



CITY OF SAN LUIS OBISPO

2024 “WORKFORCE” HOUSING STANDARDS FOR SAN LUIS RANCH (Effective July 1, 2024)

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: 2024 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 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: 2024 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	\$2,564	\$2,931	\$3,298	\$3,810	\$4,250
	Sales Price	\$492,240	\$562,800	\$633,080	\$731,500	\$815,920

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

- $3.5 \times \$180,880 = \$633,080$ for a two-bedroom unit
 - Income based on the 3-person Workforce AMI
- $3.5 \times \$209,000 = \$731,500$ for a three-bedroom unit
 - Income based on the 4–5-person average Workforce AMI
- $3.5 \times \$233,120 = \$815,920$ for a four-bedroom unit
 - Income based on the 6-person Workforce AMI