



CITY OF SAN LUIS OBISPO

2023 “WORKFORCE” HOUSING STANDARDS FOR SAN LUIS RANCH (Effective July 1, 2023)

Background

These standards apply to **only** units within the San Luis 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 San Luis 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%	79,150	90,500	101,800	113,100	122,150	131,200	140,250	149,300
WORKFORCE**	121%	95,800	109,500	123,150	136,850	147,800	158,750	169,700	180,650
	160%	126,650	144,750	162,850	180,950	195,450	209,900	224,400	238,850

Updated July 2021, 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 Rents or Sales Prices

To determine Workforce-Income rents or 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, rented or sold; and 3) Use Table 2 to find the maximum Workforce-Income rent or 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 both rent and 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 Rent Limits

The maximum monthly rents to qualify as Workforce housing are listed in Table 2. For example, the maximum monthly rent cost for a two-bedroom dwelling to a Workforce-income household can be found in Table 2 by reading across the row labeled “Workforce, Maximum Monthly Rent” and then finding \$2,969 under the column heading “2-Bedroom.” Rent limits are based on the formula provided in the San Luis Ranch Development Agreement approved by the City Council and Affordable Housing Agreement recorded on the title of the land. Workforce-Income monthly rents shall not exceed 25% of 140% of the annual AMI divided by 12 and adjusted for household/unit size.

TABLE 2: 2023 WORKFORCE-INCOME RENT/SALES PRICES

INCOME GROUP	TENURE	DWELLING				
	Maximums	STUDIO	1-BDRM	2-BDRM	3-BDRM	4-BDRM
WORKFORCE (121-160% AMI)	Monthly Rent	\$2,309	\$2,640	\$2,969	\$3,431	\$3,827
	Sales Price	\$443,275	\$506,625	\$569,975	\$658,700	\$734,650

Workforce-Income Sales Prices

The maximum sales prices for Workforce housing are based on the formula used to calculate sales prices for moderate-income households. Sales price limits are determined by multiplying the annual income limit of the income group, adjusted for household size (by 3.5 in alignment with moderate-income household calculations), rounded to the nearest \$25. For example, the calculation of maximum sales price for a 2-bedroom dwelling is computed as:

Calculation of BMR Sales Prices

- $3.5 \times \$162,850 = \$569,975$ for a two-bedroom unit
 - Income based on the 3-person Workforce AMI
- $3.5 \times \$188,200 = \$658,700$ for a three-bedroom unit
 - Income based on the 4–5-person average Workforce AMI
- $3.5 \times \$209,900 = \$734,650$ for a four-bedroom unit
 - Income based on the 6-person Workforce AMI