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: *1234-56-789*
Number of Bedrooms: *1*
Income Level for Unit: *Very Low Income*

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:	Mar-2025	340.648	*(C)*
Percentage Growth:		101.21%	*(D) = (C - B) / B*
Adjusted Sale Price based on CPI		**$112,156**	*(E) = (A) x (1 + D)*

Calculation ❷ **Based on Median Income Standards**

2025 LA County Median Income (LACMI): For a 1-bedroom unit: $85,300; For a 2-bedroom unit: $95,950

Identify the Maximum Annual Housing Expense for the subject unit:

Reference California Health and Safety Code §50053(b)

For a 1-bedroom unit:

	Income Factor	Maximum Housing Expense
Very Low	30% x 50% LACMI	$12,795
Low	30% x 70% LACMI	$17,913
Moderate	35% x 110% LACMI	$32,841

For a 2-bedroom unit:

	Income Factor	Maximum Housing Expense
Very Low	30% x 50% LACMI	$14,393
Low	30% x 70% LACMI	$20,150
Moderate	35% x 110% LACMI	$36,941

Maximum Annual Housing Expense:	$12,795	*Based on inputs and tables above*
Maximum Monthly Housing Expense:	$1,066	*(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)	$728	*(H) = G - F*
Estimate of Loan Amount		
Length of Term (years)	30	
Interest Rate	5.880%	https://www.bankrate.com
Loan Principal	$123,045	*(I) = (Present Value Function)*
Less Closing Costs (2%)	($2,461)	*(J) = I x 0.02*
Loan Value	$120,584	*(K) = J - I*
Downpayment at 20%	$24,117	*(L) = K x 0.2*
Adjusted Sale Price based on Income Standards	**$144,701**	*(M) = K + L*

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

❶	$112,156	*<-- Lesser*
❷	$144,701	
Maximum Sale Price	**$112,156**	Calculated: 5/9/2025