the ongoing costs of homeownership (taxes, repairs, etc.) that they can effectively avoid by renting their homes rather than buying. For median- and moderate-income households, EPS has assumed the housing could be either rental or for-sale, as these households are more likely to have wealth

² Based on an appraisal of 485 North Wolfe Rd completed in January 2013; higher potential values are suggested by a recent land acquisition for a residential project on Mathilda Avenue at \$5.75 million per acre as well as calculations of residual land value (building values based on achievable market pricing less development costs) for residential development.

Table 2
Affordability Gap Analysis -- For-Sale Affordable Unit Type
City of Sunnyvale Rental Housing Fee, EPS #21123

	3-4 Stories Multifamily Building With Podium Parking	
	Median Income (100% AMI)	Moderate Income (120% AMI)
Development Program Assumptions		
Density/Acre	42	42
Gross Unit Size	1,100	1,100
Net Unit Size	950	950
Number of Bedrooms	2	2
Number of Persons per 2-bedroom Unit [1]	3	3
Parking Spaces/Unit	2.00	2.00
Cost Assumptions		
Land/Acre [2]	\$4,094,000	\$4,094,000
Land/Unit	\$97,476	\$97,476
Direct Costs		
Direct Construction Costs/Net SF [3]	\$194	\$194
Direct Construction Costs/Unit	\$184,718	\$184,718
Parking Construction Costs/Space	\$15,084	\$15,084
Parking Construction Costs/Unit	\$30,168	\$30,168
Subtotal, Direct Costs/Unit	\$214,886	\$214,886
Indirect Costs as a % of Direct Costs [4]	40%	40%
Indirect Costs/Unit	\$85,954	\$85,954
Developer Profit Margin (% of all costs)	10%	10%
Developer Profit	\$39,832	\$39,832
Total Cost/Unit	\$438,147	\$438,147
Maximum Supported Home Price		
Household Income [5]	\$94,950	\$113,950
Income Available for Housing Costs/Year [6]	\$33,233	\$39,883
Less Annual HOA Fees and Insurance [7]	\$3,826	\$3,826
Less Property Taxes [8]	\$4,465	\$5,500
Income Available for Mortgage	\$24,942	\$30,557
Mortgage Interest Rate [9]	5.00%	5.00%
Mortgage Repayment Period (years)	30	30
Down Payment [10]	\$42,602	\$52,192
Total Supportable Unit Value	\$426,017	\$521,924
Affordability Gap	\$12,130	\$0

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

[2] Based on an appraisal of 485 North Wolfe Rd completed in January of 2013 and corroborated by a calculation of residual land value. Asking prices of recent listings of residential land tend to be higher, so this estimate is considered conservative. For example, 1103 E. El Camino Real is a 1.02 acre developable parcel was recently appraised for \$4.45 million.

[3] Includes on-site work, offsite work, vertical construction, general requirements, overhead and developer fees. Assumes a for-profit builder of moderate-income homes can build a unit for 10% less per square foot than can a non-profit builder. The cost estimate from 2013 is adjusted by a one-year inflation factor reported by ENR.

[4] Includes costs for architecture and engineering; entitlement and fees; project management, marketing, commissions, and general administration; financing and charges; insurance; and contingency

[5] Based on 2014 income limits for a three-person household in Santa Clara County, at 80%, 100% and 120% of AMI,

[6] Assumes housing costs to be 35% of gross household income.

[7] Assumes HOA dues of \$275 per month and insurance costs of 0.12% of the total cost/unit.

[8] Includes special assessment districts in addition to the base tax rate of 1.00%, and is applied to total price/unit.

[9] Based on typical 30-year fixed rate mortgage terms.

[10] Assumes a 10% down payment.

Source: City of Sunnyvale; HUD; Economic & Planning Systems, Inc.

Table 3
Affordability Gap Analysis -- Rental Product Type
City of Sunnyvale Rental Housing Fee, EPS #21123

	3 - 4 Stories Multifamily Building With Podium Parking			
	Very Low Income (50% AMI)	Low Income (80% AMI)	Median Income (100% AMI)	Moderate Income (120% AMI)
Development Program Assumptions				
Density/Acre	42	42	42	42
Gross Unit Size	1,100	1,100	1,100	1,100
Net Unit Size	950	950	950	950
Number of Bedrooms	2	2	2	2
Number of Persons per 2-bedroom Unit [1]	3	3	3	3
Parking Spaces/Unit	2.00	2.00	2.00	2.00
Cost Assumptions				
Land/Acre [2]	\$4,094,000	\$4,094,000	\$4,094,000	\$4,094,000
Land/Unit	\$97,476	\$97,476	\$97,476	\$97,476
Direct Costs				
Direct Construction Costs/Net SF [3]	\$210	\$210	\$189	\$189
Direct Construction Costs/Unit	\$199,424	\$199,424	\$179,968	\$179,968
Parking Construction Costs/Space	\$16,500	\$16,500	\$15,500	\$15,500
Parking Construction Costs/Unit	\$33,000	\$33,000	\$31,000	\$31,000
Subtotal, Direct Costs/Unit	\$232,424	\$232,424	\$210,968	\$210,968
Indirect Costs as a % of Direct Costs [4]	40%	40%	40%	40%
Indirect Costs/Unit	\$92,970	\$92,970	\$84,387	\$84,387
Total Cost/Unit	\$422,870	\$422,870	\$392,831	\$392,831
Maximum Supported Home Price				
Household Income [5]	\$47,750	\$76,400	\$94,950	\$113,950
Income Available for Housing Costs/Year [6]	\$14,325	\$22,920	\$28,485	\$34,185
Less Utility Costs [7]	\$1,704	\$1,704	\$1,704	\$1,704
Income Available for Rent Payments	\$12,621	\$21,216	\$26,781	\$32,481
Operating Expenses per Unit/Year	\$6,000	\$6,000	\$10,611	\$10,611
Net Operating Income [8]	\$6,621	\$15,216	\$16,170	\$21,870
Capitalization Rate [9]	5.5%	5.5%	5.5%	5.5%
Total Supportable Unit Value [10]	\$120,374	\$276,647	\$293,991	\$397,628
Affordability Gap	\$302,496	\$146,223	\$98,840	\$0

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

[2] Based on an appraisal of 485 North Wolfe Rd completed in January of 2013 and corroborated by a calculation of residual land value. Asking prices of recent listings of residential land tend to be higher, so this estimate is considered conservative. For example, 1103 E. El Camino Real is a 1.02 acre developable parcel was recently appraised for \$4.45 million.

[3] Includes on-site work, offsite work, vertical construction, general requirements, overhead and developer fees. Assumes a for-profit builder of moderate-income homes can build a unit for 10% less per square foot than can a non-profit builder. The cost estimate from 2013 is adjusted by a one-year inflation factor reported by ENR.

[4] Includes costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; developer fee and contingency.

[5] Based on 2014 income limits for a three person household in Santa Clara County at the four income-levels shown.

[6] Assumes housing costs to be 30% of gross household income based on maximum rents established under Sunnyvale's current BMR rental program.

[7] Based on Santa Clara County Authority 2012 Utility Allowance assuming a low-rise apartment and natural gas service; inflated to 2014 based on CPI.

[8] Moderate income units generate rents similar to market-rate units, so EPS assumes that any moderate income units would be subject to property tax (1.0% of unit cost). Units for lower income levels are assumed to be produced by non-profit builders and thus not taxable.

[9] 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. Capitalization rate assumptions are based on recent PwC Real Estate Investor Surveys.

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

Sources: City of Sunnyvale; Affordable housing developers; HUD; PwC; Economic & Planning Systems, Inc.

reserves for down payments. This analysis assumes homes for these households would be provided in whatever tenure (rental vs. for-sale) required the least subsidy. As shown on **Tables 2 and 3**, for-sale units are estimated to require a lower subsidy at median income level under present market conditions, partially due to the low interest rates available to qualified homebuyers. Other reasons for the lower for-sale unit subsidy relative to rentals include assumption of a down payment and a higher share of the income attributed to a mortgage payment relative to rent (35 percent rather than 30 percent). This assumption is based on the Department of Housing and Community Standard and reflects the notion that households typically attribute a larger share of income towards mortgage rather than rent.

Development Cost Assumptions

Affordable housing development costs include land costs, direct costs (e.g. labor and materials), indirect or “soft” costs (e.g., architecture, entitlement, marketing, etc.), and developer profit. For rental projects, operating costs also must be incorporated into the analysis. Data from recent Sunnyvale development and recent land transactions have been combined with EPS’s information from various market-rate and affordable housing developers to determine development cost assumptions for use in Sunnyvale. Where appropriate, these costs were converted to 2014 dollars with assumptions shown on **Tables 2 and 3**.

Revenue Assumptions

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

- *Income Levels*—The maximum allowable incomes used in each affordable housing income category are consistent with those set forth by both the federal government (U.S. Department of Housing and Urban Development [HUD]) and State government (California Department of Housing and Community Development [HCD]): VLI = 50 percent of Area Median Income (AMI), LI = 80 percent of AMI, Median Income = 100 percent of AMI, and Moderate Income = 120 percent of AMI.
- *Percentage of Gross Household Income Available for Housing Costs*—HCD standards on overpaying for rent indicate that households earning less than 80 percent of AMI should pay no more than 30 percent of their gross income on housing costs. For this analysis, EPS has assumed that rental households shall spend 30 percent of their gross income on housing costs, including rent and utilities in rental projects or mortgage payments, homeowner association fees, insurance, and property taxes for for-sale units. For-sale unit households are assumed to spend no more than 35 percent of their gross income on a mortgage payment, assuming a 10 percent down payment.
- *Other Costs Included for Rental Units*—In addition to rent payments, the analysis assumes approximately \$142 per month in utility costs based on the Santa Clara County Housing Authority utility allowance table. This amount is subtracted from the total available housing costs (30 percent of household income) to determine the net amount available for rent payments.

- *Operating Costs for Rental Units*—The analysis assumes that apartment operators incur annual costs of \$6,000 per unit for LI and VLI units and about \$10,600 for Median and Moderate units. EPS has assumed the Median and Moderate income units would be built by for-profit builders and subject to property taxes.

Affordability Gap Results

Table 3 shows the subsidies for construction of for-rent apartments for VLI through moderate-income households. The affordability gap ranges from \$0 for moderate-income households (i.e., moderate-income households can afford home prices adequate to cover the costs of construction) to \$302,500 for VLI households. The affordability gap for VLI households is much higher because these households have significantly less income available for housing costs, while construction costs remain essentially the same. **Table 2** also indicates that moderate income households can afford to pay prices that can support the cost of for-sale development, primarily due to the low interest rates currently available for qualified homebuyers. However, median income ownership units also require a subsidy. Therefore, EPS has assumed a smaller median income subsidy required to produce for-sale housing and rental housing subsidies on low and very-low income levels.

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

2. DEMAND-BASED NEXUS FEE CALCULATION

The maximum supportable nexus fees are based on both the affordability gap, calculated in the previous chapter, and the estimated impact that new market-rate units have on the need for affordable units, as reflected in the number of income-qualified local workers required to support the residents of market-rate units and the total subsidy required to construct housing for those workers. This approach is based on the following logic: (a) residents of market-rate housing have disposable incomes and require a variety of goods and services (including private sector goods and services and government services); (b) the provision of those goods and services will require 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.

Market-Rate Household Income Levels

Households with larger incomes typically spend more on goods and services, therefore creating additional lower income jobs, which in turn generate a greater demand for affordable housing. To assess the impact that market-rate rental units have on the need for affordable housing, EPS determined the minimum income required to rent a market-rate apartment at various bedroom sizes, as shown in **Table 4**. Average rents for various apartment sizes (studio, and 1, 2, and 3 bedrooms) are based on a survey of rental rates for four market-rate multifamily projects developed in Sunnyvale since 2011. New apartment rents are significantly higher, on average, than rental rates for existing rental housing stock, both because the newer units are of better-than-average quality and because the higher rents are required to cover the costs of construction. The rents for the most recent apartment projects were used, rather than average rents for all apartments, because these newer apartments best represent the rents that can be expected with new market-rate apartment development. Assuming utility costs for each unit size based on the Sunnyvale Housing Authority utility allowance table, the minimum household income needed to rent each unit is then computed, predicated on the assumption that a household will spend 30 percent of their income on housing costs (rent and utility payments). As shown, required household incomes range from approximately \$105,000 for a studio apartment to roughly \$192,000 for a 3-bedroom apartment.

Household Expenditures and Job Creation by Income Level

Having established the income requirements for renting apartments of various sizes, the fee calculation then requires an analysis of the household spending patterns at those required income levels. Consistent with nexus fee calculations and impact analysis for schools, parks, roads, etc., this analysis also assumes that all households renting new market-rate units in Sunnyvale 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 Sunnyvale should be counted in the impact analysis—would require assuming that the homes left by those households

Table 4
Required Income by Unit Type - Market-Rate Rental Apartments
City of Sunnyvale Rental Housing Fee, EPS #21123

Apartment Size	Average Unit Sq. Ft. [1]	Average Rent [1]	Required Income by Unit Type			
			Utility Allowance [2]	Subtotal Rent and Utilities	Annual Rent and Utility Expenditures	Minimum Annual Household
<i>Formula</i>		<i>A</i>	<i>B</i>	<i>C = A + B</i>	<i>D = C * 12</i>	<i>E = D / 30%</i>
Studio	480	\$2,500	\$114	\$2,614	\$31,364	\$104,545
1-Bedroom	790	\$2,700	\$126	\$2,826	\$33,915	\$113,050
2-Bedroom	1,190	\$3,700	\$142	\$3,842	\$46,104	\$153,681
3-Bedroom	1,390	\$4,600	\$193	\$4,793	\$57,510	\$191,701

[1] Based on average sizes and rents for new rental project in each unit size category as determined by a Q3 2014 survey of the City's most recently developed multifamily projects - Lawrence Station, Loft House, Via, and Solstice. Because none of these projects have three-bedroom units, EPS estimated the price for new 3-bdr units based on the ratio of 2-bdr units found in Sunnyvale's older apartment complexes.

[2] Based on Santa Clara County Housing Authority 2012 Utility Allowance Table for a low-rise apartment with natural gas; inflated to \$2014.

[3] Assumes that a maximum of 30% of annual household income is dedicated to utility and rent expenditures.

Source: City of Sunnyvale; Santa Clara County Housing Authority; Economic & Planning Systems, Inc.

relocating *within* Sunnyvale would be demolished or left vacant in perpetuity. This would only be the case were the City experiencing a significant loss of population and housing inventory, as has occurred, for instance, in Detroit. Sunnyvale has not experienced such declines.

The Consumer Expenditure Survey from the United States Bureau of Labor Statistics provides data for households at a variety of income levels, detailing the amounts that typical households spend on things like "Food at Home," "Apparel and Services," and "Vehicle Maintenance and Repairs." Interestingly, household expenditures by category are not uniformly proportional to household income levels. For example, households earning around \$113,000 (adequate to rent a one-bedroom apartment) spend roughly 9.6 percent of their income on food and drink (at home and eating out), while households earning \$150,000 who can afford to rent a two-bedroom apartment spend only about 8.8 percent of their income on these items. Because of these and other differences in proportionate spending, the expenditure profile varies at different income levels.

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

To link the Economic Census data and the Consumer Expenditure Survey data, EPS made determinations as to the industries involved with expenditures in various categories. For example, purchases in the Consumer Expenditure Survey's "Food at Home" category would likely involve the Economic Census's "Food & Beverage Stores" industry, where gross receipts were more than 8 times the employees' wages. By contrast, purchases in the Consumer Expenditure Survey's "Entertainment Fees and Admissions" category were attributed to the Economic Census' "Arts, Entertainment, and Recreation" industry, where gross receipts are only about 3 times the employees' wages. Where more than one Economic Census category was attributable to a Consumer Expenditure Survey category, EPS estimated the proportion of expenditures associated with each Economic Census category.

After determining the amount of the household's expenditures that were used for employee wages, an estimation of the number of employees those aggregate wages represent is required. EPS calculated the number of workers supported by that spending using the average wage per worker (also from the 2007 Economic Census). These wages ranged from a low of roughly \$16,000 per year for workers in the food services industry to a high of more than \$96,000 average salary for architectural and engineering services.⁴

³ Note that the Consumer Expenditure Survey data is based on information current as of 2010 and data from the Economic Census was published in 2007. Because the data sources were from different years, EPS converted the 2010 expenditures to 2007 dollars using the Consumer Price Index (CPI) for the San Francisco Metropolitan Statistical Area (MSA) from the Bureau of Labor Statistics.

⁴ Note that the average salary reported for architectural and engineering services reflects the full range of workers employed by that industry sector, including administrative staff and entry-level employees, as well as the professional and technical architects and engineers.

This methodology recognizes that a range of occupations and incomes exist in a given industry sector. For instance, the methodology used to generate **Tables A-1 to A-4 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 age 16-19, but an average of only 1.9 percent of workers in other industries. EPS applied these discounts to household formation to get a more accurate calculation of households formed by the employees and the average total incomes of those households.

To get the overall households’ income rather than the individual workers’, the wages of workers forming households were multiplied by the average of approximately 1.53 workers per working household in Sunnyvale.⁵ 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 (VLI, LI, Median, and moderate-income).

⁵ Workers per working household based on American Community Survey (ACS) Census data current as of February 2012. Although ACS data reported is based on historical figures, these figures can vary somewhat based on ongoing revisions to the ACS data. The average workers per working household estimate is calculated by taking the total number of employed residents and dividing it by the number of households with earnings. This methodology seeks to provide a conservative estimate of household formation by excluding households without workers or earnings (such as those with retired persons).

A simplified example of these calculations follows:

A.	Number of Households (prototype project)	1,000
B.	Average Household Income (in the project)	\$125,000
C.	Aggregate Household Income (A x B)	\$125 million
D.	Average Income Spent on Retail (Consumer Expenditure Survey)	\$40,000
E.	Aggregate Retail Spending (A x D)	\$40 million
F.	Retail Gross Receipts: Payroll Ratio (Economic Census)	8:1
G.	Estimated Retail Payroll (E ÷ F)	\$5 million
H.	Average Retail Wage (Economic Census)	\$25,000
I.	Estimated Total Retail Jobs (G ÷ H)	200
J.	Percent Age 20+ (Bureau of Labor Statistics)	87.5%
K.	Total Retail Workers Forming Households	175
J.	Average Workers/Household (Census Data)	1.53
K.	Estimated Households Created (I ÷ J)	130
L.	Average Household Income (H x J)	\$38,250
M.	Income Category (HCD Income Standards)	VLI

In this simplified example, 1,000 new market-rate apartments rented to households earning \$125,000 per year would create demand for 130 VLI housing units for retail workers. Actual calculations and impact distinctions by type of household expenditure for various rental 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 and transportation providers) that are expected to grow in proportionate measure to household growth.

Data from the 2011 Occupational Employment Survey for the San Jose-Sunnyvale-Santa Clara MSA was used to determine the number of these public-sector employees needed to serve new market-rate development. 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, as shown in **Table A-5** in **Appendix A**.

Based on the ratio of the selected public-sector jobs to the total households in the MSA, EPS estimates that approximately 47 government jobs or 31 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, County health and human services workers, etc.). Also, please note that EPS has no basis to distinguish differences in the number of public-sector workers demanded by households based on different income levels or in different sizes of units, so the same numbers of public-sector jobs are assumed to be generated by units of all sizes and prices.

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 were determined based on the affordable housing income limits from HUD and HCD for a 3-person household. **Table 5** summarizes the HUD and HCD income limits used to compute the total number of income-qualified households generated by construction of market-rate units.⁶ The numbers of income-qualified households required to provide goods and services to new housing units are summarized in **Table 6** and detailed in **Appendix B**.

The nexus methodology used herein computes the total number of income-qualified households generated by market-rate units and calculates the impact fee based on the estimated cost to subsidize the production of units to meet that affordable housing demand. This methodology does not suggest that all lower income service workers serving City residents reside in the City, but it does assume that new development should mitigate for the new affordable housing demand it creates.

Fee Calculation

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

Tables 7 through **10** show the impact fee calculation by number of bedrooms for rental units. The total impact fees required for a representative project of 100 units is calculated by multiplying the number of affordable units required per income level by the cost of subsidizing such housing. All income-qualified households are assumed to be housed in multifamily units and the subsidies needed are calculated as the affordability gaps shown in **Tables 2** and **3**. This assumption reflects the lower of the affordability gaps (and therefore fee amounts) associated with providing multifamily rental or for-sale units. The resulting maximum impact fee for market-rate rental units ranges from approximately \$47,200 for a studio apartment to roughly \$85,300 for a 3-bedroom apartment.

⁶ To correspond to the available data regarding employee wages, the 2007 Santa Clara County affordable housing income limits from HUD and HCD were used to determine the number of income-qualified households, based on household expenditures, while 2011 income limits were used for public-sector employment.

Table 5
Income Limits for Affordable Housing
City of Sunnyvale Rental Housing Fee, EPS #21123

Affordability Category	Percentage of County Median	2007 Max Income 3-person household	2010 Max Income 3-person household	2014 Max Income 3-person household
		[1]	[2]	[3]
Very Low Income (VLI)	< 50%	\$47,750	\$46,600	\$47,750
Low Income (LI)	51% - 80%	\$76,400	\$72,650	\$76,400
Median Income	81% - 100%	\$95,500	\$93,200	\$94,950
Moderate Income (Mod) [4]	101% - 120%	\$114,600	\$111,800	\$113,950

[1] 2007 HUD maximum income thresholds are used to relate 2007 economic census data regarding average worker wages and total worker household income to affordable housing categories.

[2] 2010 HUD maximum income thresholds are used to relate 2010 EDD data regarding public sector employment, wages and total worker household incomes to affordable housing categories and to compute supportable housing costs based on household income levels.

[3] 2014 HCD maximum income thresholds are used to estimate the values of units built to house the workers generated by spending from new households.

[4] HUD does not list moderate incomes limits. Value is taken from the California Department of Housing and Community Development.

Source: U.S. Department of Housing and Urban Development; California Housing and Community Development; Economic & Planning Systems, Inc.

Table 6
Summary of Worker and Household Generation per 100 Market-Rate Units
City of Sunnyvale Rental Housing Fee, EPS #21123

Unit Type	Minimum Household Income Requirement	Total Workers Generated	Total Worker Households	Worker Households by Income Category			Median Income Households
				Total Income Qualified Households	Very Low Income Households	Low Income Households	
		[1]	[2]	[3]			
For-Rent Apartments							
Studio	\$104,545	33.9	20.4	17.1	14.1	3.0	1.1
1-Bedroom	\$113,050	33.8	20.4	17.1	14.3	2.8	1.1
2-Bedroom	\$153,681	45.9	27.5	23.3	20.3	3.0	2.0
3-Bedroom	\$191,701	56.4	33.9	30.3	26.2	4.1	1.4

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

[2] Total worker households derived assuming 1.53 workers per household. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

[3] Total income qualified households reflects those low- and very-low income households eligible for affordable housing based on total household income. See Tables B-1 through B-4 for detail.

Source: Economic & Planning Systems, Inc.

Table 7
Nexus-Based Housing Fee Calculations (For-Rent Studio Apartment)
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	14.1	\$302,496	\$4,265,628		
Affordable Units - Low Income	3.0	\$146,223	\$436,877		
Affordable Units - Median Income	<u>1.1</u>	<u>\$12,130</u>	<u>\$12,891</u>		
<i>Total</i>	18.2		\$4,715,395	\$47,154	\$98

[1] See Table 6.

[2] See Table 3. EPS has assumed units for very-low and low-income households will be rental apartments.

Source: Economic & Planning Systems, Inc.

Table 8
Nexus-Based Housing Fee Calculations (For-Rent 1-Bedroom Apartment)
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	14.3	\$302,496	\$4,329,942		
Affordable Units - Low Income	2.8	\$146,223	\$413,472		
Affordable Units - Median Income	1.1	\$12,130	<u>\$12,891</u>		
<i>Total</i>	<i>18.2</i>		<i>\$4,756,304</i>	<i>\$47,563</i>	<i>\$60</i>

[1] See Table 6.

[2] See Table 3. EPS has assumed units for very-low and low-income households will be rental apartments.

Source: Economic & Planning Systems, Inc.

Table 9
Nexus-Based Housing Fee Calculations (For-Rent 2-Bedroom Apartment)
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	20.3	\$302,496	\$6,142,720		
Affordable Units - Low Income	3.0	\$146,223	\$436,659		
Affordable Units - Median Income	<u>2.0</u>	\$12,130	<u>\$24,771</u>		
<i>Total</i>	25.3		\$6,604,150	\$66,042	\$55

[1] See Table 6.

[2] See Table 3. EPS has assumed units for very-low and low-income households will be rental apartments.

Source: Economic & Planning Systems, Inc.

Table 10
Nexus-Based Housing Fee Calculations (For-Rent 3-Bedroom Apartment)
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	Affordable Units Required Per 100 Market-Rate Units [1]	Affordability Gap per Affordable Unit [2]	Total Nexus-Based Fee Supported		
			Per 100 Market-Rate Units	Per Market-Rate Unit	Per Sq.Ft.
	(A)	(B)	(C = A * B)	(D = C / 100)	
Affordable Units - Very Low Income	26.2	\$302,496	\$7,914,381		
Affordable Units - Low Income	4.1	\$146,223	\$603,420		
Affordable Units - Median Income	<u>1.4</u>	<u>\$12,130</u>	<u>\$16,519</u>		
<i>Total</i>	<i>31.7</i>		<i>\$8,534,320</i>	<i>\$85,343</i>	<i>\$61</i>

[1] See Table 6.

[2] See Table 3. EPS has assumed units for very-low and low-income households will be rental apartments.

Source: Economic & Planning Systems, Inc.

APPENDICES:

Appendix A: Household Expenditures and
Employment Generation

Appendix B: Income Levels for Worker Households



APPENDIX A:

Household Expenditures and Employment Generation

Table A-1	Household Expenditures and Employment Generation— For-Rent Studio Apartment (3 pages)	A-1
Table A-2	Household Expenditures and Employment Generation— For-Rent 1-Bedroom Apartment (3 pages)	A-4
Table A-3	Household Expenditures and Employment Generation— For-Rent 2-Bedroom Apartment (3 pages)	A-7
Table A-4	Household Expenditures and Employment Generation— For-Rent 3-Bedroom Apartment (3 pages)	A-10
Table A-5	Representative Public-Sector Employment and Wages, 2010	A-13



Table A-1
Household Expenditures and Employment Generation - For Rent Studio Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = d * 1000</i>	<i>f</i>	<i>g = e / f</i>	<i>f</i>	<i>i = g / h</i>	<i>j</i>	<i>k</i>	<i>l = i * k</i>	<i>l = h * j</i>	
Food at Home	5.3%	100%	\$5,553	\$5,347										
Food & Beverage Stores		100%	\$5,553	\$5,347	\$5,346,673	8.43	\$634,251	\$26,299	24.1	87.5%	1.53	13.8	\$40,350	VLI Households
Food Away From Home	4.3%	100%	\$4,469	\$4,303										
Food Services and Drinking Places		100%	\$4,469	\$4,303	\$4,302,779	3.46	\$1,242,450	\$15,867	78.3	87.5%	1.53	44.7	\$24,345	VLI Households
Alcoholic Beverages	0.6%	100%	\$638	\$614										
Food & Beverage Stores		50%	\$318.81	\$307	\$306,946	8.43	\$36,412	\$26,299	1.4	87.5%	1.53	0.8	\$40,350	VLI Households
Food Services and Drinking Places		50%	\$319	\$307	\$306,946	3.46	\$88,632	\$15,867	5.6	87.5%	1.53	3.2	\$24,345	VLI Households
Housing Maintenance, Repairs, Insurance, Other expenses	1.6%	100%	\$1,644	\$1,583										
Personal and Household Goods Repair and Maintenance [7]		45%	\$740	\$712	\$712,406	3.72	\$191,555	\$26,783	7.2	98.1%	1.53	4.6	\$41,092	VLI Households
Building Material and Garden Equipment and Supplies Dealer		45%	\$740	\$712	\$712,406	8.13	\$87,618	\$30,589	2.9	87.5%	1.53	1.6	\$46,932	VLI Households
Real Estate and Rental and Leasing		10%	\$164	\$158	\$158,312	6.91	\$50,476	\$50,476	1.0	98.1%	1.53	0.6	\$77,443	Median Income
Fuel oil and Other fuels [8]	0.2%		\$162	\$156										
Nonstore Retailers [7]		100%	\$162	\$156	\$156,238	10.67	\$14,644	\$48,800	0.3	87.5%	1.53	0.2	\$74,872	LI Households
Water and Other Public Services [8]	0.8%	100%	\$842	\$810										
Waste Management and Remediation Services		100%	\$842	\$810	\$810,228	3.61	\$224,618	\$53,951	4.2	98.1%	1.53	2.7	\$82,776	Median Income
Household Operations Personal Services	0.5%	100%	\$560	\$539										
Nursing and Residential Care Facilities [7]		40%	\$224	\$216	\$215,692	2.37	\$91,104	\$25,627	3.6	98.1%	1.53	2.3	\$39,319	VLI Households
Social Assistance [7]		60%	\$336	\$324	\$323,538	2.98	\$108,443	\$23,861	4.5	98.1%	1.53	2.9	\$36,609	VLI Households
Household Operations Other Household Expenses	1.0%	100%	\$995	\$958										
Services to Buildings and Dwellings		100%	\$995	\$958	\$958,167	2.50	\$383,037	\$27,214	14.1	98.1%	1.53	9.0	\$41,754	VLI Households
Housekeeping Supplies	1.1%	100%	\$1,172	\$1,128										
Building Materials and Garden Equipment and Supplies Dealers		10%	\$117	\$113	\$112,824	8.13	\$13,876	\$30,589	0.5	87.5%	1.53	0.3	\$46,932	VLI Households
Food & Beverage Stores		35%	\$410	\$395	\$394,882	8.43	\$46,843	\$26,299	1.8	87.5%	1.53	1.0	\$40,350	VLI Households
General Merchandise [7]		35%	\$410	\$395	\$394,882	11.05	\$35,744	\$21,132	1.7	87.5%	1.53	1.0	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		20%	\$234	\$226	\$225,647	7.16	\$31,525	\$19,488	1.6	87.5%	1.53	0.9	\$29,900	VLI Households

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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

[3] 2010 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2010 U.S. Consumer Expenditure Survey. Per Table 4 the rental of a typical new Studio Apartment requires a household income of

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

Table A-1
Household Expenditures and Employment Generation - For Rent Studio Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = d * 1000</i>	<i>f</i>	<i>g = e / f</i>	<i>f</i>	<i>i = g / h</i>	<i>j</i>	<i>k</i>	<i>l = i * k</i>	<i>l = h * j</i>	
Household Furnishings and Equipment	2.6%	100%	\$2,671	\$2,572										
Furniture and Home Furnishings Stores [7]		40%	\$1,068	\$1,029	\$1,028,685	7.14	\$144,103	\$28,287	5.1	87.5%	1.53	2.9	\$43,400	VLI Households
Electronics and Appliance Stores		40%	\$1,068	\$1,029	\$1,028,685	9.19	\$111,893	\$28,142	4.0	87.5%	1.53	2.3	\$43,178	VLI Households
General Merchandise Stores [7]		10%	\$267	\$257	\$257,171	11.05	\$23,279	\$21,132	1.1	87.5%	1.53	0.6	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		10%	\$267	\$257	\$257,171	7.16	\$35,929	\$19,488	1.8	87.5%	1.53	1.1	\$29,900	VLI Households
Apparel and Services	2.5%	100%	\$2,637	\$2,539										
Clothing and Clothing Accessories Stores		40%	\$1,055	\$1,015	\$1,015,412	7.88	\$128,867	\$19,149	6.7	87.5%	1.53	3.8	\$29,380	VLI Households
General Merchandise [7]		40%	\$1,055	\$1,015	\$1,015,412	11.05	\$91,913	\$21,132	4.3	87.5%	1.53	2.5	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		10%	\$264	\$254	\$253,853	7.16	\$35,465	\$19,488	1.8	87.5%	1.53	1.0	\$29,900	VLI Households
Personal and Household Goods Repair and Maintenance [7]		5%	\$132	\$127	\$126,926	3.72	\$34,129	\$26,783	1.3	87.5%	1.53	0.7	\$41,092	VLI Households
Drycleaning and Laundry Services [7]		5%	\$132	\$127	\$126,926	3.17	\$40,091	\$25,028	1.6	87.5%	1.53	0.9	\$38,399	VLI Households
Vehicle Purchases (net outlay)	5.8%	100%	\$6,063	\$5,838										
Motor Vehicle and Parts Dealers		100%	\$6,063	\$5,838	\$5,837,510	11.17	\$522,672	\$47,758	10.9	87.5%	1.53	6.2	\$73,274	LI Households
Gasoline and motor oil	3.7%	100%	\$3,857	\$3,714										
Gasoline Stations [7]		100%	\$3,857	\$3,714	\$3,713,774	37.73	\$98,440	\$17,786	5.5	87.5%	1.53	3.2	\$27,288	VLI Households
Vehicle Maintenance and Repairs	1.4%	100%	\$1,448	\$1,394										
Repair and Maintenance		100%	\$1,448	\$1,394	\$1,393,702	3.43	\$406,375	\$32,171	12.6	98.1%	1.53	8.1	\$49,358	LI Households
Medical Services	1.2%	100%	\$1,264	\$1,217										
Ambulatory Health Care Services [7]		40%	\$505	\$487	\$486,690	2.67	\$182,429	\$51,890	3.5	98.1%	1.53	2.2	\$79,613	Median Income
General Medical and Surgical Hospitals [7]		30%	\$379	\$365	\$365,017	2.63	\$138,784	\$58,054	2.4	98.1%	1.53	1.5	\$89,070	Median Income
Nursing and Residential Care Facilities [7]		30%	\$379	\$365	\$365,017	2.37	\$154,175	\$25,627	6.0	98.1%	1.53	3.8	\$39,319	VLI Households
Drugs	0.8%	100%	\$804	\$774										
Health and Personal Care Stores		100%	\$804	\$774	\$774,279	7.33	\$105,586	\$28,959	3.6	87.5%	1.53	2.1	\$44,431	VLI Households
Medical Supplies	0.2%	100%	\$233	\$224										
Health and Personal Care Stores		100%	\$233	\$224	\$223,988	7.33	\$30,544	\$28,959	1.1	87.5%	1.53	0.6	\$44,431	VLI Households
Entertainment Fees and Admissions	0.8%	100%	\$876	\$843										
Arts, Entertainment, & Recreation [7]		100%	\$876	\$843	\$843,411	3.07	\$274,674	\$39,299	7.0	87.5%	1.53	4.0	\$60,295	LI Households

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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

\$104,545.

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

Table A-1
Household Expenditures and Employment Generation - For Rent Studio Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = d * 1000</i>	<i>f</i>	<i>g = e / f</i>	<i>f</i>	<i>i = g / h</i>	<i>j</i>	<i>k</i>	<i>l = i * k</i>	<i>l = h * j</i>	
Entertainment Audio and Visual Equipment and Services	1.6%	100%	\$1,630	\$1,569										
Electronics and Appliance Stores		100%	\$1,630	\$1,569	\$1,569,297	9.19	\$170,696	\$28,142	6.1	87.5%	1.53	3.5	\$43,178	VLI Households
Entertainment Pets, Toys, Hobbies, and Playground Equip.	1.2%	100%	\$1,255	\$1,208										
Sporting Goods, Hobby, and Musical Instrument Stores		40%	\$502	\$483	\$483,371	8.09	\$59,769	\$17,104	3.5	87.5%	1.53	2.0	\$26,242	VLI Households
Miscellaneous Store Retailers [7]		40%	\$502	\$483	\$483,371	7.16	\$67,531	\$19,488	3.5	87.5%	1.53	2.0	\$29,900	VLI Households
Veterinary Services		20%	\$251	\$242	\$241,686	2.59	\$93,358	\$37,233	2.5	98.1%	1.53	1.6	\$57,125	LI Households
Other Entertainment Supplies, Equipment, and Services	0.5%	100%	\$516	\$496										
Sporting Goods, Hobby, and Musical Instrument Stores		85%	\$438	\$422	\$421,913	8.09	\$52,170	\$17,104	3.1	87.5%	1.53	1.7	\$26,242	VLI Households
Photographic Services		15%	\$77	\$74	\$74,455	3.18	\$23,381	\$21,566	1.1	98.1%	1.53	0.7	\$33,088	VLI Households
Personal Care Products and Services	0.9%	100%	\$893	\$860										
Unspecified Retail [7]		50%	\$447	\$430	\$430,001	7.46	\$57,639	\$26,687	2.2	87.5%	1.53	1.2	\$40,946	VLI Households
Personal Care Services		50%	\$447	\$430	\$430,001	2.83	\$152,054	\$17,009	8.9	98.1%	1.53	5.7	\$26,096	VLI Households
Reading	0.1%	100%	\$154	\$148										
Sporting Goods, Hobby, and Musical Instrument Stores		100%	\$154	\$148	\$147,943	8.09	\$18,293	\$17,104	1.1	87.5%	1.53	0.6	\$26,242	VLI Households
Education	1.0%	100%	\$1,063	\$1,023										
Educational Services		100%	\$1,063	\$1,023	\$1,023,154	2.70	\$378,940	\$23,026	16.5	98.1%	1.53	10.5	\$35,328	VLI Households
Tobacco Products and Smoking Supplies	0.6%	100%	\$583	\$561										
Unspecified Retail [7]		100%	\$583	\$561	\$561,352	7.46	\$75,246	\$26,687	2.8	87.5%	1.53	1.6	\$40,946	VLI Households
Miscellaneous	1.5%	100%	\$1,535	\$1,478										
Accounting		20%	\$307	\$296	\$295,609	2.84	\$104,194	\$51,465	2.0	98.1%	1.53	1.3	\$78,960	Median Income
Architectural, Engineering, and Related [9]		20%	\$307	\$296	\$295,609	2.22	\$132,869	\$96,314	1.4	98.1%	1.53	0.9	\$147,771	Above Mod
Specialized Design Services [7]		20%	\$307	\$296	\$295,609	3.72	\$79,564	\$53,888	1.5	98.1%	1.53	0.9	\$82,678	Median Income
Death Care Services [7]		20%	\$307	\$296	\$295,609	3.47	\$85,076	\$36,983	2.3	98.1%	1.53	1.5	\$56,741	LI Households
Legal Services [7]		20%	\$307	\$296	\$295,609	2.76	\$107,046	\$85,734	1.2	98.1%	1.53	0.8	\$131,538	Above Mod
Total per 1,000 Market Rate Households									292.6			173.6		

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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

[3] 2010 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2010 U.S. Consumer Expenditure Survey. Per Table 4 the rental of a typical new Studio Apartment requires a household income of

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

[9] 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.

Source: 2010 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2007 Economic Census, U.S. Census Bureau; Census 2010; Economic & Planning Systems, Inc.

Table A-2
Household Expenditures and Employment Generation - For Rent 1-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
Calculation	a	b	c	d	e = d * 1000	f	g = e / f	f	i = g / h	j	k	l = i * j / k	l = h * j	
Food at Home	5.2%	100%	\$5,915	\$5,695										
Food & Beverage Stores		100%	\$5,915	\$5,695	\$5,694,877	8.43	\$675,557	\$26,299	25.7	87.5%	1.53	14.6	\$40,350	VLI Households
Food Away From Home	3.8%	100%	\$4,272	\$4,113										
Food Services and Drinking Places		100%	\$4,272	\$4,113	\$4,113,106	3.46	\$1,187,681	\$15,867	74.9	87.5%	1.53	42.7	\$24,345	VLI Households
Alcoholic Beverages	0.6%	100%	\$691	\$665										
Food & Beverage Stores		50%	\$345	\$332	\$345,253	8.43	\$40,956	\$26,299	1.6	87.5%	1.53	0.9	\$40,350	VLI Households
Food Services and Drinking Places		50%	\$345	\$332	\$345,253	3.46	\$99,694	\$15,867	6.3	87.5%	1.53	3.6	\$24,345	VLI Households
Housing Maintenance, Repairs, Insurance, Other expenses	1.5%	100%	\$1,660	\$1,598										
Personal and Household Goods Repair and Maintenance [7]		45%	\$747	\$719	\$719,135	3.72	\$193,364	\$26,783	7.2	98.1%	1.53	4.6	\$41,092	VLI Households
Building Material and Garden Equipment and Supplies Dealer		45%	\$747	\$719	\$719,135	8.13	\$88,445	\$30,589	2.9	87.5%	1.53	1.6	\$46,932	VLI Households
Real Estate and Rental and Leasing		10%	\$166	\$160	\$159,808	6.91	\$23,128	\$50,476	0.5	98.1%	1.53	0.3	\$77,443	Median Income
Fuel oil and Other fuels [8]	0.2%		\$245	\$236										
Nonstore Retailers [7]		100%	\$245	\$236	\$235,823	10.67	\$22,104	\$48,800	0.5	87.5%	1.53	0.3	\$74,872	LI Households
Water and Other Public Services [8]	0.7%	100%	\$813	\$783										
Waste Management and Remediation Services		100%	\$813	\$783	\$782,732	3.61	\$216,996	\$53,951	4.0	98.1%	1.53	2.6	\$82,776	Median Income
Household Operations Personal Services	0.6%	100%	\$707	\$681										
Nursing and Residential Care Facilities [7]		40%	\$283	\$272	\$272,451	2.37	\$115,077	\$25,627	4.5	98.1%	1.53	2.9	\$39,319	VLI Households
Social Assistance [7]		60%	\$424	\$409	\$408,676	2.98	\$136,979	\$23,861	5.7	98.1%	1.53	3.7	\$36,609	VLI Households
Household Operations Other Household Expenses	1.0%	100%	\$1,076	\$1,036										
Services to Buildings and Dwellings		100%	\$1,076	\$1,036	\$1,036,116	2.50	\$414,198	\$27,214	15.2	98.1%	1.53	9.7	\$41,754	VLI Households
Housekeeping Supplies	0.9%	100%	\$1,016	\$978										
Building Materials and Garden Equipment and Supplies Dealers		10%	\$102	\$98	\$97,841	8.13	\$12,033	\$30,589	0.4	87.5%	1.53	0.2	\$46,932	VLI Households
Food & Beverage Stores		35%	\$356	\$342	\$342,445	8.43	\$40,623	\$26,299	1.5	87.5%	1.53	0.9	\$40,350	VLI Households
General Merchandise [7]		35%	\$356	\$342	\$342,445	11.05	\$30,997	\$21,132	1.5	87.5%	1.53	0.8	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		20%	\$203	\$196	\$195,683	7.16	\$27,339	\$19,488	1.4	87.5%	1.53	0.8	\$29,900	VLI Households

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.
 \$113,050.

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

Table A-2
Household Expenditures and Employment Generation - For Rent 1-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = d * 1000</i>	<i>f</i>	<i>g = e / f</i>	<i>f</i>	<i>i = g / h</i>	<i>j</i>	<i>k</i>	<i>l = i * j / k</i>	<i>l = h * j</i>	
Household Furnishings and Equipment	2.1%	100%	\$2,339	\$2,252										
Furniture and Home Furnishings Stores [7]		40%	\$935	\$901	\$900,644	7.14	\$126,166	\$28,287	4.5	87.5%	1.53	2.5	\$43,400	VLI Households
Electronics and Appliance Stores		40%	\$935	\$901	\$900,644	9.19	\$97,965	\$28,142	3.5	87.5%	1.53	2.0	\$43,178	VLI Households
General Merchandise Stores [7]		10%	\$234	\$225	\$225,161	11.05	\$20,381	\$21,132	1.0	87.5%	1.53	0.6	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		10%	\$234	\$225	\$225,161	7.16	\$31,457	\$19,488	1.6	87.5%	1.53	0.9	\$29,900	VLI Households
Apparel and Services	2.2%	100%	\$2,492	\$2,400										
Clothing and Clothing Accessories Stores		40%	\$997	\$960	\$959,850	7.88	\$121,816	\$19,149	6.4	87.5%	1.53	3.6	\$29,380	VLI Households
General Merchandise [7]		40%	\$997	\$960	\$959,850	11.05	\$86,883	\$21,132	4.1	87.5%	1.53	2.3	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		10%	\$249	\$240	\$239,963	7.16	\$33,525	\$19,488	1.7	87.5%	1.53	1.0	\$29,900	VLI Households
Personal and Household Goods Repair and Maintenance [7]		5%	\$125	\$120	\$119,981	3.72	\$32,261	\$26,783	1.2	87.5%	1.53	0.7	\$41,092	VLI Households
Drycleaning and Laundry Services [7]		5%	\$125	\$120	\$119,981	3.17	\$37,898	\$25,028	1.5	87.5%	1.53	0.9	\$38,399	VLI Households
Vehicle Purchases (net outlay)	4.3%	100%	\$4,843	\$4,663										
Motor Vehicle and Parts Dealers		100%	\$4,843	\$4,663	\$4,662,524	11.17	\$417,467	\$47,758	8.7	87.5%	1.53	5.0	\$73,274	LI Households
Gasoline and motor oil	3.3%	100%	\$3,777	\$3,636										
Gasoline Stations [7]		100%	\$3,777	\$3,636	\$3,636,442	37.73	\$96,390	\$17,786	5.4	87.5%	1.53	3.1	\$27,288	VLI Households
Vehicle Maintenance and Repairs	1.2%	100%	\$1,360	\$1,310										
Repair and Maintenance		100%	\$1,360	\$1,310	\$1,309,571	3.43	\$381,844	\$32,171	11.9	98.1%	1.53	7.6	\$49,358	LI Households
Medical Services	1.2%	100%	\$1,305	\$1,257										
Ambulatory Health Care Services [7]		40%	\$522	\$503	\$502,755	2.67	\$188,451	\$51,890	3.6	98.1%	1.53	2.3	\$79,613	Median Income
General Medical and Surgical Hospitals [7]		30%	\$392	\$377	\$377,066	2.63	\$143,365	\$58,054	2.5	98.1%	1.53	1.6	\$89,070	Median Income
Nursing and Residential Care Facilities [7]		30%	\$392	\$377	\$377,066	2.37	\$159,265	\$25,627	6.2	98.1%	1.53	4.0	\$39,319	VLI Households
Drugs	0.6%	100%	\$715	\$689										
Health and Personal Care Stores		100%	\$715	\$689	\$688,654	7.33	\$93,909	\$28,959	3.2	87.5%	1.53	1.8	\$44,431	VLI Households
Medical Supplies	0.2%	100%	\$199	\$192										
Health and Personal Care Stores		100%	\$199	\$192	\$191,920	7.33	\$26,171	\$28,959	0.9	87.5%	1.53	0.5	\$44,431	VLI Households
Entertainment Fees and Admissions	0.9%	100%	\$993	\$956										
Arts, Entertainment, & Recreation [7]		100%	\$993	\$956	\$955,836	3.07	\$311,288	\$39,299	7.9	87.5%	1.53	4.5	\$60,295	LI Households

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.
\$113,050.

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

Table A-2
Household Expenditures and Employment Generation - For Rent 1-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = d * 1000</i>	<i>f</i>	<i>g = e / f</i>	<i>f</i>	<i>i = g / h</i>	<i>j</i>	<i>k</i>	<i>l = i * j / k</i>	<i>l = h * j</i>	
Entertainment Audio and Visual Equipment and Services	1.4%	100%	\$1,609	\$1,549										
Electronics and Appliance Stores		100%	\$1,609	\$1,549	\$1,549,157	9.19	\$168,506	\$28,142	6.0	87.5%	1.53	3.4	\$43,178	VLI Households
Entertainment Pets, Toys, Hobbies, and Playground Equip.	0.9%	100%	\$969	\$933										
Sporting Goods, Hobby, and Musical Instrument Stores		40%	\$388	\$373	\$373,303	8.09	\$46,159	\$17,104	2.7	87.5%	1.53	1.5	\$26,242	VLI Households
Miscellaneous Store Retailers [7]		40%	\$388	\$373	\$373,303	7.16	\$52,154	\$19,488	2.7	87.5%	1.53	1.5	\$29,900	VLI Households
Veterinary Services		20%	\$194	\$187	\$186,651	2.59	\$72,100	\$37,233	1.9	98.1%	1.53	1.2	\$57,125	LI Households
Other Entertainment Supplies, Equipment, and Services	0.4%	100%	\$492	\$474										
Sporting Goods, Hobby, and Musical Instrument Stores		85%	\$419	\$403	\$403,032	8.09	\$49,835	\$17,104	2.9	87.5%	1.53	1.7	\$26,242	VLI Households
Photographic Services		15%	\$74	\$71	\$71,123	3.18	\$22,334	\$21,566	1.0	98.1%	1.53	0.7	\$33,088	VLI Households
Personal Care Products and Services	0.9%	100%	\$1,016	\$978										
Unspecified Retail [7]		50%	\$508	\$489	\$489,207	7.46	\$65,575	\$26,687	2.5	87.5%	1.53	1.4	\$40,946	VLI Households
Personal Care Services		50%	\$508	\$489	\$489,207	2.83	\$172,990	\$17,009	10.2	98.1%	1.53	6.5	\$26,096	VLI Households
Reading	0.1%	100%	\$158	\$152										
Sporting Goods, Hobby, and Musical Instrument Stores		100%	\$158	\$152	\$151,780	8.09	\$18,768	\$17,104	1.1	87.5%	1.53	0.6	\$26,242	VLI Households
Education	1.2%	100%	\$1,350	\$1,300										
Educational Services		100%	\$1,350	\$1,300	\$1,299,536	2.70	\$481,303	\$23,026	20.9	98.1%	1.53	13.4	\$35,328	VLI Households
Tobacco Products and Smoking Supplies	0.5%	100%	\$515	\$495										
Unspecified Retail [7]		100%	\$515	\$495	\$495,479	7.46	\$66,416	\$26,687	2.5	87.5%	1.53	1.4	\$40,946	VLI Households
Miscellaneous	1.3%	100%	\$1,420	\$1,367										
Accounting		20%	\$284	\$273	\$273,454	2.84	\$96,385	\$51,465	1.9	98.1%	1.53	1.2	\$78,960	Median Income
Architectural, Engineering, and Related [9]		20%	\$284	\$273	\$273,454	2.22	\$122,912	\$96,314	1.3	98.1%	1.53	0.8	\$147,771	Above Mod
Specialized Design Services [7]		20%	\$284	\$273	\$273,454	3.72	\$73,601	\$53,888	1.4	98.1%	1.53	0.9	\$82,678	Median Income
Death Care Services [7]		20%	\$284	\$273	\$273,454	3.47	\$78,700	\$36,983	2.1	98.1%	1.53	1.4	\$56,741	LI Households
Legal Services [7]		20%	\$284	\$273	\$273,454	2.76	\$99,023	\$85,734	1.2	98.1%	1.53	0.7	\$131,538	Above Mod
Total per 1,000 Market Rate Households									291.7			173.5		

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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

[3] 2010 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2010 U.S. Consumer Expenditure Survey. Per Table 4 the rental of a typical new 1-Bedroom Apartment requires a household income of

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

[9] 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.

Source: 2010 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2007 Economic Census, U.S. Census Bureau; Census 2010; Economic & Planning Systems, Inc.

Table A-3
Household Expenditures and Employment Generation - For Rent 2-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
Calculation	a	b	c	d	e = d * 1000	f	g = e / f	f	i = g / h	j	k	l = i * k	l = h * j	
Food at Home	4.9%	100%	\$7,606	\$7,323										
Food & Beverage Stores		100%	\$7,606	\$7,323	\$7,323,236	8.43	\$868,722	\$26,299	33.0	87.5%	1.53	18.8	\$40,350	VLI Households
Food Away From Home	4.0%	100%	\$6,182	\$5,952										
Food Services and Drinking Places		100%	\$6,182	\$5,952	\$5,952,077	3.46	\$1,718,693	\$15,867	108.3	87.5%	1.53	61.8	\$24,345	VLI Households
Alcoholic Beverages	0.6%	100%	\$949	\$914										
Food & Beverage Stores		50%	\$474	\$457	\$456,817	8.43	\$54,190	\$26,299	2.1	87.5%	1.53	1.2	\$40,350	VLI Households
Food Services and Drinking Places		50%	\$474	\$457	\$456,817	3.46	\$131,908	\$15,867	8.3	87.5%	1.53	4.7	\$24,345	VLI Households
Housing Maintenance, Repairs, Insurance, Other expenses	1.6%	100%	\$2,467	\$2,375										
Personal and Household Goods Repair and Maintenance [7]		45%	\$1,110	\$1,069	\$1,068,952	3.72	\$287,425	\$26,783	10.7	98.1%	1.53	6.9	\$41,092	VLI Households
Building Material and Garden Equipment and Supplies Dealer		45%	\$1,110	\$1,069	\$1,068,952	8.13	\$131,469	\$30,589	4.3	87.5%	1.53	2.5	\$46,932	VLI Households
Real Estate and Rental and Leasing		10%	\$247	\$238	\$237,545	6.91	\$34,379	\$50,476	0.7	98.1%	1.53	0.4	\$77,443	Median Income
Fuel oil and Other fuels [8]	0.2%		\$250	\$241										
Nonstore Retailers [7]		100%	\$250	\$241	\$240,803	10.67	\$22,570	\$48,800	0.5	87.5%	1.53	0.3	\$74,872	LI Households
Water and Other Public Services [8]	0.6%	100%	\$990	\$953										
Waste Management and Remediation Services		100%	\$990	\$953	\$953,295	3.61	\$264,281	\$53,951	4.9	98.1%	1.53	3.1	\$82,776	Median Income
Household Operations Personal Services	0.6%	100%	\$922	\$888										
Nursing and Residential Care Facilities [7]		40%	\$369	\$355	\$355,255	2.37	\$150,052	\$25,627	5.9	98.1%	1.53	3.7	\$39,319	VLI Households
Social Assistance [7]		60%	\$553	\$533	\$532,882	2.98	\$178,610	\$23,861	7.5	98.1%	1.53	4.8	\$36,609	VLI Households
Household Operations Other Household Expenses	0.9%	100%	\$1,352	\$1,302										
Services to Buildings and Dwellings		100%	\$1,352	\$1,302	\$1,301,751	2.50	\$520,388	\$27,214	19.1	98.1%	1.53	12.2	\$41,754	VLI Households
Housekeeping Supplies	0.8%	100%	\$1,251	\$1,204										
Building Materials and Garden Equipment and Supplies Dealers		10%	\$125	\$120	\$120,401	8.13	\$14,808	\$30,589	0.5	87.5%	1.53	0.3	\$46,932	VLI Households
Food & Beverage Stores		35%	\$438	\$421	\$421,405	8.43	\$49,989	\$26,299	1.9	87.5%	1.53	1.1	\$40,350	VLI Households
General Merchandise [7]		35%	\$438	\$421	\$421,405	11.05	\$38,145	\$21,132	1.8	87.5%	1.53	1.0	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		20%	\$250	\$241	\$240,803	7.16	\$33,642	\$19,488	1.7	87.5%	1.53	1.0	\$29,900	VLI Households

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.
\$153,681.

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

Table A-3
Household Expenditures and Employment Generation - For Rent 2-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = d * 1000</i>	<i>f</i>	<i>g = e / f</i>	<i>f</i>	<i>i = g / h</i>	<i>j</i>	<i>k</i>	<i>l = i * j / k</i>	<i>l = h * j</i>	
Household Furnishings and Equipment	2.3%	100%	\$3,469	\$3,340										
Furniture and Home Furnishings Stores [7]		40%	\$1,388	\$1,336	\$1,336,030	7.14	\$187,157	\$28,287	6.6	87.5%	1.53	3.8	\$43,400	VLI Households
Electronics and Appliance Stores		40%	\$1,388	\$1,336	\$1,336,030	9.19	\$145,323	\$28,142	5.2	87.5%	1.53	2.9	\$43,178	VLI Households
General Merchandise Stores [7]		10%	\$347	\$334	\$334,008	11.05	\$30,234	\$21,132	1.4	87.5%	1.53	0.8	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		10%	\$347	\$334	\$334,008	7.16	\$46,664	\$19,488	2.4	87.5%	1.53	1.4	\$29,900	VLI Households
Apparel and Services	2.3%	100%	\$3,588	\$3,455										
Clothing and Clothing Accessories Stores		40%	\$1,435	\$1,382	\$1,381,924	7.88	\$175,382	\$19,149	9.2	87.5%	1.53	5.2	\$29,380	VLI Households
General Merchandise [7]		40%	\$1,435	\$1,382	\$1,381,924	11.05	\$125,089	\$21,132	5.9	87.5%	1.53	3.4	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		10%	\$359	\$345	\$345,481	7.16	\$48,267	\$19,488	2.5	87.5%	1.53	1.4	\$29,900	VLI Households
Personal and Household Goods Repair and Maintenance [7]		5%	\$179	\$173	\$172,741	3.72	\$46,447	\$26,783	1.7	87.5%	1.53	1.0	\$41,092	VLI Households
Drycleaning and Laundry Services [7]		5%	\$179	\$173	\$172,741	3.17	\$54,562	\$25,028	2.2	87.5%	1.53	1.2	\$38,399	VLI Households
Vehicle Purchases (net outlay)	4.6%	100%	\$7,060	\$6,798										
Motor Vehicle and Parts Dealers		100%	\$7,060	\$6,798	\$6,797,719	11.17	\$608,646	\$47,758	12.7	87.5%	1.53	7.3	\$73,274	LI Households
Gasoline and motor oil	3.1%	100%	\$4,778	\$4,601										
Gasoline Stations [7]		100%	\$4,778	\$4,601	\$4,600,749	37.73	\$121,951	\$17,786	6.9	87.5%	1.53	3.9	\$27,288	VLI Households
Vehicle Maintenance and Repairs	1.2%	100%	\$1,889	\$1,819										
Repair and Maintenance		100%	\$1,889	\$1,819	\$1,818,769	3.43	\$530,316	\$32,171	16.5	98.1%	1.53	10.5	\$49,358	LI Households
Medical Services	1.2%	100%	\$1,896	\$1,826										
Ambulatory Health Care Services [7]		40%	\$759	\$730	\$730,341	2.67	\$273,758	\$51,890	5.3	98.1%	1.53	3.4	\$79,613	Median Income
General Medical and Surgical Hospitals [7]		30%	\$568.92	\$548	\$547,755	2.63	\$208,264	\$58,054	3.6	98.1%	1.53	2.3	\$89,070	Median Income
Nursing and Residential Care Facilities [7]		30%	\$569	\$548	\$547,755	2.37	\$231,360	\$25,627	9.0	98.1%	1.53	5.8	\$39,319	VLI Households
Drugs	0.7%	100%	\$999	\$962										
Health and Personal Care Stores		100%	\$999	\$962	\$961,794	7.33	\$131,156	\$28,959	4.5	87.5%	1.53	2.6	\$44,431	VLI Households
Medical Supplies	0.2%	100%	\$269	\$259										
Health and Personal Care Stores		100%	\$269	\$259	\$259,217	7.33	\$35,348	\$28,959	1.2	87.5%	1.53	0.7	\$44,431	VLI Households
Entertainment Fees and Admissions	1.1%	100%	\$1,630	\$1,569										
Arts, Entertainment, & Recreation [7]		100%	\$1,630	\$1,569	\$1,569,467	3.07	\$511,130	\$39,299	13.0	87.5%	1.53	7.4	\$60,295	LI Households

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.
\$153,681.

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

Table A-3
Household Expenditures and Employment Generation - For Rent 2-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = d * 1000</i>	<i>f</i>	<i>g = e / f</i>	<i>f</i>	<i>i = g / h</i>	<i>j</i>	<i>k</i>	<i>l = i * j / k</i>	<i>l = h * j</i>	
Entertainment Audio and Visual Equipment and Services	1.2%	100%	\$1,876	\$1,806										
Electronics and Appliance Stores		100%	\$1,876	\$1,806	\$1,806,020	9.19	\$196,445	\$28,142	7.0	87.5%	1.53	4.0	\$43,178	VLI Households
Entertainment Pets, Toys, Hobbies, and Playground Equip.	1.1%	100%	\$1,693	\$1,630										
Sporting Goods, Hobby, and Musical Instrument Stores		40%	\$677	\$652	\$652,150	8.09	\$80,639	\$17,104	4.7	87.5%	1.53	2.7	\$26,242	VLI Households
Miscellaneous Store Retailers [7]		40%	\$677	\$652	\$652,150	7.16	\$91,111	\$19,488	4.7	87.5%	1.53	2.7	\$29,900	VLI Households
Veterinary Services		20%	\$339	\$326	\$326,075	2.59	\$125,956	\$37,233	3.4	98.1%	1.53	2.2	\$57,125	LI Households
Other Entertainment Supplies, Equipment, and Services	0.8%	100%	\$1,167	\$1,123										
Sporting Goods, Hobby, and Musical Instrument Stores		85%	\$992	\$955	\$954,783	8.09	\$118,059	17,104.08	6.9	87.5%	1.53	3.9	\$26,242	VLI Households
Photographic Services		15%	\$175	\$168	\$168,491	3.18	\$52,910	21,565.73	2.5	98.1%	1.53	1.6	\$33,088	VLI Households
Personal Care Products and Services	0.9%	100%	\$1,406	\$1,354										
Unspecified Retail [7]		50%	\$703	\$677	\$677,081	7.46	\$90,758	26,687.41	3.4	87.5%	1.53	1.9	\$40,946	VLI Households
Personal Care Services		50%	\$703	\$677	\$677,081	2.83	\$239,424	17,009.12	14.1	98.1%	1.53	9.0	\$26,096	VLI Households
Reading	0.1%	100%	\$225	\$217										
Sporting Goods, Hobby, and Musical Instrument Stores		100%	\$225	\$217	\$216,722	8.09	\$26,798	17,104.08	1.6	87.5%	1.53	0.9	\$26,242	VLI Households
Education	1.4%	100%	\$2,133	\$2,054										
Educational Services		100%	\$2,133	\$2,054	\$2,053,906	2.70	\$760,695	\$23,026	33.0	98.1%	1.53	21.1	\$35,328	VLI Households
Tobacco Products and Smoking Supplies	0.3%	100%	\$433	\$416										
Unspecified Retail [7]		100%	\$433	\$416	\$416,447	7.46	\$55,822	26,687.41	2.1	87.5%	1.53	1.2	\$40,946	VLI Households
Miscellaneous	0.9%	100%	\$1,356	\$1,306										
Accounting		20%	\$271	\$261	\$261,200	2.84	\$92,066	51,464.51	1.8	98.1%	1.53	1.1	\$78,960	Median Income
Architectural, Engineering, and Related [9]		20%	\$271	\$261	\$261,200	2.22	\$117,404	\$96,314	1.2	98.1%	1.53	0.8	\$147,771	Above Mod
Specialized Design Services [7]		20%	\$271	\$261	\$261,200	3.72	\$70,303	\$53,888	1.3	98.1%	1.53	0.8	\$82,678	Median Income
Death Care Services [7]		20%	\$271	\$261	\$261,200	3.47	\$75,173	\$36,983	2.0	98.1%	1.53	1.3	\$56,741	LI Households
Legal Services [7]		20%	\$271	\$261	\$261,200	2.76	\$94,586	\$85,734	1.1	98.1%	1.53	0.7	\$131,538	Above Mod
Total per 1,000 Market Rate Households									411.7			244.7		

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.
\$153,681.

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

[9] 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.

Source: 2010 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2007 Economic Census, U.S. Census Bureau; Census 2010; Economic & Planning Systems, Inc.

Table A-4
Household Expenditures and Employment Generation - For Rent 3-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = d * 1000</i>	<i>f</i>	<i>g = e / f</i>	<i>f</i>	<i>i = g / h</i>	<i>j</i>	<i>k</i>	<i>l = j/k</i>	<i>l = h * j</i>	
Food at Home	4.4%	100%	\$8,493	\$8,177										
Food & Beverage Stores		100%	\$8,493	\$8,177	\$8,177,470	8.43	\$970,055	\$26,299	36.9	87.5%	1.53	21.0	\$40,350	VLI Households
Food Away From Home	3.8%	100%	\$7,237	\$6,967										
Food Services and Drinking Places		100%	\$7,237	\$6,967	\$6,967,494	3.46	\$2,011,900	\$15,867	126.8	87.5%	1.53	72.3	\$24,345	VLI Households
Alcoholic Beverages	0.6%	100%	\$1,201	\$1,156										
Food & Beverage Stores		50%	\$601	\$578	\$578,212	8.43	\$68,591	\$26,299	2.6	87.5%	1.53	1.5	\$40,350	VLI Households
Food Services and Drinking Places		50%	\$601	\$578	\$578,212	3.46	\$166,962	\$15,867	10.5	87.5%	1.53	6.0	\$24,345	VLI Households
Housing Maintenance, Repairs, Insurance, Other Expenses	1.4%	100%	\$2,641	\$2,543										
Personal and Household Goods Repair and Maintenance [7]		45%	\$1,189	\$1,144	\$1,144,339	3.72	\$307,695	\$26,783	11.5	98.1%	1.53	7.3	\$41,092	VLI Households
Building Material and Garden Equipment and Supplies Dealer		45%	\$1,189	\$1,144	\$1,144,339	8.13	\$140,740	\$30,589	4.6	87.5%	1.53	2.6	\$46,932	VLI Households
Real Estate and Rental and Leasing		10%	\$264	\$254	\$254,298	6.91	\$36,803	\$50,476	0.7	98.1%	1.53	0.5	\$77,443	Median Income
Fuel oil and Other fuels [8]	0.2%		\$316	\$304										
Nonstore Retailers [7]		100%	\$316	\$304	\$303,941	10.67	\$28,488	\$48,800	0.6	87.5%	1.53	0.3	\$74,872	LI Households
Water and Other Public Services [8]	0.6%	100%	\$1,118	\$1,077										
Waste Management and Remediation Services		100%	\$1,118	\$1,077	\$1,076,821	3.61	\$298,525	\$53,951	5.5	98.1%	1.53	3.5	\$82,776	Median Income
Household Operations Personal Services	0.6%	100%	\$1,068	\$1,028										
Nursing and Residential Care Facilities [7]		40%	\$427	\$411	\$411,153	2.37	\$173,662	\$25,627	6.8	98.1%	1.53	4.3	\$39,319	VLI Households
Social Assistance [7]		60%	\$641	\$617	\$616,729	2.98	\$206,714	\$23,861	8.7	98.1%	1.53	5.5	\$36,609	VLI Households
Household Operations Other Household Expenses	1.0%	100%	\$1,906	\$1,835										
Services to Buildings and Dwellings		100%	\$1,906	\$1,835	\$1,835,227	2.50	\$733,651	\$27,214	27.0	98.1%	1.53	17.2	\$41,754	VLI Households
Housekeeping Supplies	0.9%	100%	\$1,733	\$1,669										
Building Materials and Garden Equipment and Supplies Dealers		10%	\$173	\$167	\$166,878	8.13	\$20,524	\$30,589	0.7	87.5%	1.53	0.4	\$46,932	VLI Households
Food & Beverage Stores		35%	\$607	\$584	\$584,074	8.43	\$69,286	\$26,299	2.6	87.5%	1.53	1.5	\$40,350	VLI Households
General Merchandise [7]		35%	\$607	\$584	\$584,074	11.05	\$52,869	\$21,132	2.5	87.5%	1.53	1.4	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		20%	\$347	\$334	\$333,757	7.16	\$46,629	\$19,488	2.4	87.5%	1.53	1.4	\$29,900	VLI Households

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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

[3] 2010 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2010 U.S. Consumer Expenditure Survey. Per Table 4 the rental of a typical new 3-Bedroom Apartment requires a household income of \$191,701.

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

Table A-4
Household Expenditures and Employment Generation - For Rent 3-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = d * 1000</i>	<i>f</i>	<i>g = e / f</i>	<i>f</i>	<i>i = g / h</i>	<i>j</i>	<i>k</i>	<i>l = j/k</i>	<i>l = h * j</i>	
Household Furnishings and Equipment	2.3%	100%	\$4,469	\$4,303										
Furniture and Home Furnishings Stores [7]		40%	\$1,788	\$1,721	\$1,721,177	7.14	\$241,110	\$28,287	8.5	87.5%	1.53	4.9	\$43,400	VLI Households
Electronics and Appliance Stores		40%	\$1,788	\$1,721	\$1,721,177	9.19	\$187,216	\$28,142	6.7	87.5%	1.53	3.8	\$43,178	VLI Households
General Merchandise Stores [7]		10%	\$447	\$430	\$430,294	11.05	\$38,949	\$21,132	1.8	87.5%	1.53	1.1	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		10%	\$447	\$430	\$430,294	7.16	\$60,116	\$19,488	3.1	87.5%	1.53	1.8	\$29,900	VLI Households
Apparel and Services	3.4%	100%	\$6,515	\$6,273										
Clothing and Clothing Accessories Stores		40%	\$2,606	\$2,509	\$2,509,108	7.88	\$318,434	\$19,149	16.6	87.5%	1.53	9.5	\$29,380	VLI Households
General Merchandise [7]		40%	\$2,606	\$2,509	\$2,509,108	11.05	\$227,119	\$21,132	10.7	87.5%	1.53	6.1	\$32,422	VLI Households
Miscellaneous Store Retailers [7]		10%	\$652	\$627	\$627,277	7.16	\$87,636	\$19,488	4.5	87.5%	1.53	2.6	\$29,900	VLI Households
Personal and Household Goods Repair and Maintenance [7]		5%	\$326	\$314	\$313,639	3.72	\$84,333	\$26,783	3.1	87.5%	1.53	1.8	\$41,092	VLI Households
Drycleaning and Laundry Services [7]		5%	\$326	\$314	\$313,639	3.17	\$99,067	\$25,028	4.0	87.5%	1.53	2.3	\$38,399	VLI Households
Vehicle Purchases (net outlay)	4.6%	100%	\$8,728	\$8,403										
Motor Vehicle and Parts Dealers		100%	\$8,728	\$8,403	\$8,403,255	11.17	\$752,400	\$47,758	15.8	87.5%	1.53	9.0	\$73,274	LI Households
Gasoline and motor oil	2.5%	100%	\$4,857	\$4,676										
Gasoline Stations [7]		100%	\$4,857	\$4,676	\$4,676,355	37.73	\$123,955	\$17,786	7.0	87.5%	1.53	4.0	\$27,288	VLI Households
Vehicle Maintenance and Repairs	1.0%	100%	\$1,939	\$1,867										
Repair and Maintenance		100%	\$1,939	\$1,867	\$1,867,068	3.43	\$544,399	\$32,171	16.9	98.1%	1.53	10.8	\$49,358	LI Households
Medical Services	0.9%	100%	\$1,795	\$1,728										
Ambulatory Health Care Services [7]		40%	\$718	\$691	\$691,249	2.67	\$259,105	\$51,890	5.0	98.1%	1.53	3.2	\$79,613	Median Income
General Medical and Surgical Hospitals [7]		30%	\$538	\$518	\$518,437	2.63	\$197,117	\$58,054	3.4	98.1%	1.53	2.2	\$89,070	Median Income
Nursing and Residential Care Facilities [7]		30%	\$538	\$518	\$518,437	2.37	\$218,977	\$25,627	8.5	98.1%	1.53	5.5	\$39,319	VLI Households
Drugs	0.5%	100%	\$932	\$897										
Health and Personal Care Stores		100%	\$932	\$897	\$897,351	7.33	\$122,368	\$28,959	4.2	87.5%	1.53	2.4	\$44,431	VLI Households
Medical Supplies	0.2%	100%	\$310	\$298										
Health and Personal Care Stores		100%	\$310	\$298	\$298,152	7.33	\$40,658	\$28,959	1.4	87.5%	1.53	0.8	\$44,431	VLI Households
Entertainment Fees and Admissions	1.0%	100%	\$1,971	\$1,897										
Arts, Entertainment, & Recreation [7]		100%	\$1,971	\$1,897	\$1,897,462	3.07	\$617,948	\$39,299	15.7	87.5%	1.53	9.0	\$60,295	LI Households

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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

[3] 2010 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2010 U.S. Consumer Expenditure Survey. Per Table 4 the rental of a typical new 3-Bedroom Apartment requires a household income of \$191,701.

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

Table A-4
Household Expenditures and Employment Generation - For Rent 3-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2010 Expenditures [3]	2007 Expenditures [4]	2007 Expenditures per 1000 Households	Gross Receipts to Wages	2007 Total Wages	2007 Avg. Wages	# of Workers	% Forming HH [5]	Workers/ HH [6]	Total Worker HH	2007 Avg. Worker HH Income	Income Category
<i>Calculation</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = d * 1000</i>	<i>f</i>	<i>g = e / f</i>	<i>f</i>	<i>i = g / h</i>	<i>j</i>	<i>k</i>	<i>l = i * k</i>	<i>l = h * j</i>	
Entertainment Audio and Visual Equipment and Services	1.2%	100%	\$2,354	\$2,267										
Electronics and Appliance Stores		100%	\$2,354	\$2,267	\$2,266,534	9.19	\$246,536	\$28,142	8.8	87.5%	1.53	5.0	\$43,178	VLI Households
Entertainment Pets, Toys, Hobbies, and Playground Equip.	0.9%	100%	\$1,736	\$1,672										
Sporting Goods, Hobby, and Musical Instrument Stores		40%	\$695	\$669	\$668,671	8.09	\$82,682	\$17,104	4.8	87.5%	1.53	2.8	\$26,242	VLI Households
Miscellaneous Store Retailers [7]		40%	\$695	\$669	\$668,671	7.16	\$93,419	\$19,488	4.8	87.5%	1.53	2.7	\$29,900	VLI Households
Veterinary Services		20%	\$347	\$334	\$334,335	2.59	\$129,147	\$37,233	3.5	98.1%	1.53	2.2	\$57,125	LI Households
Other Entertainment Supplies, Equipment, and Services	0.8%	100%	\$1,593	\$1,534										
Sporting Goods, Hobby, and Musical Instrument Stores		85%	\$1,354	\$1,304	\$1,304,053	8.09	\$161,247	\$17,104	9.4	87.5%	1.53	5.4	\$26,242	VLI Households
Photographic Services		15%	\$239	\$230	\$230,127	3.18	\$72,265	\$21,566	3.4	98.1%	1.53	2.1	\$33,088	VLI Households
Personal Care Products and Services	0.9%	100%	\$1,712	\$1,649										
Unspecified Retail [7]		50%	\$856	\$824	\$824,260	7.46	\$110,487	\$26,687	4.1	87.5%	1.53	2.4	\$40,946	VLI Households
Personal Care Services		50%	\$856	\$824	\$824,260	2.83	\$291,468	\$17,009	17.1	98.1%	1.53	11.0	\$26,096	VLI Households
Reading	0.1%	100%	\$269	\$259										
Sporting Goods, Hobby, and Musical Instrument Stores		100%	\$269	\$259	\$259,074	8.09	\$32,035	\$17,104	1.9	87.5%	1.53	1.1	\$26,242	VLI Households
Education	2.1%	100%	\$3,966	\$3,818										
Educational Services		100%	\$3,966	\$3,818	\$3,818,082	2.70	\$1,414,084	\$23,026	61.4	98.1%	1.53	39.3	\$35,328	VLI Households
Tobacco Products and Smoking Supplies	0.2%	100%	\$377	\$363										
Unspecified Retail [7]		100%	\$377	\$363	\$363,282	7.46	\$48,696	\$26,687	1.8	87.5%	1.53	1.0	\$40,946	VLI Households
Miscellaneous	0.9%	100%	\$1,687	\$1,624										
Accounting		20%	\$337	\$325	\$324,783	2.84	\$114,477	\$51,465	2.2	98.1%	1.53	1.4	\$78,960	Median Income
Architectural, Engineering, and Related [9]		20%	\$337	\$325	\$324,783	2.22	\$145,983	\$96,314	1.5	98.1%	1.53	1.0	\$147,771	Above Mod
Specialized Design Services [7]		20%	\$337	\$325	\$324,783	3.72	\$87,416	\$53,888	1.6	98.1%	1.53	1.0	\$82,678	Median Income
Death Care Services [7]		20%	\$337	\$325	\$324,783	3.47	\$93,472	\$36,983	2.5	98.1%	1.53	1.6	\$56,741	LI Households
Legal Services [7]		20%	\$337	\$325	\$324,783	2.76	\$117,611	\$85,734	1.4	98.1%	1.53	0.9	\$131,538	Above Mod
Total per 1,000 Market Rate Households									517.6			308.2		

[1] Percent of income spent per category is based on the 2010 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 represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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

[3] 2010 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2010 U.S. Consumer Expenditure Survey. Per Table 4 the rental of a typical new 3-Bedroom Apartment requires a household income of \$191,701.

[4] 2010 expenditures converted to 2007 dollars using the CPI for San Francisco-Oakland-San Jose 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 in other industries. EPS has assumed that such young workers do not form their own households.

[6] Based on the U.S. 2010 Census.

[7] Santa Clara County data not available from 2007 Economic Census. Gross receipts to wages and 2007 average wage thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2007 Economic Census.

[9] 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.

Source: 2010 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2007 Economic Census, U.S. Census Bureau; Census 2010; Economic & Planning Systems, Inc.

Table A-5
Representative Public Sector Employment and Wages, 2010 [1]
City of Sunnyvale Rental Housing Fee, EPS #21123

Item	Estimated Public Sector Empl.	2010 Total MSA HH	Public Sector Empl/ 1,000 MSA HH	Public Sector Employee HH [2]	2010 Avg. Wage	Public Sector Employee HH Income [2]	Income Category [3]
Preschool Teachers, Except Special Education	3,150	604,204	5.2	3.4	\$33,240	\$50,999	LI
Kindergarten Teachers, Except Special Education	1,660	604,204	2.7	1.8	\$57,430	\$88,113	Median
Elementary School Teachers, Except Special Education	9,700	604,204	16.1	10.5	\$60,840	\$93,345	Mod
Middle School Teachers, Except Special and Vocational Education	2,840	604,204	4.7	3.1	\$64,040	\$98,254	Mod
Secondary School Teachers, Except Special and Vocational Education	4,750	604,204	7.9	5.1	\$70,850	\$108,703	Mod
Special Education Teachers, Preschool, Kindergarten, and Elementary School	740	604,204	1.2	0.8	\$65,070	\$99,835	Mod
Special Education Teachers, Middle School	230	604,204	0.4	0.2	\$63,960	\$98,132	Mod
Special Education Teachers, Secondary School [4]	640	604,204	1.1	0.7	\$77,650	\$119,136	Above Mod
Teachers and Instructors, All Other	3,020	604,204	5.0	3.3	\$42,360	\$64,991	LI
Bus Drivers	1,550	604,204	<u>2.6</u>	<u>1.7</u>	\$32,690	\$50,155	LI
Total			46.8	30.5			

[1] Not a comprehensive list of public sector employment. Rather a sampling of public sector jobs for which employment and wage data was available for the San Jose-Sunnyvale-Santa Clara MSA from the Employment Development Department (EDD).

[2] Total worker households derived assuming 1.53 workers per household based on 2010 Census estimates for the City of Sunnyvale.

[3] See Table 5.

[4] Estimated employment is for 2009 because that was the last year data was available.

Source: 2010 Occupational Employment Statistics, CA Employment Development Department; U.S. 2010 Census; Economic & Planning Systems, Inc.

APPENDIX B:

Income Levels for Worker Households

Table B-1	Income Levels for Worker Households—Worker Household Generation per 1,000 Market-Rate Units— For-Rent Studio Apartment	B-1
Table B-2	Income Levels for Worker Households—Worker Household Generation per 1,000 Market-Rate Units— For-Rent 1-Bedroom Apartment.....	B-2
Table B-3	Income Levels for Worker Households—Worker Household Generation per 1,000 Market-Rate Units— For-Rent 2-Bedroom Apartment.....	B-3
Table B-4	Income Levels for Worker Households—Worker Household Generation per 1,000 Market-Rate Units— For-Rent 3-Bedroom Apartment.....	B-4



Table B-1
Income Levels for Worker Households
Worker Household Generation per 1,000 Market Rate Units - For Rent Studio Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Median Income Households	Moderate Income Households	Above Moderate Income Households
Retail							
Unspecified Retail	5.0	2.8	2.8	0.0	0.0	0.0	0.0
Food & Beverage Stores	27.3	15.6	15.6	0.0	0.0	0.0	0.0
Food Services and Drinking Places	83.9	47.8	47.8	0.0	0.0	0.0	0.0
Health and Personal Care Stores	4.7	2.7	2.7	0.0	0.0	0.0	0.0
General Merchandise	7.1	4.1	4.1	0.0	0.0	0.0	0.0
Furniture and Home Furnishings Stores	5.1	2.9	2.9	0.0	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	3.3	1.9	1.9	0.0	0.0	0.0	0.0
Electronics and Appliance Stores	10.0	5.7	5.7	0.0	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	6.7	3.8	3.8	0.0	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	10.9	6.2	0.0	6.2	0.0	0.0	0.0
Gasoline Stations	5.5	3.2	3.2	0.0	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	7.6	4.3	4.3	0.0	0.0	0.0	0.0
Miscellaneous Store Retailers	8.7	5.0	5.0	0.0	0.0	0.0	0.0
Nonstore Retailers	0.3	0.2	0.0	0.2	0.0	0.0	0.0
Arts, Entertainment, & Recreation	7.0	4.0	0.0	4.0	0.0	0.0	0.0
Medical/Health							
Ambulatory Health Care Services	3.5	2.2	0.0	0.0	2.2	0.0	0.0
General Medical and Surgical Hospitals	2.4	1.5	0.0	0.0	1.5	0.0	0.0
Nursing and Residential Care Facilities	9.6	6.1	6.1	0.0	0.0	0.0	0.0
Social Assistance	4.5	2.9	2.9	0.0	0.0	0.0	0.0
Services							
Personal and Household Goods Repair and Maintenance	8.4	5.3	5.3	0.0	0.0	0.0	0.0
Services to Buildings and Dwellings	14.1	9.0	9.0	0.0	0.0	0.0	0.0
Waste Management and Remediation Services	4.2	2.7	0.0	0.0	2.7	0.0	0.0
Real Estate and Rental and Leasing	1.0	0.6	0.0	0.0	0.6	0.0	0.0
Personal Care Services	8.9	5.7	5.7	0.0	0.0	0.0	0.0
Dry Cleaning and Laundry Services	1.6	0.9	0.9	0.0	0.0	0.0	0.0
Auto Repair and Maintenance	12.6	8.1	0.0	8.1	0.0	0.0	0.0
Veterinary Services	2.5	1.6	0.0	1.6	0.0	0.0	0.0
Photographic Services	1.1	0.7	0.7	0.0	0.0	0.0	0.0
Educational Services	16.5	10.5	10.5	0.0	0.0	0.0	0.0
Accounting	2.0	1.3	0.0	0.0	1.3	0.0	0.0
Architectural, Engineering, and Related	1.4	0.9	0.0	0.0	0.0	0.0	0.9
Specialized Design Services	1.5	0.9	0.0	0.0	0.9	0.0	0.0
Death Care Services	2.3	1.5	0.0	1.5	0.0	0.0	0.0
Legal Services	1.2	0.8	0.0	0.0	0.0	0.0	0.8
Government	<u>46.8</u>	<u>30.5</u>	<u>0.0</u>	<u>8.3</u>	<u>1.8</u>	<u>19.7</u>	<u>0.7</u>
Total Workers and Households	339.4	204.1	141.0	29.9	11.1	19.7	2.4
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		182.0	141.0	29.9	11.1	0.0	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		18.2	14.1	3.0	1.1	0.0	0.0

[1] Assumes 1.53 workers per worker household in the City of Sunnyvale based on 2010 Census. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

[2] Excludes median-income households and above, because housing can be produced for these income groups without subsidy per Table 2.

Source: Economic & Planning Systems, Inc.

Table B-2
Income Levels for Worker Households
Worker Household Generation per 1,000 Market Rate Units - For Rent 1-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Median Income Households	Moderate Income Households	Above Moderate Income Households
Retail							
Unspecified Retail	4.9	2.8	2.8	0.0	0.0	0.0	0.0
Food & Beverage Stores	28.8	16.4	16.4	0.0	0.0	0.0	0.0
Food Services and Drinking Places	81.1	46.3	46.3	0.0	0.0	0.0	0.0
Health and Personal Care Stores	4.1	2.4	2.4	0.0	0.0	0.0	0.0
General Merchandise	6.5	3.7	3.7	0.0	0.0	0.0	0.0
Furniture and Home Furnishings Stores	4.5	2.5	2.5	0.0	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	3.3	1.9	1.9	0.0	0.0	0.0	0.0
Electronics and Appliance Stores	9.5	5.4	5.4	0.0	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	6.4	3.6	3.6	0.0	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	8.7	5.0	0.0	5.0	0.0	0.0	0.0
Gasoline Stations	5.4	3.1	3.1	0.0	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	6.7	3.8	3.8	0.0	0.0	0.0	0.0
Miscellaneous Store Retailers	7.4	4.2	4.2	0.0	0.0	0.0	0.0
Nonstore Retailers	0.5	0.3	0.0	0.3	0.0	0.0	0.0
Arts, Entertainment, & Recreation	7.9	4.5	0.0	4.5	0.0	0.0	0.0
Medical/Health							
Ambulatory Health Care Services	3.6	2.3	0.0	0.0	2.3	0.0	0.0
General Medical and Surgical Hospitals	2.5	1.6	0.0	0.0	1.6	0.0	0.0
Nursing and Residential Care Facilities	10.7	6.8	6.8	0.0	0.0	0.0	0.0
Social Assistance	5.7	3.7	3.7	0.0	0.0	0.0	0.0
Services							
Personal and Household Goods Repair and Maintenance	8.4	5.3	5.3	0.0	0.0	0.0	0.0
Services to Buildings and Dwellings	15.2	9.7	9.7	0.0	0.0	0.0	0.0
Waste Management and Remediation Services	4.0	2.6	0.0	0.0	2.6	0.0	0.0
Real Estate and Rental and Leasing	0.5	0.3	0.0	0.0	0.3	0.0	0.0
Personal Care Services	10.2	6.5	6.5	0.0	0.0	0.0	0.0
Dry Cleaning and Laundry Services	1.5	0.9	0.9	0.0	0.0	0.0	0.0
Auto Repair and Maintenance	11.9	7.6	0.0	7.6	0.0	0.0	0.0
Veterinary Services	1.9	1.2	0.0	1.2	0.0	0.0	0.0
Photographic Services	1.0	0.7	0.7	0.0	0.0	0.0	0.0
Educational Services	20.9	13.4	13.4	0.0	0.0	0.0	0.0
Accounting	1.9	1.2	0.0	0.0	1.2	0.0	0.0
Architectural, Engineering, and Related	1.3	0.8	0.0	0.0	0.0	0.0	0.8
Specialized Design Services	1.4	0.9	0.0	0.0	0.9	0.0	0.0
Death Care Services	2.1	1.4	0.0	1.4	0.0	0.0	0.0
Legal Services	1.2	0.7	0.0	0.0	0.0	0.0	0.7
Government	46.8	30.5	0.0	8.3	1.8	19.7	0.7
Total Workers and Households	338.5	204.0	143.1	28.3	10.6	19.7	2.2
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		182.0	143.1	28.3	10.6	0.0	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		18.2	14.3	2.8	1.1	0.0	0.0

[1] Assumes 1.53 workers per worker household in the City of Sunnyvale based on 2010 Census. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

[2] Excludes median-income households and above, because housing can be produced for these income groups without subsidy per Table 2.

Source: Economic & Planning Systems, Inc.

Table B-3
Income Levels for Worker Households
Worker Household Generation per 1,000 Market Rate Units - For Rent 2-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Median Income Households	Moderate Income Households	Above Moderate Income Households
Retail							
Unspecified Retail	5.5	3.1	3.1	0.0	0.0	0.0	0.0
Food & Beverage Stores	37.0	21.1	21.1	0.0	0.0	0.0	0.0
Food Services and Drinking Places	116.6	66.5	66.5	0.0	0.0	0.0	0.0
Health and Personal Care Stores	5.7	3.3	3.3	0.0	0.0	0.0	0.0
General Merchandise	9.2	5.2	5.2	0.0	0.0	0.0	0.0
Furniture and Home Furnishings Stores	6.6	3.8	3.8	0.0	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	4.8	2.7	2.7	0.0	0.0	0.0	0.0
Electronics and Appliance Stores	12.1	6.9	6.9	0.0	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	9.2	5.2	5.2	0.0	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	12.7	7.3	0.0	7.3	0.0	0.0	0.0
Gasoline Stations	6.9	3.9	3.9	0.0	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	13.2	7.5	7.5	0.0	0.0	0.0	0.0
Miscellaneous Store Retailers	11.3	6.4	6.4	0.0	0.0	0.0	0.0
Nonstore Retailers	0.5	0.3	0.0	0.3	0.0	0.0	0.0
Arts, Entertainment, & Recreation	13.0	7.4	0.0	0.0	7.4	0.0	0.0
Medical/Health							
Ambulatory Health Care Services	5.3	3.4	0.0	0.0	3.4	0.0	0.0
General Medical and Surgical Hospitals	3.6	2.3	0.0	0.0	2.3	0.0	0.0
Nursing and Residential Care Facilities	14.9	9.5	9.5	0.0	0.0	0.0	0.0
Social Assistance	7.5	4.8	4.8	0.0	0.0	0.0	0.0
Services							
Personal and Household Goods Repair and Maintenance	12.5	7.9	7.9	0.0	0.0	0.0	0.0
Services to Buildings and Dwellings	19.1	12.2	12.2	0.0	0.0	0.0	0.0
Waste Management and Remediation Services	4.9	3.1	0.0	0.0	3.1	0.0	0.0
Real Estate and Rental and Leasing	0.7	0.4	0.0	0.0	0.4	0.0	0.0
Personal Care Services	14.1	9.0	9.0	0.0	0.0	0.0	0.0
Dry Cleaning and Laundry Services	2.2	1.2	1.2	0.0	0.0	0.0	0.0
Auto Repair and Maintenance	16.5	10.5	0.0	10.5	0.0	0.0	0.0
Veterinary Services	3.4	2.2	0.0	2.2	0.0	0.0	0.0
Photographic Services	2.5	1.6	1.6	0.0	0.0	0.0	0.0
Educational Services	33.0	21.1	21.1	0.0	0.0	0.0	0.0
Accounting	1.8	1.1	0.0	0.0	1.1	0.0	0.0
Architectural, Engineering, and Related	1.2	0.8	0.0	0.0	0.0	0.0	0.8
Specialized Design Services	1.3	0.8	0.0	0.0	0.8	0.0	0.0
Death Care Services	2.0	1.3	0.0	1.3	0.0	0.0	0.0
Legal Services	1.1	0.7	0.0	0.0	0.0	0.0	0.7
Government	46.8	30.5	0.0	8.3	1.8	19.7	0.7
Total Workers and Households	458.5	275.2	203.1	29.9	20.4	19.7	2.2
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		253.4	203.1	29.9	20.4	0.0	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		25.3	20.3	3.0	2.0	0.0	0.0

[1] Assumes 1.53 workers per worker household in the City of Sunnyvale based on 2010 Census. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

[2] Excludes median-income households and above, because housing can be produced for these income groups without subsidy per Table 2.

Source: Economic & Planning Systems, Inc.

Table B-4
Income Levels for Worker Households
Worker Household Generation per 1,000 Market Rate Units - For Rent 3-Bedroom Apartment
City of Sunnyvale Rental Housing Fee, EPS #21123

Industry	Total Workers	Total Worker Households [1]	VLI Households	LI Households	Median Income Households	Moderate Income Households	Above Moderate Income Households
Retail							
Unspecified Retail	6.0	3.4	3.4	0.0	0.0	0.0	0.0
Food & Beverage Stores	42.1	24.0	24.0	0.0	0.0	0.0	0.0
Food Services and Drinking Places	137.3	78.3	78.3	0.0	0.0	0.0	0.0
Health and Personal Care Stores	5.6	3.2	3.2	0.0	0.0	0.0	0.0
General Merchandise	15.1	8.6	8.6	0.0	0.0	0.0	0.0
Furniture and Home Furnishings Stores	8.5	4.9	4.9	0.0	0.0	0.0	0.0
Building Material and Garden Equipment and Supplies Dealer	5.3	3.0	3.0	0.0	0.0	0.0	0.0
Electronics and Appliance Stores	15.4	8.8	8.8	0.0	0.0	0.0	0.0
Clothing and Clothing Accessories Stores	16.6	9.5	9.5	0.0	0.0	0.0	0.0
Motor Vehicle and Parts Dealers	15.8	9.0	0.0	9.0	0.0	0.0	0.0
Gasoline Stations	7.0	4.0	4.0	0.0	0.0	0.0	0.0
Sporting Goods, Hobby, and Musical Instrument Stores	16.1	9.2	9.2	0.0	0.0	0.0	0.0
Miscellaneous Store Retailers	14.8	8.4	8.4	0.0	0.0	0.0	0.0
Nonstore Retailers	0.6	0.3	0.0	0.3	0.0	0.0	0.0
Arts, Entertainment, & Recreation	15.7	9.0	0.0	9.0	0.0	0.0	0.0
Medical/Health							
Ambulatory Health Care Services	5.0	3.2	0.0	0.0	3.2	0.0	0.0
General Medical and Surgical Hospitals	3.4	2.2	0.0	0.0	2.2	0.0	0.0
Nursing and Residential Care Facilities	15.3	9.8	9.8	0.0	0.0	0.0	0.0
Social Assistance	8.7	5.5	5.5	0.0	0.0	0.0	0.0
Services							
Personal and Household Goods Repair and Maintenance	14.6	9.1	9.1	0.0	0.0	0.0	0.0
Services to Buildings and Dwellings	27.0	17.2	17.2	0.0	0.0	0.0	0.0
Waste Management and Remediation Services	5.5	3.5	0.0	0.0	3.5	0.0	0.0
Real Estate and Rental and Leasing	0.7	0.5	0.0	0.0	0.5	0.0	0.0
Personal Care Services	17.1	11.0	11.0	0.0	0.0	0.0	0.0
Dry Cleaning and Laundry Services	4.0	2.3	2.3	0.0	0.0	0.0	0.0
Auto Repair and Maintenance	16.9	10.8	0.0	10.8	0.0	0.0	0.0
Veterinary Services	3.5	2.2	0.0	2.2	0.0	0.0	0.0
Photographic Services	3.4	2.1	2.1	0.0	0.0	0.0	0.0
Educational Services	61.4	39.3	39.3	0.0	0.0	0.0	0.0
Accounting	2.2	1.4	0.0	0.0	1.4	0.0	0.0
Architectural, Engineering, and Related	1.5	1.0	0.0	0.0	0.0	0.0	1.0
Specialized Design Services	1.6	1.0	0.0	0.0	1.0	0.0	0.0
Death Care Services	2.5	1.6	0.0	1.6	0.0	0.0	0.0
Legal Services	1.4	0.9	0.0	0.0	0.0	0.0	0.9
Government	46.8	30.5	0.0	8.3	1.8	19.7	0.7
Total Workers and Households	564.5	338.8	261.6	41.3	13.6	19.7	2.5
Total Income-Qualified HH Generated Per 1,000 Market-Rate Units [2]		316.5	261.6	41.3	13.6	0.0	0.0
Total Income-Qualified HH Generated Per 100 Market-Rate Units [2]		31.7	26.2	4.1	1.4	0.0	0.0

[1] Assumes 1.53 workers per worker household in the City of Sunnyvale based on 2010 Census. Includes a 12.5% discount for retail and 1.9% discount for other industries to account for workers under age 20.

[2] Excludes median-income households and above, because housing can be produced for these income groups without subsidy per Table 2.

Source: Economic & Planning Systems, Inc.



City of Sunnyvale Animal License Application

State law mandates that all dogs over 4 months of age must be vaccinated for rabies, and licensed.

Sunnyvale Animal Licensing
c/o PetData
PO Box 141929
Irving, TX 75014-1929

Please print clearly and fill in all information.

Owner Last Name		Owner First Name		Microchip Number																									
Residential Address (required)			Apt #																										
City		State		Zip																									
Mailing Address																													
Home Phone			Alternate Phone																										
Email Address																													
Species	Breed (if unknown, list breed most resembles)	Sex	<input type="checkbox"/> Spayed/Neutered <input type="checkbox"/> Unaltered																										
Pet Name	Color(s)	Weight	Age/Birthdate																										
License Fees			<table border="1"> <thead> <tr> <th></th> <th>1-Year</th> <th>2-Year*</th> <th>3-Year*</th> </tr> </thead> <tbody> <tr> <td>Unaltered Dog</td> <td><input type="checkbox"/> \$74.00</td> <td></td> <td></td> </tr> <tr> <td>Spayed/Neutered Dog</td> <td><input type="checkbox"/> \$22.00</td> <td><input type="checkbox"/> \$32.00</td> <td><input type="checkbox"/> \$42.00</td> </tr> <tr> <td>Senior 65+ (limit one dog)**</td> <td><input type="checkbox"/> \$0.00</td> <td><input type="checkbox"/> \$0.00</td> <td><input type="checkbox"/> \$0.00</td> </tr> <tr> <td>Replacement Tag</td> <td><input type="checkbox"/> \$5.00</td> <td></td> <td></td> </tr> <tr> <td>Late Fee (30 Days Late)</td> <td><input type="checkbox"/> \$25.00</td> <td></td> <td></td> </tr> </tbody> </table>				1-Year	2-Year*	3-Year*	Unaltered Dog	<input type="checkbox"/> \$74.00			Spayed/Neutered Dog	<input type="checkbox"/> \$22.00	<input type="checkbox"/> \$32.00	<input type="checkbox"/> \$42.00	Senior 65+ (limit one dog)**	<input type="checkbox"/> \$0.00	<input type="checkbox"/> \$0.00	<input type="checkbox"/> \$0.00	Replacement Tag	<input type="checkbox"/> \$5.00			Late Fee (30 Days Late)	<input type="checkbox"/> \$25.00		
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Late Fee (30 Days Late)	<input type="checkbox"/> \$25.00																												
*Licenses must be purchased for a term equal to or less than the remaining duration of the dog's current rabies vaccination. **A senior exemption is limited to one free license per household. Must provide proof of age - photocopy of a valid CA Drivers License, Medicare Card or Senior I.D. Card.																													
Total Enclosed			\$ _____																										
Questions? Call toll-free 1-877-594-9690 or visit www.petdata.com																													

License Your Pet Online: ☐ Go to www.petdata.com and enter your zip code. ☐ Under License Now, click "Online." Documentation may be uploaded or submitted later by fax, mail or email. Pay with a major credit card. A convenience fee will apply per transaction. Multiple pets can be licensed in one transaction.

License Your Pet by Mail: ☐ Complete this application. ☐ Enclose a copy of your pet's current rabies vaccination certificate. ☐ Enclose proof of spay/neuter if it is not indicated on the rabies certificate. ☐ Make your check or money order payable to Sunnyvale Animal Licensing (please do not send cash). ☐ Mail to: Sunnyvale Animal Licensing, c/o PetData, PO Box 141929, Irving TX 75014-1929. Paperwork will not be returned - please submit copies of required documents.



**Council Meeting: October 20, 2009****SUBJECT: Approve Qualification Criteria and Reprioritization of Underground Utility Projects – Study Issue****REPORT IN BRIEF**

This report addresses issues and questions raised by the City Council about the Utility Undergrounding program, funded by the California Public Utilities Commission (CPUC) Rule 20A program. Qualification and priority ranking criteria for the overhead utility undergrounding projects is discussed. A revised set of criteria and ranking, along with a new prioritized list of projects are proposed for approval.

BACKGROUND

Since 1968, utility companies such as PG&E have been required by the CPUC under Rule 20A to make annual allocations to local governments for conversion of overhead lines to underground. Adjoining overhead utilities, such as communications and cable companies, are also required, at their expense, to underground their facilities at the same time PG&E undergrounding occurs. New developments are required to place new utilities underground and relocate existing overhead utilities underground in the development area.

In order to qualify for use of Rule 20A funds, the City must designate an area to form an Underground Utility District (UUD) that complies with the Rule 20A criteria. Generally, the rules allow placing existing overhead lines underground within the public right-of-way, along with service lines that extend from the main lines in the public right-of-way to private property. The UUDs must be established in order of priority. The priorities may be modified by local government as long as they conform to the minimum requirements of the Rule 20A. Prioritization is based upon: the type of street, the amount of traffic, and the impact on the public.

Some residential neighborhoods in Sunnyvale have overhead utility lines running along the common property boundaries at the back yards of private property. Rule 20A funds cannot be used for overhead utilities where the main lines are on private property or within easements over private property.

The Rule 20A funds may be used to place overhead service lines from the qualifying main lines underground to serve individual properties, up to 100 feet

towards the service panel, plus up to \$1,500 per service connection to modify the service panel to accept the underground feed. In the past the City has chosen to pay for any additional costs to individual owners as part of the City's Capital Improvement Program. The City must also pay for other costs to relocate services for street lights and traffic signals. Where existing streetlights are on utility poles to be removed, new streetlights are installed at City expense.

PG&E acts as lead for design of the joint utility trench, coordinating with other utility companies such as telecommunications or cable TV providers. PG&E schedules the design and construction work within the total program on a PG&E District basis. PG&E has informed us that due to the backlog in their design and construction process, project completion may take as long as five years after the UUD is formed.

As of June 30, 2009, the City of Sunnyvale had a Rule 20A balance of \$11,063,121. The recently approved UUD for Fair Oaks Avenue, Phase II, from El Camino Real to Evelyn Avenue will use approximately \$2.2 million (RTC 09-159). The next project to be considered in November by the Council, Wolfe Road between Homestead and Old San Francisco, will use approximately \$4 million. Staff will recommend creation of this district early so that implementation may occur as tentatively scheduled in the capital project budget. Subtracting these two UUDs would leave a balance of approximately \$5.8 million in the Rule 20A fund. The fund receives annual allocations of approximately \$800,000 to \$900,000. At an average cost of about \$3 million per district, the City could form two more districts presently. However, creating the next UUD, (beyond the Wolfe Road project,) would require a budget modification to cover the City's costs, earlier than budgeted.

In the past, the City's Capital Budget called for formation of one UUD every three years. At the time the City's costs were estimated from \$700,000 to \$1,800,000 for each district. This large cost to the General Fund was seen as the main limiting factor. Since 2002, Rule 20A funds can be used for a greater portion of undergrounding individual services and service connections. The current Capital Budget, Project No. 826730 includes \$200,000 for each UUD, scheduled every 3 years. Actual costs will not be known until PG&E completes the design. Limiting factors in moving forward are the backlog of PG&E projects, and the availability of City funds to cover the City's costs associated with each project.

Rule 20A projects in the City

Completed:

1. Mathilda; El Camino Real to Washington
2. El Camino Real; West City Limit to East City Limit

3. Mathilda; SPRR to Almanor Avenue (HWY 101)
4. Sunnyvale-Saratoga Road; Homestead to Sunnyvale Avenue
5. Mary Avenue; Bidwell Avenue to 500 feet north of Evelyn Avenue
6. Fair Oaks Avenue; Maude Ave. to Birch Ave. (completed 1998/1999)
7. Hollenbeck Avenue; vicinity of Conway Road (completed in 2003)

UUD approved June 2009 – under design by PG&E:

8. Fair Oaks Avenue; El Camino Real to Evelyn Ave

UUD in the formation process – scheduled for Public Hearing November 2009:

9. Wolfe Road; Homestead Road to Old San Francisco

Eligibility and Priority Criteria

Prior to 1986, staff recommended the priority listing to place overhead facilities underground based on two main criteria (RTC 86-605):

1. In conjunction with major street widening projects
2. To improve the visual aesthetics of the street.

On November 25, 1986, at a Council Study Session of Utility Undergrounding Priority Setting for the Purpose of Neighborhood Revitalization, staff provided a revised approach in the priority determination with three criteria:

1. Vehicular traffic volume
2. Visual effect of overhead wires
 - Effect of overhead main lines along the street or if hidden by mature street trees.
 - Effect of overhead wires crossing the street (“spaghetti” effect)
3. Providing a catalyst for neighborhood enhancement.
 - Effect on neighborhood revitalization
 - Criteria being considered in the function and appearance/public sub-element to the General Plan would give special emphasis to entrances to the City, the downtown area and the civic center area.

The most recent revision was made on November 14, 2006, when City Council approved the current priority criteria and adopted a priority list (Attachment A) for use of Rule 20A funds (RTC 06-339).

Current Priority Criteria:

- Traffic volume
- Visual effect of overhead wires
- Serving as a catalyst for neighborhood enhancement
- Safety of pedestrians
- Preservation and protection of street trees
- Americans with Disability Acts (ADA) compliance

DISCUSSION

Study Issue DPW 08 (Attachment B) suggests coordination of undergrounding overhead utilities with local utility companies to provide an incentive for earlier implementation. To the extent allowed by the CPUC this process is already incorporated into the program. The Rule 20A process is used by PG&E and other utility companies to organize and coordinate such schedules. Some telecommunications companies consider their future plans for improvement and expansion as confidential and do not wish to share them until the time of implementation. In the past, the limiting factor has been the City's budget for the City's share of costs. After PG&E completes design and cost estimates for the existing UUD, the City will have better information on which to estimate the City's costs for future UUD projects. Staff will recommend formation of the next UUDs on the new priority list along with what budget modifications are necessary to use all of the existing Rule 20A funds. After that, the limiting factor will likely be our annual allotment of future Rule 20A funds.

The latest Rule 20A qualification criteria was approved by the CPUC in 1968 and revised in 2002. They are:

- Undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities.
- The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic.
- The street, road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public.
- The street or road or right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines.

Proposed Qualification and Ranking Criteria for Rule 20A projects

Staff proposes that the City selection and ranking criteria follow the Rule 20A qualification criteria. Roadway type is determined by Traffic and Transportation staff using the State guidelines. Pedestrian and vehicle traffic is also determined by the Traffic and Transportation staff. The more subjective criteria of unusually heavy concentration of overhead facilities, and determination of civic, recreational, or scenic interest is determined by City planners.

1. The street, road, or right-of-way is designated an arterial street or major collector as defined in the City's officially adopted Roadway Classification Map with priority given to designated arterials over designated collectors.
2. Undergrounding avoids or eliminates an unusually heavy concentration of overhead electric facilities as compared to other roadways.

3. The street, road, or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic as compared to other similar facilities, particularly to emphasize public safety, as well as, appearance.
4. The street, road or right-of-way adjoins or passes through a civic area, is adjacent to school(s), or public recreation area or an area of unusual scenic interest to the general public.
5. Projects that complement other public capital improvement projects, such as major improvement to an arterial, where a later undergrounding project would disrupt or denigrate the relatively new improvements.
6. Projects that front newly planned City facilities, such as: parks, libraries, and fire stations.
7. To protect or preserve existing street trees.

Based on the proposed qualification criteria, a matrix was performed by City staff to create a revised priority list. The new priority list is in Attachment C, along with the ranking scores.

FISCAL IMPACT

There is no fiscal impact to the recommended actions.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. Approve the revised Utility Undergrounding Rule 20A Project Qualification and Ranking Criteria .
2. Approve the revised Utility Undergrounding Rule 20A Priority List.
3. Provide input to staff to revise the Qualification and Ranking Criteria

RECOMMENDATION

Staff recommends Alternative No. 1 and 2. Approve the revised Utility Undergrounding Rule 20A Project Qualification and Ranking Criteria, and approve the revised Utility Undergrounding Rule 20A Priority List.

The revised Utility Undergrounding Rule 20A Project Qualification and Ranking Criteria conforms with the latest rule 20A provisions. Pedestrian as well as vehicular traffic is now included, along with an emphasis toward public safety. The revised list was derived with objective input such as street type and average traffic, along with more subjective evaluation of the impact of the amount of overhead wires and how they affect public attractions.

If the Council desires any modification to the qualification and ranking criteria, staff would make the necessary revisions to both the criteria and the priority list as applicable.

Reviewed by:

Marvin Rose, Director of Public Works

Prepared by: Mark Rogge, Assistant Director of Public Works

Approved by:

Gary M. Luebbers

City Manager

ATTACHMENTS

- A. 2006 Utility Undergrounding Rule 20A Project Priority List.
- B. Study Issue DPW 08 Reprioritization of Underground Utility Projects
- C. 2009 Utility Undergrounding Rule 20A Project Priority List, and ranking scores

ATTACHMENT A**2006 Utility Undergrounding Rule 20A Project Priority List**

No.	Street	Start	End	Budget FY	Current Status
1	Fair Oaks	Evelyn	El Camino Real	2008/09	UUD formed, in PG&E design
2	Wolfe	Homestead	El Camino Real	2011/12	UUD scheduled for formation November 2009
3	Wolfe	El Camino Real	Old San Francisco	2014/15	UUD scheduled for formation November 2009
4	Maude	Fair Oaks	Mathilda		
5	Sunnyvale	Maude	Evelyn		
6	Pastoria	El Camino Real	Evelyn		
7	Duane	Mathilda	San Juan		
8	Bernardo	El Camino Real	Evelyn		
9	Evelyn	Bernardo	Mathilda		
10	Evelyn	Sunnyvale	Fair Oaks		
11	Homestead	Wolf	Swallow		
12	California	Mathilda	Fair Oaks		
13	Washington	Sunset	Charles		
14	Taaffe	El Camino Real	Olive		
15	Frances	El Camino Real	Olive		
16	Arques	Fair Oaks	Mathilda		

Proposed 2009 Council Study Issue

DPW 08 Reprioritization of Underground Utility Projects

Lead Department Public Works
Element or Sub-element Community Development, Community Design
New or Previous Previous
Status Pending **History** 1 year ago Below the line 2 years ago None

1. What are the key elements of the issue? What precipitated it?

Council Member Moylan has suggested that where a utility company is providing new facilities for their infrastructure that the City reprioritize its Rule 20 project list to offer the formation of an underground utility district for the purpose of under grounding the new facilities as well as all existing facilities with the use of the City's Rule 20 allocation. This would be a voluntary program to provide incentives for the early conversion of overhead utilities to underground. The study would look at any legal or institutional obstacles to this type of program and assess the willingness of the utility companies to participate in such a program. This study issue fell below the line in 2008. Therefore, it is being carried forward for reconsideration in the 2009 study issue process. The work would be included as part of the 3-year Rule 20a process.

Background Information on Rule 20:

Rule 20A funds are allocated to Cities from utility company revenues as required by the State Public Utility Commission to pay for undergrounding of their existing overhead utilities along major streets and in downtown areas. Local agencies establish underground utility districts in accordance with Rule 20 provisions. Projects are designed, coordinated, and constructed by PG&E. The City must pay to underground its own facilities and any costs beyond applicable and available Rule 20 funds.

The current program allows use of the City's allocation of Rule 20A to underground utilities within a district established by the City through a qualified prioritization process. The latest prioritization list was approved by the City Council on November 14, 2006 (RTC No. 06-344).

2. How does this relate to the General Plan or existing City Policy?

2.5 Community Design - Goals, Policies and Action Statements
GOAL B: Create an attractive street environment which will compliment private and public properties and be comfortable for residents and visitors.
Policy B.3 Minimize elements which clutter the roadway and look unattractive.

Action Statements

B.3a. Maintain the requirements for undergrounding overhead utility wires.

3. Origin of issue

Council Member(s) Moylan
General Plan
City Staff
Public
Board or Commission none

4. Multiple Year Project? No Planned Completion Year 2009

5. Expected participation involved in the study issue process?

Does Council need to approve a work plan? No
Does this issue require review by a Board/Commission? Yes
If so, which?
Planning Commission
Is a Council Study Session anticipated? No
What is the public participation process?
Hold meetings with the public and affected utility companies prior to the development of any new policy.

6. Cost of Study

Operating Budget Program covering costs
Project Budget covering costs
Budget modification \$ amount needed for study
Explain below what the additional funding will be used for

7. Potential fiscal impact to implement recommendations in the Study approved by Council

Capital expenditure range \$501K or more
Operating expenditure range None
New revenues/savings range None
Explain impact briefly
This policy could accelerate or slow the process on the use of the City's Rule 20 funds. At this time, it is unknown what fiscal impact this change in policy may have on the City.

8. Staff Recommendation

Staff Recommendation None
If 'For Study' or 'Against Study', explain

9. Estimated consultant hours for completion of the study issue

0

Managers	Role	Manager	Hours			
Lead	Rogge, Mark	Mgr CY1:	20	Mgr CY2:	0	
		Staff CY1:	0	Staff CY2:	0	
Support	Raina, Hira	Mgr CY1:	30	Mgr CY2:	0	
		Staff CY1:	0	Staff CY2:	0	
Interdep	Ryan, Trudi	Mgr CY1:	10	Mgr CY2:	0	
		Staff CY1:	0	Staff CY2:	0	
Total Hours CY1: 60						
Total Hours CY2: 0						

Note: If staff's recommendation is 'For Study' or 'Against Study', the Director should note the relative importance of this Study to other major projects that the Department is currently working on or that are soon to begin, and the impact on existing services/priorities.

PAMS Study Issue

Reviewed by

Maria A. Rapp

Department Director

1/14/09

Date

Approved by

Ami Lue

City Manager

1/14/09

Date

Addendum

A. Board / Commission Recommendation

☐ Issue Created Too Late for B/C Ranking

Board or Commission	Rank	Rank 1 year ago	Rank 2 years ago
Arts Commission			
Bicycle and Pedestrian Advisory Committee			
Board of Building Code Appeals			
Board of Library Trustees			
Child Care Advisory Board			
Heritage Preservation Commission			
Housing and Human Services Commission			
Parks and Recreation Commission			
Personnel Board			
Planning Commission			

Board or Commission ranking comments

B. Council

Council Rank (no rank yet)
Work Plan Review Date (blank)
Study Session Date (blank)
RTC Date (blank)
Actual Complete Date (blank)
Staff Contact

Attachment "C" - 2009 Underground Utility Project Ranking

Final Priority Rank	Street	Start	End	Street Classifica- tion	Traffic Volume	Impact on Pedestrian Environment	Visual Effect	Neighbor- hood Benefit	Preservation/Pr otection of Street Trees	Final Score	Anticipated Fiscal Year
				Traffic	Traffic	Traffic	Planning	Planning	Field Services		
1	Wolfe	Homestead	El Camino Real	4	5	5	4	5	5	28	11/12
2	Wolfe	El Camino Real	Old San Francisco	4	5	4	5	4	5	27	11/12
3	Homestead	Sunnyvale/Saratoga	Western City Limit	4	5	5	3	2	5	24	14/15
4	Homestead	Eastern City Limit	Sunnyvale/Saratoga	4	5	4	3	2	5	23	17/18
5	Maude	Fair Oaks	Mathilda	2	4	4	4	5	3	22	20/21
6	Sunnyvale	Evelyn	Maude	3	2	4	4	5	3	21	23/24
7	Mary	Blair	Bidwell	4	4	4	2	1	5	20	26/27
8	Bernardo	El Camino Real	Evelyn	3	2	4	3	4	3	19	29/30
9	Evelyn	Bernardo	Mathilda	4	3	4	3	3	2	19	32/33
10	Evelyn	Sunnyvale	Fair Oaks	4	3	4	3	3	1	18	35/36
11	Pastoria	El Camino Real	Evelyn	3	1	3	4	5	1	17	38/39
12	Duane	Mathilda	San Juan	3	2	2	4	4	2	17	41/42
13	Washington	Carson	Charles	3	1	2	4	2	4	16	44/45
14	Arques	Fair Oaks	Commercial	4	3	2	2	1	3	15	47/48
15	California	Mathilda	Fair Oaks	3	1	5	1	2	2	14	50/51
16	Weddell	Ross	Kiel	2	2	2	1	1	1	9	53/54

Note: 1 = Low, 5 = High

Street classification:

Class I Arterial - 5
Class II Arterial - 4
Residential Collectors - 3
Commercial/Industrial Collectors - 2
Local Streets - 1

Traffic Volume Scoring:

Average Weekday Traffic (Trips)	Score
>20,000	5
20,000-15,000	4
15,000-10,000	3
10,000-5,000	2
<5,000	1

**Council Meeting: November 17, 2009****SUBJECT: Resolution Forming Wolfe Road Underground Utility District –
Public Hearing****DISCUSSION**

On October 6, 2009, City Council set a public hearing date for November 17, 2009 to form the Wolfe Road Underground Utility District (UUD) (RTC 09-256). The purpose of the UUD is to underground overhead utilities in accordance with Pacific Gas and Electric's (PG&E) Rule 20A Program. A UUD identifies a specific area and must be formed if overhead utilities are to be placed underground using Rule 20A funds. The boundaries of the district are shown in Exhibit A of Attachment A. The public was noticed about the hearing to allow public comment on the proposed action.

City staff recommends Council approve by resolution (Attachment A) the formation of the proposed Wolfe Road Underground Utility District.

Upon conclusion of the public hearing, and approval of the resolution to form the required UUD, City staff will notify PG&E so that design work can begin. PG&E has advised that actual utility undergrounding could take five to seven years for completion due to PG&E's backlog of work, including undergrounding projects.

BACKGROUND

In November 2006, the City Council approved a program to continue undergrounding overhead utilities with PG&E Rule 20A funds, and adopted a priority list for the program (RTC 06-344). The list was revised on October 20, 2009 (RTC 09-260). Recently the Fair Oaks Avenue UUD Phase II, from El Camino Real to Evelyn Avenue, was approved, and is pending design and construction. The next project in line is Wolfe Road, from Homestead to El Camino Real.

Rule 20A program funding is set aside each year by PG&E to share with cities for the undergrounding of PG&E facilities. Other overhead utilities will participate as part of their franchise agreements for use of the public right-of-way. Relocating wires below ground reduces potential hazards associated with downed lines during or after severe weather or earthquake.

Undergrounding distribution lines also requires service laterals and meters to be converted on private properties. These costs will be covered under the Rule 20A program to the extent applicable. There will be no cost to the property owners in the district. Removed street lights attached to the utility poles will be replaced with standard lighting poles served with underground conduit and conductors. Other project-related cost that cannot be applied to the Rule 20A Fund will be covered by the City Capital Project #826730.

EXISTING POLICY

Community Design Sub-Element:

Policy 2.5B.3 Minimize elements which clutter the roadway and look unattractive;

Action Statement 2.5B3a Maintain the requirements for undergrounding overhead utility wires.

Policy 2.5D3 Work with outside government agencies to achieve attractive public and quasi-public facilities consistent with the quality of development in Sunnyvale.

Action Statement 2.5D3d Encourage PG&E and Southern Pacific Railroad to improve the appearance of transmission line easements and railroad lines.

FISCAL IMPACT

Project 826730 Underground Overhead Utilities is a budgeted project in Fiscal Year 2011/12, and 2012/13 for \$100,000 each fiscal year from the City's General Fund, to cover estimated costs beyond those applicable under the Rule 20A program. All other costs, roughly estimated at approximately \$4 million will come from the Rule 20A program, held by PG&E. There are sufficient funds in the Rule 20A account for this project. Approximately \$5.8 million will be left after the Fair Oaks UUD phase II and this project.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

In addition, public notices were published twice in The Sun, the official newspaper of the City of Sunnyvale, and direct mailing of the hearing was sent to property owners/occupants affected by the proposed underground district, as well as, notices posted on each side of the street within the affected area.

ALTERNATIVES

1. Approve the resolution forming the Wolfe Road Underground Utility District.
2. Take no action to form an undergrounding utility district funded by PG&E Rule 20A program.

RECOMMENDATION

Staff recommends Alternative No. 1: Approve the resolution forming the Wolfe Road Underground Utility District.

Relocating wires below ground reduces potential hazards associated with downed lines during or after a catastrophic event and use of PG&E's Rule 20 Program funding avoids any cost to affected property owners.

Reviewed by:

Marvin Rose Director of Public Works

Prepared by: Mark Rogge, Assistant Director of Public Works

Approved by:

Gary M. Luebbbers
City Manager

Attachment

- A. Resolution establishing the need and formation of the Wolfe Road Underground Utility District, including Exhibit "A," Wolfe Road Underground Utility District Boundary Map

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE DETERMINING THE PUBLIC HEALTH, SAFETY AND WELFARE REQUIRE THE ESTABLISHMENT OF AN UNDERGROUND UTILITY DISTRICT AND ORDERING THE REMOVAL OF POLES AND OVERHEAD LINES AND ASSOCIATED STRUCTURES USED OR USEFUL IN SUPPLYING ELECTRIC, COMMUNICATION AND SIMILAR OR ASSOCIATED SERVICES AND THE UNDERGROUND INSTALLATION OF SAID FACILITIES FOR SUPPLYING ELECTRIC, COMMUNICATION OR SIMILAR OR ASSOCIATED SERVICES WITHIN WOLFE ROAD UNDERGROUND UTILITY DISTRICT

WHEREAS, the City Council on October 6, 2009, adopted Resolution No. 406-09, a resolution of preliminary determination and intention to establish the Wolfe Road Underground Utility District, and to provide for hearing thereon, and appointed Tuesday, November 17, 2009, at the hour of 7:00 P.M., at the regular meeting place of the City Council, Council Chambers, City Hall, 456 West Olive Avenue, Sunnyvale, California, as the time and place for hearing protests and receiving evidence for and against the proposed action and directing notice; and

WHEREAS, notice was given of the time and place therein stated in the manner provided by law as appears from the declarations on file in the office of the City Clerk; and

WHEREAS, the matter came on regularly for hearing at the time therein fixed; and

WHEREAS, all written protests and other written communications were publicly read at the meeting, and evidence duly taken and all persons desiring to be heard were fully heard; and

WHEREAS, this Council has duly considered the matter and all proof, oral and documentary, that was presented;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE that:

1. The public necessity, convenience, health, safety and welfare require the removal of poles and overhead lines and associated structures for the distribution of electric, communication and similar or associated services, and the underground installation of the facilities for supplying electric, communication or similar or associated services in the area hereinafter described.

2. This Council further finds and determines that such undergrounding is in the general public interest for all of the following reasons:

a. Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead distribution facilities;

b. The streets or roads or rights-of-way are extensively used by the general public and carry a heavy volume of pedestrian and vehicular traffic;

c. The streets or roads or rights-of-way adjoin or pass through a civic area.

3. The area comprising the Wolfe Road Underground Utility District is located on Wolfe Road between Old San Francisco Road and Homestead Road and as more particularly described in Exhibit "A" attached hereto.

4. From and after the adoption of this Resolution, no person or public utility shall erect or construct any permanent pole, overhead line or associated overhead structure used or useful within Wolfe Road Underground Utility District.

5. Affected property owners shall be notified ninety (90) days prior to the date that underground service will be provided by the City's contractor.

6. The removal and installation of facilities in the Underground Utility District shall be completed as follows:

a. City hereby applies Rule 20A funds to financially assist property owners in the cost of trenching, installation of electrical conduit and conductors, backfilling and trench restoration from the property line to a maximum of one hundred (100) feet of individual electric service and conductor (as well as backfill, paving and conduit, if required); and

b. City hereby applies Rule 20A funds to financially assist property owners in the cost of converting the electrical panel, pursuant to the limits provided in Rule 20A, but no more than \$1,500 per electrical meter panel conversion per parcel.

7. All poles and overhead lines and associated structures used or useful in supplying electric, communication and similar or associated services in the proposed district shall be removed and underground installations made, and after completion, no person or public utility shall place, keep, maintain, continue, employ or operate any such facilities within the proposed district.

8. If the affected owners or occupants of any affected property desire to continue to receive service from any utility facilities, the owner or occupant shall provide all necessary facility changes on such premises so as to receive such service from the lines of the supplying public utility at a new location, subject to the applicable rules and regulations and tariffs on file with the California Public Utilities Commission, and to the requirements of state laws and city ordinances.

9. The facilities to be undergrounded will not include poles used exclusively for fire alarm boxes or any other municipal equipment installed under the supervision and to the satisfaction of the Director of Public Works or to any electrician with continuous underground circuit used exclusively for street lighting.

10. The facilities to be undergrounded will not include:

(a) Overhead wires (exclusive of supporting structures) crossing any portion of an area within which overhead wires have been prohibited, or connecting to buildings on the perimeter of an area within which overhead wires have been prohibited, when such wires originate in any area from which poles and overhead facilities are not prohibited;

(b) Overhead wires attached to the exterior surface of a building by means of a bracket or other fixture and extending from one location of the building to another location of the same building or to an adjacent building without crossing any public street;

(c) Radio antennae, their associated equipment and supporting structures, used by a public utility for furnishing communication services;

(d) Equipment appurtenant to underground facilities such as surface-mounted transformers, pedestal-mounted terminal boxes and meter cabinets and concealed ducts;

(e) Poles, overhead wires and associated overhead structures used for the transmission of electric energy at nominal voltages in excess of 34,500 volts; or

(f) Any overhead facilities used or to be used in conjunction with construction projects.

BE IT FURTHER RESOLVED:

1. The City Clerk shall cause a copy of this Resolution without Exhibit A (map) to be published twice in The Sun, the official newspaper of the City of Sunnyvale and Exhibit A (map) shall be available upon request at the City Clerk's office, and shall cause copies of this Resolution with Exhibit A (map) to be posted on each side of the street in each block or portion of block within the area affected; the posting and first publication to be had and completed at least ten (10) days after the adoption of the Resolution.

2. The City Clerk shall also cause copies of this Resolution with Exhibit A (map) to be mailed to the owners of the property affected at their addresses as appear on the last equalized County tax roll, or, in the case of transfers, as appears from the records of the County Assessor, or as known to the Clerk, and deposited in the United States mail, postage prepaid, and shall also cause copies of this Resolution with Exhibit A (map) to be mailed to each public utility affected at its office in the City, and deposited in the United States mail, postage prepaid, at least ten (10) days after the adoption of said Resolution.

3. The City Clerk shall also cause copies of this Resolution with Exhibit A (map) to be served on the occupants of the property affected by leaving a copy thereof with the occupant, if there is one, and if not, by leaving a copy of this Resolution with Exhibit A (map) at the premises or mailed to the owner at the address of record, at least ten (10) days after the adoption of the resolution.

Adopted by the City Council at a regular meeting held on November ____, 2009, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM:

David Kahn, City Attorney

Wolfe Road Underground Utility District

