

## Frequently Asked Questions (continued)

### Maximum Sales Price Calculation—Low Income

**Cerritos Senior Housing**  
**Maximum Sale Price Calculation**

Unit Address: **12345 Senior Housing Circle, Unit B**

APN: **1234-56-789**

Number of Bedroom: **2**

Income Level for Unit: **Low Income**

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

Initial sale price of home: **\$101,565** (A)

Original sale date: **Dec-1999**

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

Original sale date: Dec-1999 **167,300** (B)

Today's date: **Mar-2025** **340,648** (C)

Percentage Growth: **103.62%** (D) = (C - B) / B

**Adjusted Sale Price based on CPI \$206,802** (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:

*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

*Reference California*

*Health and Safety Code §50053(b)*

*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: **\$20,150**

Maximum Monthly Housing Expense: **\$1,679**

Annual Property Taxes **\$1,934**

*Based on inputs and tables above*

(F)

<https://check.ttc.lacounty.gov/>

Less Allowable Monthly Expenses:

Monthly Property Taxes **\$161**

Maintenance and Repairs **\$30**

Association Fees **\$185**

Gas and Electric **\$50**

Total **\$426**

*Estimate*

*Contact HOA*

*Estimate*

(G)

Total Available for Principal and Interest (monthly) **\$1,253** (H) = G - F

Estimate of Loan Amount

Length of Term (years) **30**

Interest Rate **5.880%**

<https://www.bankrate.com>

Loan Principal **\$211,699**

Less Closing Costs (2%) **(\$4,234)**

Loan Value **\$207,465**

Downpayment at 20% **\$41,493**

(I) = (Present Value Function)

(J) = I x 0.02

(K) = J - I

(L) = K x 0.2

**Adjusted Sale Price based on Income Standards \$248,958** (M) = K + L

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

❶ **\$206,802** <— Lesser

❷ **\$248,958**

**Maximum Sale Price \$206,802**

Calculated: 5/9/2025