

Frequently Asked Questions (continued)

Maximum Sales Price Calculation—Very Low Income

Cerritos Senior Housing Maximum Sale Price Calculation

Unit Address: 12345 Senior Housing Circle, Unit A
 APN: 1234-567-890
 Number of Bedrooms: 1
 Income Level for Unit: Very Low Income

Last updated: 2024

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

Initial sale price of home: \$55,741 (A)
 Original sale date: Feb-2000

CPI for LA/Riverside/Orange County
<http://www.bls.gov/cpi/>

Original sale date: Feb-2000 169.300 (B)
 Today's date: Apr-2024 332.572 (C)
 Percentage Growth: 96.44% (D) = (C - B) / B

Adjusted Sale Price based on CPI \$109,497 (E) = (A) x (1 + D)

Calculation ❷ 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:

For a 1-bedroom unit:

	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

Reference California
Health and Safety Code §50053(b)

For a 2-bedroom unit:

	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: \$11,783 *Based on inputs and tables above*
 Maximum Monthly Housing Expense: \$982 (F)

Annual Property Taxes \$1,176 <https://vcheck.ttc.lacounty.gov/>

Less Allowable Monthly Expenses:
 Monthly Property Taxes \$98
 Maintenance and Repairs \$30 *Estimate*
 Association Fees \$160 *Contact HOA*
 Gas and Electric \$50 *Estimate*

Total \$338 (G)

Total Available for Principal and Interest (monthly) \$644 (H) = G - F

Estimate of Loan Amount
 Length of Term (years) 30
 Interest Rate 7.21% <https://www.bankrate.com>

Loan Principal \$94,762 (I) = (Present Value Function)
 Less Closing Costs (2%) (\$1,895) (J) = I x 0.02

Loan Value \$92,867 (K) = J - I

Downpayment at 20% \$18,573 (L) = K x 0.2

Adjusted Sale Price based on Income Standards \$111,440 (M) = K + L

Maximum Sale Price

The maximum sale price is equal to the lesser of ❶ and ❷.

❶ \$109,497 <-- Lesser

❷ \$111,440

Maximum Sale Price \$109,497

Calculated: 5/16/2024