



**State of California – Housing and Community Development (HCD)
2016 Income and Affordable Housing Cost Schedule**

Maximum Annual Income Limits				
Household Size	30% AMI (Extremely Low)	50% AMI (Very Low)	80% AMI (Low)	120% AMI (Moderate)
1	\$17,850	\$29,750	\$47,600	\$63,750
2	\$20,400	\$34,000	\$54,400	\$72,900
3	\$22,950	\$38,250	\$61,200	\$82,000
4	\$25,500	\$42,500	\$68,000	\$91,100
5	\$28,440	\$45,900	\$73,450	\$98,400
6	\$32,580	\$49,300	\$78,900	\$105,700
7	\$36,730	\$52,700	\$88,050	\$112,950
8	\$40,890	\$56,100	\$105,700	\$120,250

Affordable Housing Costs *					
Renters	Unit Size	30% AMI (Extremely Low)	50% AMI (Very Low)	60% AMI (Low)	110% AMI (Moderate)
	Studio	\$398	\$664	\$797	\$1,461
	1-Bedroom	\$455	\$759	\$911	\$1,670
	2-Bedroom	\$512	\$854	\$1,025	\$1,879
	3-Bedroom	\$569	\$949	\$1,139	\$2,087
	4-Bedroom	\$615	\$1,025	\$1,230	\$2,254
Homeowners	Unit Size	30% AMI (Extremely Low)	50% AMI (Very Low)	70% AMI (Low)	110% AMI (Moderate)
	Studio	\$398	\$664	\$930	\$1,705
	1-Bedroom	\$455	\$759	\$1,063	\$1,948
	2-Bedroom	\$512	\$854	\$1,195	\$2,192
	3-Bedroom	\$569	\$949	\$1,328	\$2,435
	4-Bedroom	\$615	\$1,025	\$1,435	\$2,630

Effective: 5-24-16 --- San Diego Median Income: \$75,900 --- Source: <http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>

	RENTER	OWNER
Health & Safety Code	§§50053	§§50052.5
Extremely Low	30%	30%
Very Low	50%	50%
Low	60%	70%
Moderate	110%	110%

*Allowance for renter-paid utilities must be deducted from rent. See the most recent Utility Allowance Schedule published by the Encinitas Housing Authority. Utility Allowance and other housing costs (HOA, taxes, insurance, etc...) must be deducted from the affordable housing cost for homeowners/for sale units.



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Affordability Instructions

Rental Units:

The State income limits are published as percentages of the Area Median Income (AMI). The income categories are as follows: extremely low-income (30% AMI), very-low income (50% AMI), low-income (80% AMI) and moderate-income (120% AMI). Income restrictions will vary by project. The income limits are adjusted based on household size and are updated annually by the State Department of Housing and Community Development (HCD). To determine the maximum annual gross income for an eligible tenant household, view the chart on the following page, or visit: <http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>.

The affordable rent is based on the number of the bedrooms and the applicable income restriction for the property. The calculation to determine the maximum affordable rent for each income category is described in Health and Safety Code §50053 and adjusted on an annual basis; the 2016 maximum affordable rents can be found on the previous page. If the tenant pays for the utilities, (gas, electricity, water, sewer, and trash) an allowance must be deducted from the maximum rent. The utility allowance is based on appliance type and number of bedrooms. The Encinitas Housing Authority updates the Utility Allowance Schedule annually.

For Sale Units:

The State income limits are published as percentages of the Area Median Income (AMI). The income categories are as follows: extremely low-income (30% AMI), very-low income (50% AMI), low-income (80% AMI) and moderate-income (120% AMI). Income restrictions will vary by project. The income limits are adjusted based on household size and are updated annually by HCD. To determine the maximum annual gross income for an eligible homebuyer household, view the chart on the following page, or visit: <http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>.

The affordable sales price is based on the number of the bedrooms and the applicable income restriction for the property. The calculation to determine the maximum affordable housing cost for each income category is described in Health and Safety Code §50052.5 and adjusted on an annual basis; the 2016 maximum affordable housing costs for homeowners can be found on the previous page. An allowance for other housing costs associated with homeownership, such as utilities, applicable HOA or district assessment fees, taxes, and insurance are deducted from the maximum affordable monthly housing cost. For the purposes of estimating the sales prices, the developer will use the following assumptions; five percent down payment, the most recent Freddie Mac monthly average commitment rate for 30-year fixed-rate mortgages, and a reasonable quote for homeowners' insurance based on comparable homes in the community. The utility allowance is based on appliance type and number of bedrooms. The Encinitas Housing Authority updates the Utility Allowance Schedule annually.

At the time of initial sale to a qualifying homebuyer household, the City will record a deed of trust and equity sharing agreement, unless it is in conflict with the requirements of another public funding source or law [Government Code Section §65915(c)(2)]. The following terms apply to the equity sharing agreement: upon resale, the seller retains the value of any improvements, the down payment, and the seller's proportionate share of appreciation. The City will recapture any initial subsidy, and its proportionate share of appreciation. The City's initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price plus the amount of any down payment assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value. The City's proportionate share of appreciation shall be equal to the ratio of the City's initial subsidy to the fair market value of the home at the time of initial sale [Government Code Section §65915(c)(2)(A)(B)(C)].