

TABLE 1

AFFORDABLE RENT CALCULATIONS
2023 INCOME STANDARDS
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
COSTA MESA, CALIFORNIA

		Studio Units	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units
I.	<u>General Assumptions</u>				
	Area Median Income (AMI)	¹ \$89,450	\$102,250	\$115,000	\$127,800
	Monthly Utilities Allowance	² \$95	\$111	\$148	\$183
II.	<u>Affordable Rent Calculations</u>				
	A. Very Low Income - Rent Based on 50% AMI	³			
	Benchmark Annual Household Income	\$44,725	\$51,125	\$57,500	\$63,900
	Percentage of Income Allotted to Housing Expenses	30%	30%	30%	30%
	Annual Income Available for Housing Expenses	\$13,418	\$15,338	\$17,250	\$19,170
	Monthly Income Available for Housing Expenses	\$1,118	\$1,278	\$1,438	\$1,598
	(Less) Monthly Utilities Allowance	<u>(95)</u>	<u>(111)</u>	<u>(148)</u>	<u>(183)</u>
	Maximum Allowable Rent	\$1,023	\$1,167	\$1,290	\$1,415
	B. Low Income - Rent Based on 80% AMI	⁴			
	Benchmark Annual Household Income	\$71,560	\$81,800	\$92,000	\$102,240
	Percentage of Income Allotted to Housing Expenses	30%	30%	30%	30%
	Annual Income Available for Housing Expenses	\$21,468	\$24,540	\$27,600	\$30,672
	Monthly Income Available for Housing Expenses	\$1,789	\$2,045	\$2,300	\$2,556
	(Less) Monthly Utilities Allowance	<u>(95)</u>	<u>(111)</u>	<u>(148)</u>	<u>(183)</u>
	Maximum Allowable Rent	\$1,694	\$1,934	\$2,152	\$2,373
	C. Moderate Income - Rent Based on 110% AMI	³			
	Benchmark Annual Household Income	\$98,395	\$112,475	\$126,500	\$140,580
	Percentage of Income Allotted to Housing Expenses	30%	30%	30%	30%
	Annual Income Available for Housing Expenses	\$29,519	\$33,743	\$37,950	\$42,174
	Monthly Income Available for Housing Expenses	\$2,460	\$2,812	\$3,163	\$3,515
	(Less) Monthly Utilities Allowance	<u>(95)</u>	<u>(111)</u>	<u>(148)</u>	<u>(183)</u>
	Maximum Allowable Rent	\$2,365	\$2,701	\$3,015	\$3,332

¹ Based on the 2023 Orange County household incomes published by the California Department of Housing & Community Development (HCD). The benchmark household size is set at the number of bedrooms in the unit plus one.

² Based on the Orange County Housing Authority utilities allowance schedule effective as of October 1, 2023. Assumes: Electric Cooking, Electric Heating, and Electric Water Heater; and Basic Electric.

³ Based on the calculation methodology defined in California Health & Safety Code Section 50053.

⁴ Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505.

TABLE 2

AFFORDABLE RENT CALCULATIONS
2023 INCOME STANDARDS
APARTMENT DEVELOPMENT
GOVERNMENT CODE SECTION 65915 RENTS
COSTA MESA, CALIFORNIA

		Studio Units	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units
I.	<u>General Assumptions</u>				
	Area Median Income (AMI)	¹ \$89,450	\$102,250	\$115,000	\$127,800
	Monthly Utilities Allowance	² \$95	\$111	\$148	\$183
II.	<u>Affordable Rent Calculations</u>				
	A. Very Low Income - Rent Based on 50% AMI	³			
	Benchmark Annual Household Income	\$44,725	\$51,125	\$57,500	\$63,900
	Percentage of Income Allotted to Housing Expenses	30%	30%	30%	30%
	Annual Income Available for Housing Expenses	\$13,418	\$15,338	\$17,250	\$19,170
	Monthly Income Available for Housing Expenses	\$1,118	\$1,278	\$1,438	\$1,598
	(Less) Monthly Utilities Allowance	<u>(95)</u>	<u>(111)</u>	<u>(148)</u>	<u>(183)</u>
	Maximum Allowable Rent	\$1,023	\$1,167	\$1,290	\$1,415
	B. Low Income - Rent Based on 60% AMI	³			
	Benchmark Annual Household Income	\$53,670	\$61,350	\$69,000	\$76,680
	Percentage of Income Allotted to Housing Expenses	30%	30%	30%	30%
	Annual Income Available for Housing Expenses	\$16,101	\$18,405	\$20,700	\$23,004
	Monthly Income Available for Housing Expenses	\$1,342	\$1,534	\$1,725	\$1,917
	(Less) Monthly Utilities Allowance	<u>(95)</u>	<u>(111)</u>	<u>(148)</u>	<u>(183)</u>
	Maximum Allowable Rent	\$1,247	\$1,423	\$1,577	\$1,734
	C. Moderate Income - Rent Based on 110% AMI	³			
	Benchmark Annual Household Income	\$98,395	\$112,475	\$126,500	\$140,580
	Percentage of Income Allotted to Housing Expenses	30%	30%	30%	30%
	Annual Income Available for Housing Expenses	\$29,519	\$33,743	\$37,950	\$42,174
	Monthly Income Available for Housing Expenses	\$2,460	\$2,812	\$3,163	\$3,515
	(Less) Monthly Utilities Allowance	<u>(95)</u>	<u>(111)</u>	<u>(148)</u>	<u>(183)</u>
	Maximum Allowable Rent	\$2,365	\$2,701	\$3,015	\$3,332

¹ Based on the 2023 Orange County household incomes published by the California Department of Housing & Community Development (HCD). The benchmark household size is set at the number of bedrooms in the unit plus one.

² Based on the Orange County Housing Authority utilities allowance schedule effective as of October 1, 2023. Assumes: Electric Cooking, Electric Heating, and Electric Water Heater; and Basic Electric.

³ Based on the calculation methodology defined in California Health & Safety Code Section 50053.