



CITY OF SAN LUIS OBISPO

2024 WORKFORCE HOUSING STANDARDS FOR AVILA RANCH (Effective July 1, 2024)

Background

These standards apply to **only** units within the Avila Ranch development project that are deed-restricted affordable to families that qualify within a “workforce” level of income. **What is defined hereinafter as Workforce Income is exclusively only for the Avila Ranch development and is **not** an official income level designated by the California Department of Housing and Community Development (HCD).**

How “Workforce” Income Level is Defined

A Workforce Income Household is defined for this development project as a household with a Household Income that exceeds 121% but does not exceed 160% of the area median income (AMI) as established by HCD. Table 1 displays the maximum income levels for the Workforce Income Group, consistent with the 121% to 160% threshold:

TABLE 1: 2023 WORKFORCE INCOME THRESHOLD (\$)

INCOME GROUP	AMI	NUMBER OF PERSONS IN HOUSEHOLD							
		1	2	3	4	5	6	7	8
MEDIAN*	100%	87,900	100,500	113,050	125,600	135,650	145,700	155,750	165,800
WORKFORCE	121%	106,359	121,605	136,791	151,976	164,137	176,297	188,458	200,618
	160%	140,640	160,800	180,880	200,960	217,040	233,120	249,200	265,280

Updated July 2024, from CA State Department of Housing and Community Development (HCD) Official Income Limits.

*Median Income shown for reference only. These are **not** State-official Affordable Housing Income Levels.

**Income thresholds are rounded to the nearest \$50.

How to Determine Workforce-Income Sales Prices

To determine Workforce-Income sales prices, follow these three steps: 1) find the “income group” in Table 1, based on the number of persons in the household and their gross annual household income; 2) determine the number of bedrooms in the dwelling to be bought or sold; and 3) Use Table 2 to find the maximum Workforce-Income sales price based on the income group and number of bedrooms. When the number of persons in the household is not known, the City's Below Market Rate (BMR) Standards for sales prices can assume the following household sizes corresponding to the number of bedrooms in the dwelling:

- Studio unit: use the income limit for a one-person household.
- One-bedroom unit: use the income limit for a two-person household.
- Two-bedroom unit: use the income limit for a three-person household.

- Three-bedroom unit: use the average income limit for a four-five person household
- Four-bedroom unit: use the income limit for a six-person household

Workforce-Income Sales Prices

The “Workforce Sales Prices” are based on the formula provided in the Avila Ranch Development Agreement approved by the City Council and Affordable Housing Agreement recorded on the title of the land. The maximum Workforce Sales Prices is limited to no more than that required to achieve an Index of Affordability of 31 percent (cost of housing including mortgage principal, mortgage interest, taxes and insurance divided by 140% of AMI). The maximum purchase price would be equal to 5.65 times (140% of 4.05 multiplier) the median income for each household size, rounded to the nearest \$25. The maximum Workforce Sales Prices are listed in Table 2 below.

TABLE 2: 2024 WORKFORCE-INCOME SALES PRICES

INCOME GROUP	TENURE	DWELLING				
	Maximums	STUDIO	1-BDRM	2-BDRM	3-BDRM	4-BDRM
AVILA WORKFORCE	Sales Price	\$496,635	\$567,825	\$638,733	\$738,031	\$823,205

Example Calculations of BMR Sales Prices

- $5.65 \times \$113,050 = \$638,733$ for a two-bedroom unit
 - Income based on the 3-person Median AMI
- $5.65 \times \$130,625 = \$738,031$ for a three-bedroom unit
 - Income based on the 4–5-person average Median AMI
- $5.65 \times \$140,675$ (6-person median AMI) = \$823,205 for a four-bedroom unit.
 - Income based on the 6-person Median AMI