The Impact of
Market Rate Vacancy Increases
Eight-Year Report

January 1, 1999 - December 31, 2006

Santa Monica Rent Control Board
March 2007

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IMPACT OF MARKET RATE VACANCY INCREASES

SUMMARY

The state-initiated vacancy decontrol-recontrol law has now been in effect for eight years. Since January 1, 1999, owners have been allowed to raise the rents on most vacant units to market rate.

By the end of the eighth year, 14,013 units had been rented at market rates. This represents approximately 51% of the controlled rental units for which the Agency has registered rents. For comparison, at the end of 2005, 48% of the units (13,183 units) had been rented at market rate. Two percent of the controlled units (552 units) were rented at market rates for the first time during 2006. Another 1% of the units (278 units) were rented at market rates in previous years, but those tenancies were not registered by the owners until 2006. The Agency's records indicate that 49% of the controlled rental housing units (13,432 units) have not received market rate increases. These figures are based on a group of 27,445 controlled rental units[1].

The impact of the increases on rents and affordability is explored in this report and is summarized below.

- The number of new units rented at market rate has decreased each year since 1999 when vacancy decontrol began. In 2006, 552 new units were rented at market rate for the first time, the lowest number yet for a one-year period.

- Once a unit is rented at market rate, the tenant has less incentive to stay in place and therefore the unit may receive subsequent vacancies and re-rentals in a relatively short period of time. At the end of the eighth year, 56% of the units rented at market rate have been re-rented at least once since the first market rate rental. Almost 13% of the units have been rented at market rate four or more times.

- Upon re-rental, median MARs have increased from $667 to $1,031 (55%) for 0-bedroom units, from $762 to $1,384 (82%) for 1-bedrooms, from $975 to $1,822 (87%) for 2-bedrooms and from $1,226 to $2,354 (92%) for 3 or more bedroom units.

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[1] Excluded from these totals are 9,030 units that have either been removed from rent control or currently hold various use exemptions. These include: units on properties with owner-occupied exemptions (approximately 1,720); units withdrawn under the Ellis Act (approximately 1,735); units that have received removal permits (approximately 1,585); units with various other use exemptions (approximately 2,740); and units that do not have registered base rents because they have been occupied by owners since April 10, 1979 or have received non-rental or commercial exemptions (approximately 1,250).

- Depending on the number of bedrooms in a unit, the household income needed to "afford" the median market rent at 30% of gross income ranges from $58,914 to $86,783. This is $20,800 - $41,500 higher than the income needed to afford the median long-term controlled rent of the same size unit.

- Vacancy increases on 14,013 units have resulted in the loss of 9,046 units that had rent levels formerly affordable to low-income households (80% of median income) including 5,793 units with rent levels formerly affordable to very low-income households (50 and 60% of median income).[2]

- Market rate vacancies continue to be distributed throughout the city, closely paralleling the distribution of all controlled rental units.

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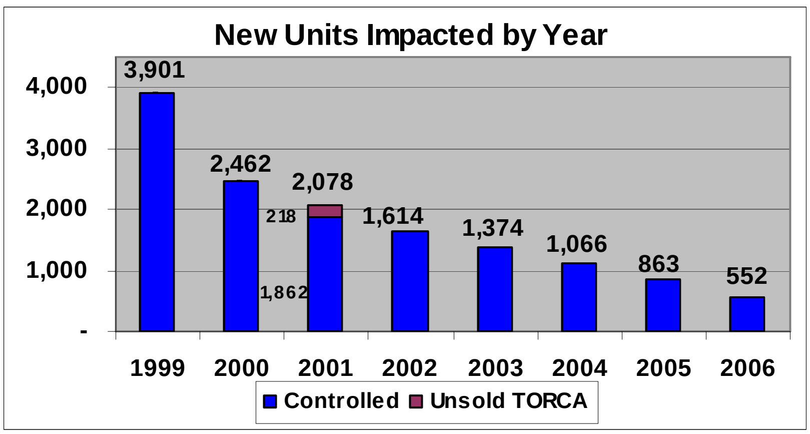
[2] See page 11 Affordability Standards, for the maximum income at each level.

Rates of Filing – Units Impacted

In eight years of vacancy decontrol, 14,013 units experienced at least one market-rate increase. As the table below shows, the number of new units impacted each year has declined.[3] In 2006, 552 units were registered as being rented at market rate for the first time. This is just 14% of the units rented at market rate in the first year of vacancy decontrol and the lowest number yet for a 12-month period.

The table below shows the number of units impacted for the first time in each year of vacancy decontrol. As was done last year, the figures for this table were recalculated this year after identifying a tendency of some owners to delay registering units rented at market rates in previous years. The chart reflects the year the rents were implemented as opposed to the year they were registered with the Rent Control Board.



Vacancy Increase Registration Forms have been filed at approximately the same rate each year: between 3,600 and 4,000 per year. As in previous years, the largest number of forms was filed in the third quarter of 2006 following the Agency's annual June mailing in which owners received reports of current rent levels on file with the Agency. An average of 490 forms was filed per month in July – September 2006.

Rates of Re-Rental – Multiple Increases per Unit

After eight years of vacancy decontrol, more than half of the units rented at market rate (56%) have been re-rented at least once since the first market rate rental. Of the 14,013 units rented at market rate, 28% (3,936) have experienced two vacancies and re-rentals, 15% (2,132) have had three, and 13% (1,847) have had four or more re-rentals.

The continuing increase in units with more than one market rate rental shows that once a unit is rented at market rate, it is likely to receive subsequent vacancies and re-rentals in a

[3] A 2002 change in state and local law required owners of unsold TORCA units to register established market rate rents as of May 2001 for these units re-controlled after a period of decontrol. Of the 2,080 units impacted in 2001, 218 were unsold TORCA units.

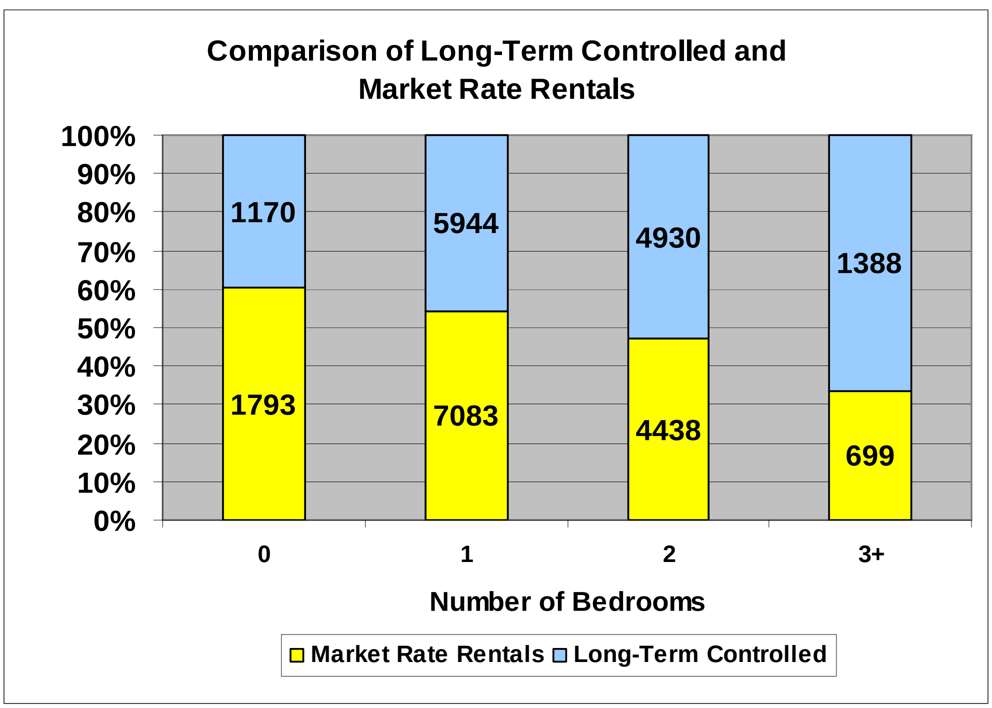
relatively short period of time. In fact, of the 3,335 market rate tenancies established in 2006, only 552 were in units rented at market rate for the first time. More than 83% of the market rate rentals in 2006 (2,783 tenancies) were in units that had been rented at market rate at least once before.

Long-Term Controlled Units Compared to Market Rate Rentals

Overall, the 14,013 units rented at market rate since 1999 represent 51% of the controlled units for which the Agency has registered rents. For comparison, at the end of 2005, 48% of the units (13,183) had been rented at market rate. In 2006, another 3% of the controlled units were registered as having been rented at market rates (2% during 2006 and 1% in earlier years). Agency records indicate that 49% of the controlled units (13,432) have not received market rate increases. The following table shows the percentage of long-term controlled units compared with market rate rentals by unit size and overall.

Number of Bedrooms	0	1	2	3+	OVERALL
Percent Long-Term Controlled Units	39	46	53	67	49
Percent Market Rate Rentals	61	54	47	33	51

The graph below details for each unit size the number of long-term controlled units (blue) and the number of units rented at market rate (yellow). As the table and graph both show, the smaller the unit (number of bedrooms), the more likely it has been rented at market rate. While more than half of the singles and one-bedrooms have been rented at market rate, just 33% of the three or more bedroom units have experienced market rate rentals.



Market rate rentals were again evaluated to determine if certain size units (i.e. number of bedrooms) were impacted disproportionately by vacancy increases. As the table below shows, market rate rentals continue to be distributed between the various sized units in approximate proportion to their existence in the rental housing stock. Although an additional 552 units were rented at market rate in 2006, the percentage distributions described here have not changed since this factor was first examined at the end of 2002.

Number of Bedrooms	0	1	2	3+
Percentage of Units Overall	10	48	34	8
Percentage of Market Rentals	13	51	31	5

EFFECTS ON RENT LEVELS

Impact on Median Maximum Allowable Rents (MARs)[4]

The chart below summarizes median rent information for the 14,013 units that received market rate increases between January 1, 1999 and December 31, 2006. The post-increase medians reflect the cumulative effect of eight years of rentals at market rate.

Vacancy Increases 1/1/99 – 12/31/06 (14,013 units)

Number of Bedrooms	Adjusted 1998[5] Median MARs	Post-Increase Median MARs	Dollar Amount Change	% Change
0	$667	$1,031	$364	55%
1	762	1,384	623	82
2	975	1,822	847	87
3 or +	1,226	2,354	1,128	92

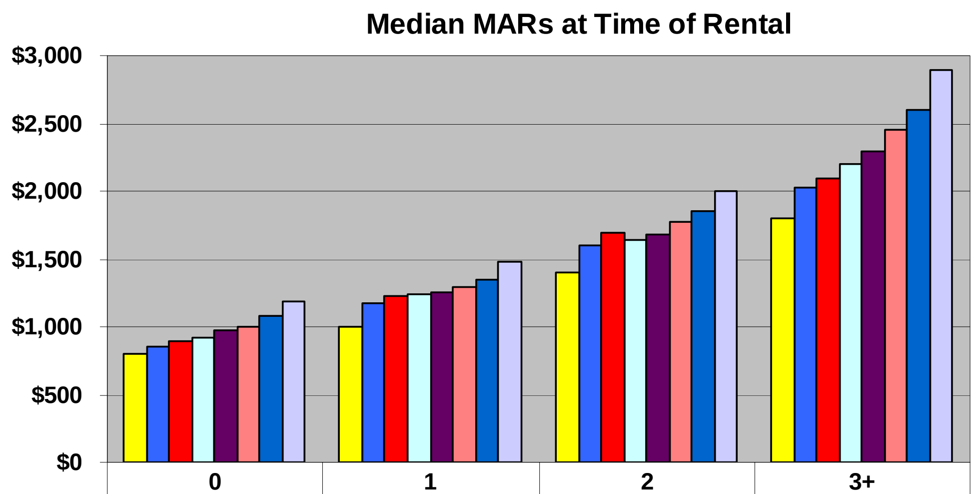
The chart details rents based on the number of bedrooms in the units. The second column is the median rent in effect as of December 1998 (before any market rate increases were implemented) with the 1999 – 2006 general adjustments added. Adding the general adjustments allows a comparison of what the medians of these 14,013 units would be as of December 2006 if they had not received vacancy increases. The next three columns reflect the median rent after the market rate increases, the dollar amount of the change from the pre-increase adjusted rent and the percentage change.

[4] Median rent levels (the point at which half the rentals were higher and the other half were lower) are used throughout this report because they are considered more statistically accurate than average rents. Medians filter out the effect of rents at the extreme high and low ends.

[5] December 1998 median MARs with 1999-2006 general adjustments added.

Median MARs at Time of Rental

The table below shows the medians by year for all units in which a market rate rent was established in a given year. If a unit was rented in 1999 and re-rented again in 2006, the first market rent is reflected in the figures for 1999 and the later market rent is reflected in the figures for 2006. Additionally, if a unit was rented more than once in a year, all new rental amounts are included to calculate the medians.



	0	1	2	3+
1999	$800	$1,000	$1,400	$1,800
2000	$850	$1,175	$1,600	$2,030
2001	$895	$1,225	$1,695	$2,089
2002	$925	$1,239	$1,635	$2,200
2003	$967	$1,250	$1,676	$2,300
2004	$995	$1,300	$1,775	$2,450
2005	$1,075	$1,350	$1,850	$2,600
2006	$1,182	$1,475	$1,995	$2,900

Number of Bedrooms

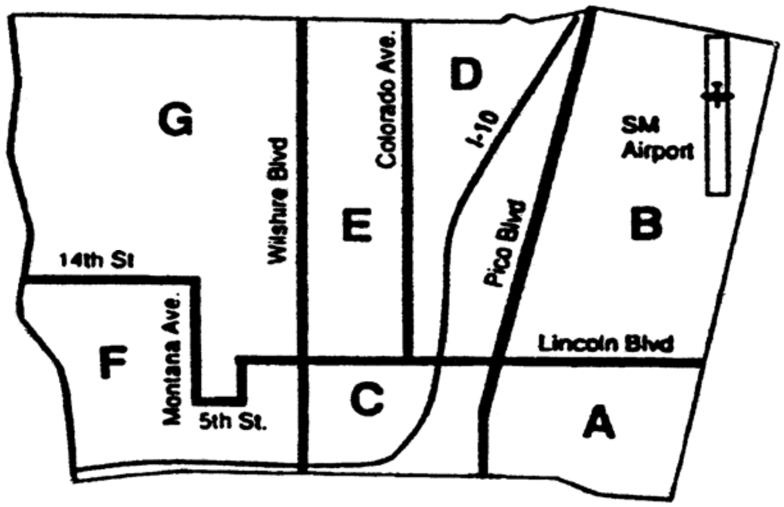
In looking at the year-to-year change in median rents, for all unit sizes except singles the largest year-to-year percentage increase occurred between 1999 and 2000. For singles, the largest year-to-year increase occurred between 2005 and 2006 with a 10% increase. Between 2005 and 2006 all other unit sizes saw their second largest year-to-year percentage increase: 9% for one-bedrooms; 8% for two-bedrooms and 11.5% for three-bedroom units.

As the above graph shows, the general trend of rents has been upward over the past 8 years reflecting the high demand for rental housing in Santa Monica.

The overall increases in median rents between 1999 and 2006 have been at least 43% for all unit sizes. Singles and one-bedrooms increased 48%, 2-bedrooms increased 43% and 3 or more-bedrooms (the smallest category of units) had the largest increase, 61%.

Market Rate Rentals by City Area

To track changes in the housing stock in different areas of the city, in the early 1990s the Rent Board divided the city into seven areas which parallel neighborhoods and census tracts. The map below shows the city areas identified as A-G.



The table below shows that the distribution of units rented at market rate during eight years of vacancy decontrol closely parallels the distribution of rental units throughout the city overall. For example, Area G contains the largest percentage of controlled rental units (22%) and 23% of the market rate rentals have occurred in this area. These percentages have not changed significantly since 2003.

City Area	A	B	C	D	E	F	G
Percentage of Units	17	12	4	10	19	16	22
Percentage of Market Rentals	18	12	4	8	19	16	23

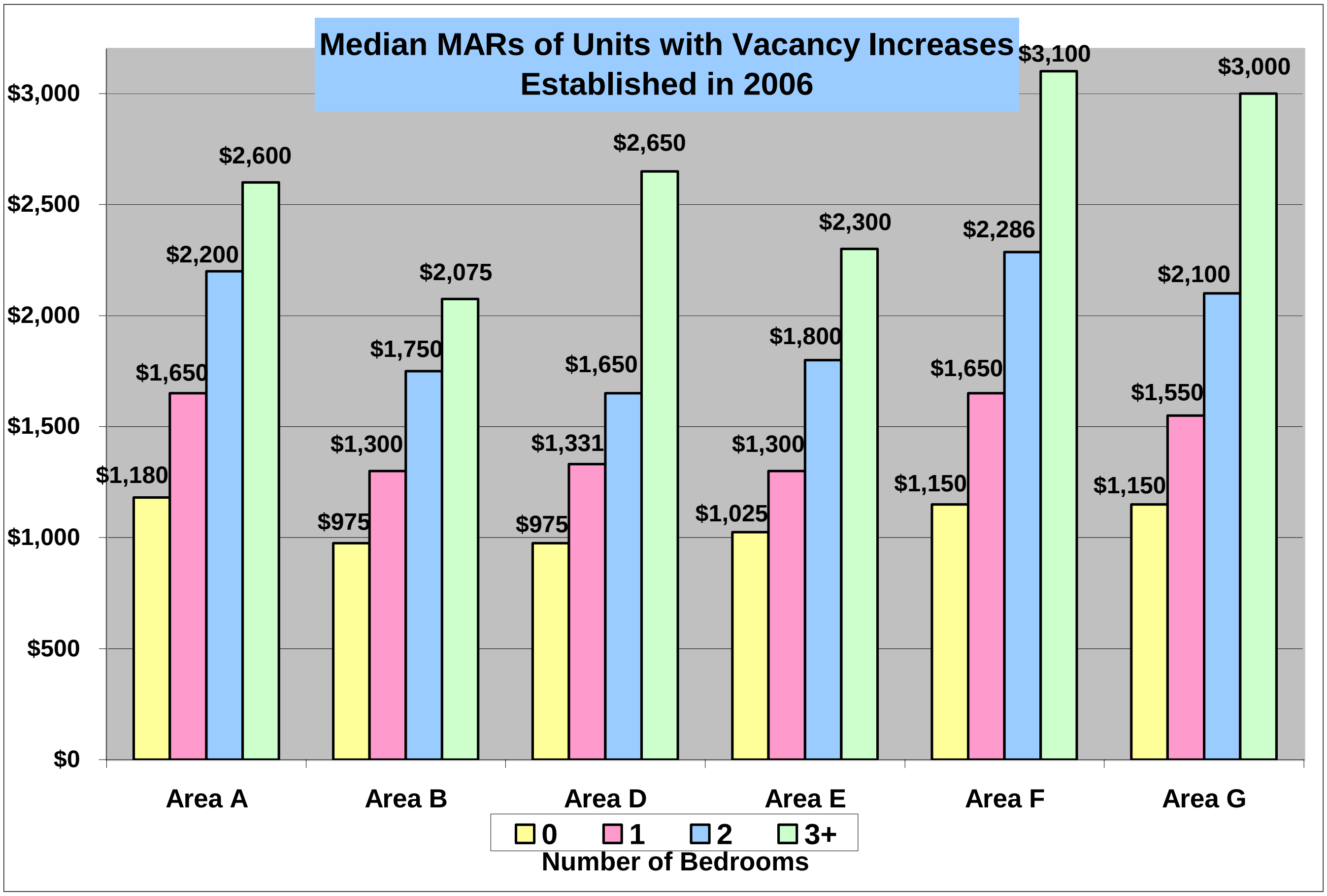
Median MARs by City Area in 2006 and 2004-2006

The graphs on the following two pages show the median market rents for units rented in 2006 and 2004–2006. In both of these graphs, for units that have been rented more than once at market rate in the time period, only the latest rental amount established is included.

In both graphs, Area C is omitted because the majority of market rate rentals in this area have been in two very large buildings (120 units and 288 units) located on Ocean Avenue. Due to a substantial number of units removed from rent control since the area lines were drawn, Area C has a significantly smaller number of controlled rental units than every other area. With just over 900 controlled units in Area C, these two buildings account for more than 40% of all controlled units in the area. Because of the small size of this area and the distorting impact of these two buildings, rents for this area are not included. These buildings, both in their size and character, are not representative of most buildings throughout the city and the market rent levels registered have been significantly different from those in the other areas.

Median MARs by City Area—2006

This graph details for the various areas of the city (except Area C) by number of bedrooms the current median rents for the 2,159 units in which a vacancy increase was implemented in 2006.



The table below details the number of units in each category rented at market rate during the time period[6]. In each city area more one-bedroom units were rented at market rate this year than any other size unit. This is consistent with the table on page 5 which shows that the largest percentage of units overall (48%) are one-bedroom units. Conversely, very few 3-bedroom units were rented in 2006. Area F had just 8 units of this size rented and Area G had the largest number, but this was just 41 units.

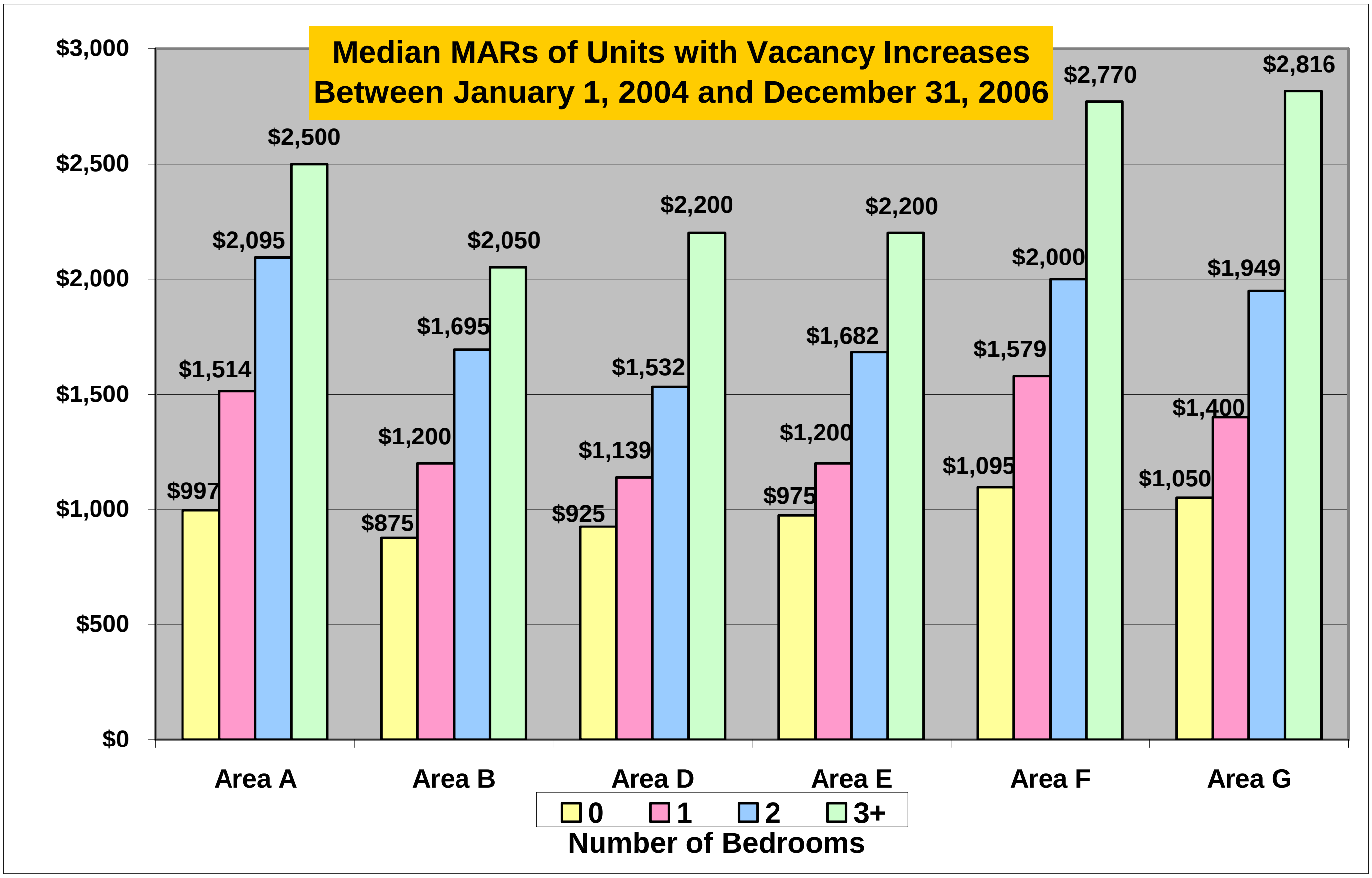
Bedrooms	Area A	Area B	Area D	Area E	Area F	Area G
0	43	39	11	65	55	53
1	259	110	112	194	170	229
2	112	83	68	159	116	177
3+	9	10	11	25	8	41

Where the number of units impacted is quite small, the applicability of the median to other units in the area is less accurate. Therefore, looking at just one year of rentals does not always give a true picture of general market conditions. A three-year graph follows.

[6] If a unit was rented more than once in 2006, only the last rent level established is used in these calculations.

Median MARs by City Area—2004-2006

This graph shows median MARs by area and number of bedrooms for 7,129 units with vacancy increases established in the most recent three-year period, January 1, 2004 through December 31, 2006. This three-year view of vacancy increases provides a more complete overview of current market rate rentals because it includes significantly more units overall as well as many more units of each size than the look at 2006 alone.[7] As in the previous graph, if a unit was rented more than once in a year or more than once in the 3-year period, only the last established market rate rent is used in the calculations. The units rented in Area C are not included.



The table below details the number of units in each category rented at market rate during the time period.

Bedrooms	Area A	Area B	Area D	Area E	Area F	Area G
0	141	127	29	206	160	143
1	875	412	381	630	645	799
2	364	241	199	444	389	611
3+	30	35	36	83	36	113

[7] The rent levels for most units rented in 2004 and 2005 were registered by the owners the year they were rented. However, also included in this graph are 58 units with market rents established in 2004 and 177 units with market rents established in 2005 that were first registered by the owners in 2006.

Affordability Standards

HUD affordability standards assume 30% of a household's gross income may be used for rent before the household becomes "rent burdened". For the year 2006, the HUD median income for a "Four-Person Household" in Los Angeles County is $56,200 (the first increase since 2002).

Each year, HUD establishes the very low-income limits (at 50%) and then uses those to calculate the limits for the other income categories. In counties where HUD identifies adjustment factors such as high housing costs relative to incomes, they issue an elevated very low-income limit and also make adjustments to the 60% and 80% categories. HUD made such an adjustment for Los Angeles County in 2006 and the income limits listed below were determined by HUD and published in a April 6, 2006 Memorandum which is attached to this report as Attachment A.

Very Low 50%	Very Low 60%	Low 80%	Moderate 100%	Moderate 120%
$34,650	$41,580	$55,450	$56,200	$67,440

Translating Affordability into Income

Using HUD affordability calculations, the minimum income required to afford the median rents was calculated. A HUD-determined "household adjustment factor" is used to calculate the income needed for various size units and this factor results in the unexpected similarity of the income needed to afford the 0-bedrooms and 1-bedroom units. See calculations below.[8]

This chart shows the *minimum* total household income needed to pay for the median rents without being rent burdened. The blue numbers show the median income needed today to afford the various-size units if they had not been rented at market rate. The pink numbers show the median income necessary to afford the market rate rent levels.

Income Needed to Afford MARs (30% Affordability Standard)
Units with Vacancy Increases 1/1/99 – 12/31/06 (14,013 units)

No. of Bedrooms	Adjusted 1998[9] Median MARs	Income needed to Afford MAR	Post-Increase Median MARs	Income Needed to Afford MAR	Income Difference
0	$667	$38,114	$1,031	$58,914	$20,800
1	762	38,100	1,384	69,200	31,100
2	975	41,053	1,822	76,716	35,663
3 or more	1,226	45,198	2,354	86,783	41,585

As the chart shows, depending on size of a unit, the household income needed to "afford" the median market rent is $20,800 - $41,500 higher than the income needed to afford the median rent of that same size unit if it had not received a market rate increase.

[8] Annual Income Calculation = (monthly rent/household adjustment factor/affordability standard) x 12
0-bedroom = $667/.7/30%=$3,176 x 12 = $38,114; 1-bedroom = $762/.8/30%=$3,175 x 12 = $38,100

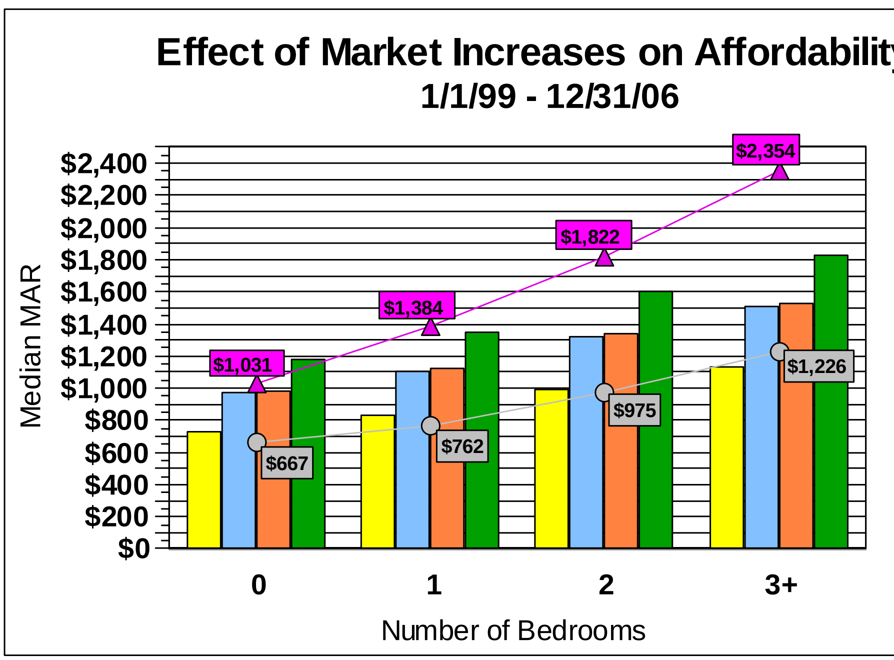
[9] December 1998 median MARs with 1999-2006 general adjustments added.

Loss of Affordability – 1/1/99 - 12/31/06

Affordable units have been lost at every affordability level and every bedroom size as a result of market rent increases since January 1, 1999. For the 14,013 units that have received market increases, their pre-increase median MARs at all bedroom sizes (with 1999-2006 general adjustments added) would be affordable to a household whose income is 60% of the adjusted County median. *None* of the post-increase medians are affordable to a family making even 100% of median income.

After the increase, the median MARs of only the 0-bedroom units ($1,031) are even close to being affordable at 120% of median ($1,180). The median MARs of 1-bedroom units are $35 above the affordable rent level for households at 120% of median. Even more significantly, the median rents for 2 and 3-bedroom units are no longer affordable even to households at 120% of the median income. (The median MAR for a 2-bedroom unit is $220 above the amount affordable at 120% of median income and the median MAR for a 3-bedroom unit is $525 above the amount affordable at 120% of median income.)

This information is shown in graph form below. The vertical bars represent the rents affordable to households with incomes at 60%, 80%, 100% and 120% of the adjusted county median.[10] The chart shows the corresponding rents affordable for each of the four household sizes. The gray line shows the pre-increase median MARs (with 1999-2006 GAs) and the pink line shows the post-increase median MARs for the various bedroom sizes. In order for a unit to be affordable, the top of the bar representing that income category must be above the line representing the median MARs. The table shows that the post increase median rents are higher than the affordable rents for almost every income category and bedroom size.



# Bedrooms	60%	80%	100%	120%
0	$728	$970	$984	$1,180
1	832	1,109	1,124	1,349
2	988	1,317	1,335	1,602
3+	1,128	1,504	1,524	1,829

[10]Due to HUD adjustments to low-income limits at 80% of median, there is only a small difference in rent levels affordable at 80% and 100% of median income. This is represented by the slight difference between the blue and orange bars on the graph. It also accounts for the small number of units with post-increase MARs affordable at 100% in the table on the next page.

Loss of Affordable Units by Income Level

The 14,013 units impacted by market rate increases had a mixture of rents affordable to families at all income levels before the increases were implemented. The table below and graph on the next page detail the dramatic shift in affordability levels for the units that have received market rate rent increases.

Distribution of 14,013 Units Before and After Increases

Affordability Category	Number of Units Before Increases	Number of Units After Increases	Difference
Very Low	6,327	534	-5,793
Low	4,991	1,738	-3,253
Moderate	2,241	3,442	+1,201
Above 120%	454	8,299	+7,845

Affordability to low-income people is generally lost with the first market rate increase. Therefore, the filing of a subsequent market rate increase on the same unit usually does not result in the additional loss of an affordable unit.

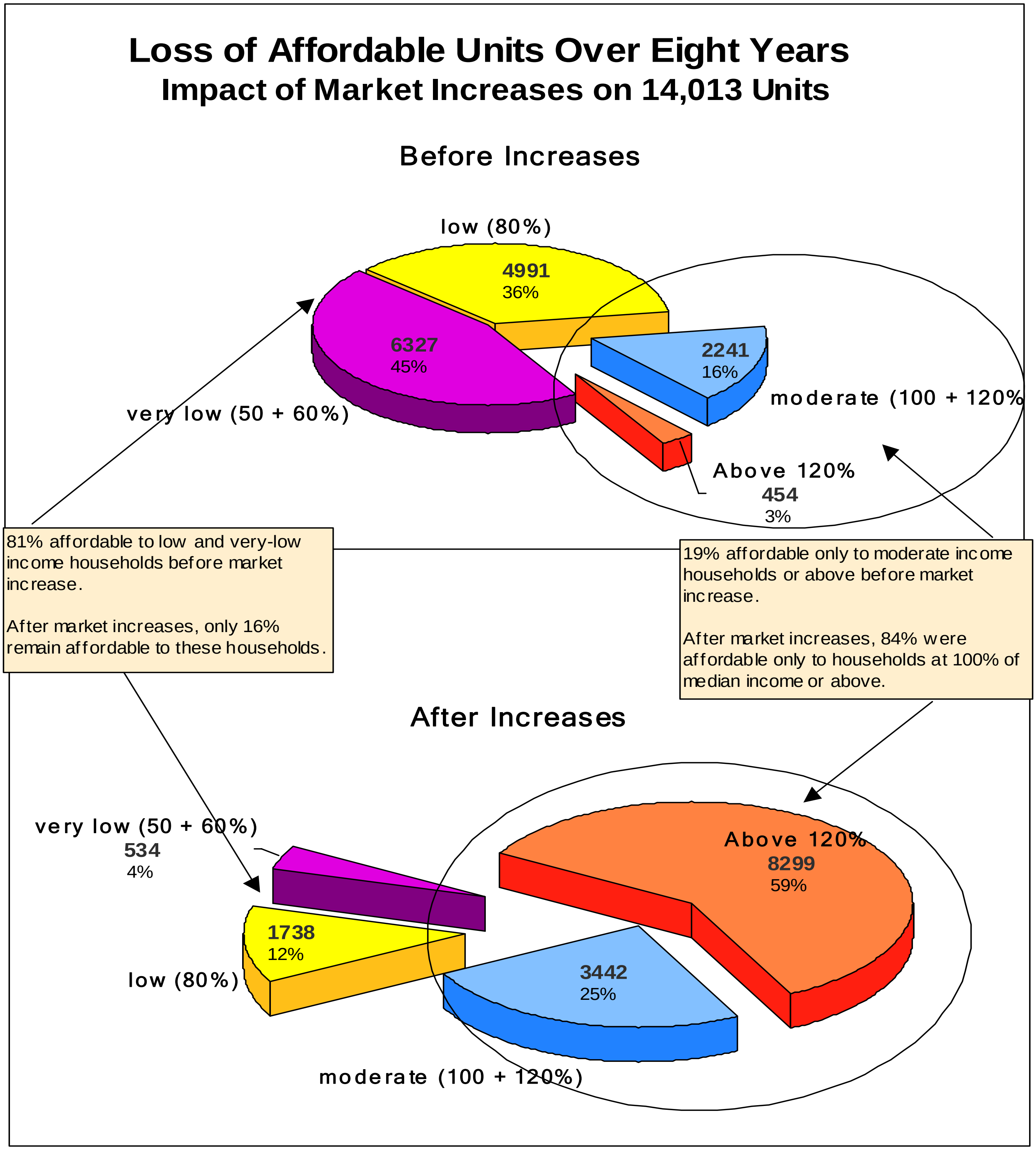
In summary:

- Before the increases, 45% of the units had median rent levels affordable to **very-low income** households. After the increases, just 4% of the units remained affordable to these households. This represents a loss of affordability of 5,793 units.

- Before the increases, 81% of the units had median rent levels affordable to **low-income** households. After the increases, only 16% of the units remained affordable at this income level.

- Fifty-nine percent (59%) of units rented at market rate are affordable only to people making more than 120% of the median income for a family of four ($67,440).

The pie chart on the next page graphically details the shifts in affordability of the units rented at market rate.


Loss of Affordable Units Over Eight Years
Impact of Market Increases on 14,013 Units
Before Increases
low (80%)
4991
36%
6327
45%
very low (50 + 60%)
2241
16%
moderate (100 + 120%
Above 120%
454
3%
81% affordable to low and very-low income households before market increase.
After market increases, only 16% remain affordable to these households.
19% affordable only to moderate income households or above before market increase.
After market increases, 84% were affordable only to households at 100% of median income or above.
After Increases
very low (50 + 60%)
534
4%
1738
12%
low (80%)
Above 120%
8299
59%
3442
25%
moderate (100 + 120%)

CONCLUSION

Eight years into vacancy decontrol, 51% of the controlled rental housing stock has been rented at market rate and 49% remains rented to long-term tenants. The rate at which new units receive market rate increases has slowed each year since 1999, the first year of vacancy decontrol. In that year, almost 3,900 units were first rented at market rate. In 2006, just 14% of that number (552 units) received market rate increases for the first time.

However, once a unit is rented at market rate and loses its affordability, it is much more likely to turnover again. Fifty-six percent (56%) of the market rate rentals have turned over at least once since the first market rental.

As a result of vacancy decontrol, a dramatic shift has occurred in the affordability of the 14,013 units that received vacancy increases. Before the increases, 81% of the units had rent levels affordable to low-income households. After the increases, just 16% remain affordable at the low-income level. Additionally, the number of units affordable only to households of moderate income or above has grown from just 20% before the increases to 84% after the market rate rents were established

Despite the significant loss of affordability in those units that have had a vacancy increase, a substantial number of units (approximately 13,400) have not received vacancy increases and continue to provide housing at affordable rents.

STATE OF CALIFORNIA -BUSINESS, TRANSPORTATION AND HOUSING AGENCY ARNOLD SCHWARZENEGGER, Governor

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MEMORANDUM

DATE: **April 6, 2006**

TO: **Interested Parties**

Cathy E. Creswell

FROM: Cathy E. Creswell, Deputy Director
Division of Housing Policy Development

SUBJECT: **2006 Income Limits**

Attached for your information is a copy of the income limits for California counties updated for 2006. These include limits for income categories of extremely low-, very low-, lower-, median-, and moderate-incomes for varying household sizes. These State 2006 income limits are posted at the Department's website at http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html and replace those in effect during 2005.

California Health and Safety Code Sections 50079.5, 50105 and 50106 provide that the State limits for the low-, very low-, and extremely low-income categories will be the same as those in the equivalent levels established by the U.S. Department of Housing and Urban Development (HUD) for its Section 8 (HCV) program. These sections also direct the California Department of Housing and Community Development (Department) to publish State income limits. HUD released its new FY 2006 income limits effective March 8, 2006.

Accordingly, the Department has filed amendments to Section 6932 of Title 25 of the California Code of Regulations with the Office of Administrative Law. The amendments contain both the updated HUD income limits and the median- and moderate-income limits prepared by the Department pursuant to Health and Safety Code Section 50093.

Please note that use of these income limits is subject to an individual program's definition of income and to other factors such as effective dates. In addition, note that the definitions themselves sometimes differ between programs. Also, there may be more differences between programs this year because of changes HUD implemented in its development of the income limits. When these official State income limits are to be used for a program, then the limits in the table must be used to qualify a household.

If you have any questions concerning the income limits, please contact Department staff at (916) 445-4728 or by e-mail to cahouse@hcd.ca.gov.

Attachment

Income Limits Pursuant to Title 25, § 6932
California Code of Regulations (CCR)

Methodology

The extremely low-, very low-, and lower-income limits of California Code of Regulations Section 6932 equal the 30 percent of median-, the very low-, and the low-income limits established by the U.S. Department of Housing and Urban Development (HUD) for use in its Section 8 program. The median and moderate levels for the State limits are determined by the California Department of Housing and Community Development (Department) on the basis of the HUD limits. To prepare its limits, HUD first estimates median family income (MFI) for the metropolitan statistical area (MSA) or for the sub area (termed "HMFA"s for HUD Metro FMR Areas). Where an area or county has a condition that warrants special consideration, called an exception, HUD adjusts the limit for an income category. Upward adjustments are made either to the level of the State nonmetropolitan median for high housing costs or because of a historical exception while adjustments to the low-income limit are capped by the U.S. median. However, if an adjustment would result in an income limit below that of last year, then, for the extremely low-, very low-, and low-income limits, HUD kept the limit at the level of the prior year.

The area median income (AMI) is often, but not always, the greater of either: 1) the median family income for a county's metropolitan statistical area or its nonmetropolitan county; 2) the median family income for nonmetropolitan counties statewide ($50,800 for 2006); or 3) the area median income of the prior year.

Once HUD establishes the very low-income limits, they are then used to calculate the limits for other income categories. HUD's four-person very low-income limit usually equals 50 percent of MFI. The four-person median-income limit equals two times HUD's four-person very low-income limit, except in counties which have been adjusted. For high cost areas, the Department instead sets the four-person median equal to either HUD's estimated MFI, or to last year's AMI if it was higher than this year's estimated MFI. Likewise, for HUD's historical exceptions the Department uses as the median either the higher of this year's MFI or last year's AMI. Finally, in some counties rounding conventions cause the four-person median-income limit to be slightly less than two times the four-person very low-income limit. The four-person moderate-income limit is 120 percent of the four-person median-income limit.

Although many four-person low-income limits equal 80 percent of the area median income, HUD's briefing materials specify that the low-income limits actually are calculated using 160 percent of the relevant four-person very low-income limit, with some HUD exceptions. An exception for some high income areas means that the four-person low-income limit is different from what the 160 percent calculation would yield because a maximum, or cap, may have been applied by HUD. An exception for high housing costs relative to incomes means that although HUD may have raised the low-income limit for an area, HUD may or may not have raised the limit for the very low-income category. In sum, what is called, for example, an "80%" limit cannot be assumed to equal 80 percent of the median nor 160% of the very low limit due to HUD's adjustments.

California's extremely low-income limits are HUD's limits for "30% of Median". HUD calculates its "30% of Median" limits using 60 percent of the relevant very low-income limits, but with a floor set at the minimum Supplemental Security Income (SSI).

Income limits for all income categories are adjusted for household size so that larger households have higher income limits than smaller households. For all income categories, the income limits for household sizes other than four persons are calculated using the four-person income limit as the base. HUD's adjustments use the following percentages, with results rounded to the nearest $100 increment:

Number of persons in Household:	1	2	3	4	5	6	7	8
Adjustments:	70%	80%	90%	Base	108%	116%	124%	132%

For households of more than eight persons, refer to the formula at the end of the table of the 2006 Income Limits. Due to the adjustments HUD can make between income limits in a given county, these tables should be the only method of determining eligibility. Arithmetic calculations are applicable only when a household has more than eight members.

References: FY 2006 HUD Income Limits Transmittal PDR-2006-02 of 03-08-06 and FY 2006 HUD Income Limits Briefing Material January 18, 2006 available at www.huduser.org/datasets/il.html

County	Income Category	1	2	3	4	5	6	7	8
		Number of Persons in Household							
Los Angeles County	Extremely Low	14,550	16,650	18,700	**20,800**	22,450	24,150	25,800	27,450
Area Median Income:	Very Low Income	24,250	27,700	31,200	**34,650**	37,400	40,200	42,950	45,750
56,200	Lower Income	38,800	44,350	49,900	**55,450**	59,900	64,300	68,750	73,200
	Median Income	39,300	45,000	50,600	**56,200**	60,700	65,200	69,700	74,200
	Moderate Income	47,200	53,900	60,700	**67,400**	72,800	78,200	83,600	89,000
Madera County	Extremely Low	10,700	12,200	13,750	**15,250**	16,450	17,700	18,900	20,150
Area Median Income:	Very Low Income	17,800	20,300	22,850	**25,400**	27,450	29,450	31,500	33,550
50,800	Lower Income	28,450	32,500	36,600	**40,650**	43,900	47,150	50,400	53,650
	Median Income	35,600	40,600	45,700	**50,800**	54,900	58,900	63,000	67,100
	Moderate Income	42,700	48,800	54,900	**61,000**	65,900	70,800	75,600	80,500
Marin County	Extremely Low	23,750	27,150	30,550	**33,950**	36,650	39,400	42,100	44,800
Area Median Income:	Very Low Income	39,600	45,250	50,900	**56,550**	61,050	65,600	70,100	74,650
95,000	Lower Income	63,350	72,400	81,450	**90,500**	97,700	104,950	112,200	119,450
	Median Income	66,500	76,000	85,500	**95,000**	102,600	110,200	117,800	125,400
	Moderate Income	79,800	91,200	102,600	**114,000**	123,100	132,200	141,400	150,500
Mariposa County	Extremely Low	10,800	12,300	13,850	**15,400**	16,650	17,850	19,100	20,350
Area Median Income:	Very Low Income	17,950	20,500	23,100	**25,650**	27,700	29,750	31,800	33,850
51,300	Lower Income	28,750	32,850	36,950	**41,050**	44,350	47,600	50,900	54,200
	Median Income	35,900	41,000	46,200	**51,300**	55,400	59,500	63,600	67,700
	Moderate Income	43,100	49,300	55,400	**61,600**	66,500	71,500	76,400	81,300
Mendocino County	Extremely Low	10,750	12,300	13,800	**15,350**	16,600	17,800	19,050	20,250
Area Median Income:	Very Low Income	17,900	20,450	23,000	**25,550**	27,600	29,650	31,700	33,750
51,100	Lower Income	28,650	32,700	36,800	**40,900**	44,150	47,450	50,700	54,000
	Median Income	35,800	40,900	46,000	**51,100**	55,200	59,300	63,400	67,500
	Moderate Income	42,900	49,000	55,200	**61,300**	66,200	71,100	76,000	80,900
Merced County	Extremely Low	10,700	12,200	13,750	**15,250**	16,450	17,700	18,900	20,150
Area Median Income:	Very Low Income	17,800	20,300	22,850	**25,400**	27,450	29,450	31,500	33,550
50,800	Lower Income	28,450	32,500	36,600	**40,650**	43,900	47,150	50,400	53,650
	Median Income	35,600	40,600	45,700	**50,800**	54,900	58,900	63,000	67,100
	Moderate Income	42,700	48,800	54,900	**61,000**	65,900	70,800	75,600	80,500
Modoc County	Extremely Low	10,700	12,200	13,750	**15,250**	16,450	17,700	18,900	20,150
Area Median Income:	Very Low Income	17,800	20,300	22,850	**25,400**	27,450	29,450	31,500	33,550
50,800	Lower Income	28,450	32,500	36,600	**40,650**	43,900	47,150	50,400	53,650
	Median Income	35,600	40,600	45,700	**50,800**	54,900	58,900	63,000	67,100
	Moderate Income	42,700	48,800	54,900	**61,000**	65,900	70,800	75,600	80,500
Mono County	Extremely Low	13,050	14,900	16,800	**18,650**	20,150	21,650	23,150	24,600
Area Median Income:	Very Low Income	21,750	24,850	27,950	**31,050**	33,550	36,000	38,500	41,000
62,100	Lower Income	34,800	39,750	44,750	**49,700**	53,700	57,650	61,650	65,600
	Median Income	43,500	49,700	55,900	**62,100**	67,100	72,000	77,000	82,000
	Moderate Income	52,200	59,600	67,100	**74,500**	80,500	86,400	92,400	98,300
Monterey County	Extremely Low	13,100	14,950	16,850	**18,700**	20,200	21,700	23,200	24,700
Area Median Income:	Very Low Income	21,800	24,900	28,050	**31,150**	33,650	36,150	38,650	41,100
62,200	Lower Income	34,900	39,900	44,850	**49,850**	53,850	57,850	61,800	65,800
	Median Income	43,500	49,800	56,000	**62,200**	67,200	72,200	77,100	82,100
	Moderate Income	52,200	59,700	67,100	**74,600**	80,600	86,500	92,500	98,500