

Frequently Asked Questions (continued)

Maximum Sales Price Calculation—Moderate Income

Cerritos Senior Housing Maximum Sale Price Calculation

Unit Address: 12345 Senior Housing Circle, Unit C
 APN: 1234-567-890
 Number of Bedrooms: 2
 Income Level for Unit: Moderate Income

Last updated: 2024

Calculation ① Based on the change in the Consumer Price Index (CPI)

Initial sale price of home:	<u>\$127,794</u>	(A)
Original sale date:	<u>Apr-2000</u>	
<i>CPI for LA/Riverside/Orange County</i>		
<i>http://www.bls.gov/cpi/</i>		
Original sale date: Apr-2000	<u>170.600</u>	(B)
Today's date: <u>Apr-2024</u>	<u>332.572</u>	(C)
Percentage Growth:	94.94%	(D) = (C - B) / B
Adjusted Sale Price based on CPI	\$249,125	(E) = (A) x (1 + D)

Calculation ② Based on Median Income Standards

2024 LA County Median Income (LACMI):	For a 1-bedroom unit: \$78,550													
	For a 2-bedroom unit: \$88,400													
Identify the Maximum Annual Housing Expense for the subject unit:	<i>For a 1-bedroom unit:</i>													
	<table border="1"> <thead> <tr> <th></th> <th>Income Factor</th> <th>Maximum Housing Expense</th> </tr> </thead> <tbody> <tr> <td>Very Low</td> <td>30% x 50% LACMI</td> <td>\$11,783</td> </tr> <tr> <td>Low</td> <td>30% x 70% LACMI</td> <td>\$16,496</td> </tr> <tr> <td>Moderate</td> <td>35% x 110% LACMI</td> <td>\$30,242</td> </tr> </tbody> </table>		Income Factor	Maximum Housing Expense	Very Low	30% x 50% LACMI	\$11,783	Low	30% x 70% LACMI	\$16,496	Moderate	35% x 110% LACMI	\$30,242	
	Income Factor	Maximum Housing Expense												
Very Low	30% x 50% LACMI	\$11,783												
Low	30% x 70% LACMI	\$16,496												
Moderate	35% x 110% LACMI	\$30,242												
	<i>For a 2-bedroom unit:</i>													
	<table border="1"> <thead> <tr> <th></th> <th>Income Factor</th> <th>Maximum Housing Expense</th> </tr> </thead> <tbody> <tr> <td>Very Low</td> <td>30% x 50% LACMI</td> <td>\$13,260</td> </tr> <tr> <td>Low</td> <td>30% x 70% LACMI</td> <td>\$18,564</td> </tr> <tr> <td>Moderate</td> <td>35% x 110% LACMI</td> <td>\$34,034</td> </tr> </tbody> </table>		Income Factor	Maximum Housing Expense	Very Low	30% x 50% LACMI	\$13,260	Low	30% x 70% LACMI	\$18,564	Moderate	35% x 110% LACMI	\$34,034	
	Income Factor	Maximum Housing Expense												
Very Low	30% x 50% LACMI	\$13,260												
Low	30% x 70% LACMI	\$18,564												
Moderate	35% x 110% LACMI	\$34,034												
Maximum Annual Housing Expense:	\$34,034	<i>Based on inputs and tables above</i>												
Maximum Monthly Housing Expense:	\$2,836	(F)												
Annual Property Taxes	<u>\$2,289</u>	https://vcheck.ttc.lacounty.gov/												
Less Allowable Monthly Expenses:														
Monthly Property Taxes	\$191													
Maintenance and Repairs	\$30	<i>Estimate</i>												
Association Fees	<u>\$457</u>	<i>Contact HOA</i>												
Gas and Electric	\$50	<i>Estimate</i>												
Total	\$728	(G)												
Total Available for Principal and Interest (monthly)	\$2,108	(H) = G - F												
Estimate of Loan Amount														
Length of Term (years)	30													
Interest Rate	<u>7.21%</u>	https://www.bankrate.com												
Loan Principal	\$310,305	(I) = (Present Value Function)												
Less Closing Costs (2%)	<u>(\$6,206)</u>	(J) = I x 0.02												
Loan Value	\$304,099	(K) = J - I												
Downpayment at 20%	\$60,820	(L) = K x 0.2												
Adjusted Sale Price based on Income Standards	\$364,919	(M) = K + L												

Maximum Sale Price

The maximum sale price is equal to the lesser of ① and ②.

①	\$249,125	<-- Lesser
②	\$364,919	

Maximum Sale Price \$249,125

Calculated: 5/16/2024