Housing Affordability

- Households with an income at 30% AMI (Average Median Income) in Los Angeles County can afford a monthly payment of $486, which is just at operating costs per unit per month. As such, they can afford $0 to support a conventional mortgage.

- Households at 50% AMI can afford a monthly payment of $810, which is $330 over operating costs, so they can afford to support a conventional mortgage of $58,000.

- Households at 80% AMI can afford a monthly payment of $1,296, which is $816 over operating costs, so they can afford to support a conventional mortgage of $144,000.

- Households at 100% AMI can support a conventional mortgage of $201,000.

- Households at 120% AMI can support a conventional mortgage of $258,000.

Transportation Affordability and Use

- A typical Los Angeles County household at 80% AMI spends $13,300 a year on transportation, or over 26% of their income. By comparison a typical national household spends 19% of their income on transportation.

- Households in the average Metro station area spend $11,200 a year on transportation, or 22% of income for an 80% AMI Household.

- A 30% AMI household in a typical LA County neighborhood would spend 69% of their income on transportation. In a station area, this would drop to 57%. In areas around downtown Los Angeles, transportation costs are the lowest at $6,700 a year – and a family at 30% AMI would spend 34% of their income on transportation.

- Countywide, 10% of commuters take transit or walk to work. But 20% of commuters earning less than $15,000, and 17% of commuters earning less than $25,000 per year take transit or walk to work.

Assumptions:

- Average cost to develop typical market rate 2BR unit is about $200,000 to $250,000 plus land;
- Median income in LA County is $64,800 for family of 4;
- Operating costs for 2BR unit are $480 per unit per month ($5,750 per year); interest rates at 5.5%.