



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

March 30, 2021

ADVISORS IN:
Real Estate
Affordable Housing
Economic Development

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SAN DIEGO
Paul C. Marra

Phillip Landa

Novastar, LLC

2750 Artesia Boulevard #460

Redondo Beach, California 90278

Re: Maximum Sales Price Request

Dear Mr. Landa:

The City of Redondo Beach Housing Authority (Housing Authority) has engaged Keyser Marston Associates, Inc. (KMA) to provide consulting services related to the affordable housing units located in the Breakwater Village project. The following letter is a response to your request for an assessment of the maximum allowable sales price for the Moderate-Income unit you own at 2750 Artesia Boulevard #460, Redondo Beach, California 90278.

The conditions imposed on the resale of the residence are presented in the Addendum to Grant Deed, which is dated September 14, 2010 and was recorded on January 31, 2011 by the Los Angeles County Recorder as Instrument No. 2011-0168713. Under the terms and conditions included in Section 7 of the Addendum to Grant Deed, the maximum sales price that you may receive for any type of Transfer of your residence ("Resale Price") shall be the lesser of the following:

1. The Moderate Income Affordable Purchase Price at the time of Resale; or
2. The Increased Base Price plus the "Value of Capital Improvements" that have been approved by the City of Redondo Beach, if any.

The Unit Resale Determination Worksheet follows this letter. Based on the calculations included in the Worksheet, the Resale Price is based on the Increased Base Price. As of today's date, the maximum Resale Price is \$245,204.

The Resale Price provided to you will be valid for three months from the date of this letter. Should the Resale Price expire, a new Maximum Sales Price Request must be submitted. In that case a completed application (and fee payment, if applicable) should be submitted to the Housing Authority.

Sincerely,

Keyser Marston Associates, Inc.

A handwritten signature in cursive script, appearing to read "Kathleen Head".

Kathleen Head

QUALIFICATION STANDARDS, MAXIMUM STATUTORY SALES PRICE & MAXIMUM PERCENTAGE BASED SALES PRICE
2750 ARTESIA BOULEVARD #460
MODERATE INCOME UNIT
2020 INCOME STANDARDS DISTRIBUTED BY HCD - NOVEMBER 20, 2020 CALCULATIONS
REDONDO BEACH, CALIFORNIA

I. Maximum Household Income			
	Household Size	Annual	Monthly
	1	\$64,900	\$5,408
	2	\$74,200	\$6,183
	3	\$83,500	\$6,958
	4	\$92,750	\$7,729

II. Affordable Sales Price Calculations			
		2- Bedroom Units	
		Annual	Monthly
<u>Income Available for Housing Expenses</u>			
Household Income @ 110% of AMI	1	\$76,510	\$6,376
Income Allotted to Housing @ 35% of Income		\$26,779	\$2,232
<u>Ongoing Expenses</u>			
HOA Fees		\$3,120	\$260
Annual Utility Allowance	2	876	73
Property Taxes @ 1.25% of Affordable Sales Price		4,675	390
PMI @ 0.05% of the Mortgage Amount.		1,683	140
Total Ongoing Expenses		\$10,354	\$863
Income Available for Mortgage		\$16,425	\$1,369
Supportable Mortgage @ 2.72% Interest Rate	3	\$336,600	
<u>Home Buyer Down Payment</u>			
As % of Maximum Affordable Price		10%	
Dollar Amount		37,400	
Moderate Income Affordable Purchase Price		\$374,000	

III. Increased Base Price			
Current Owner's Purchase Price		\$199,900	
Current Owner's Purchase Date (HCD Income 2010)		1/31/11	
HCD Income Calculation Year		2010	
Area Median Income at Time of Owner's Purchase		\$56,700	
Area Median Income at Calculation Date (HCD Income 2020)		\$69,550	
		22.66%	
Increased Base Value	4		\$245,204
Increase in Value Due to Capital Improvements			\$0
Increased Base Price			\$245,204
Calculation is Valid Through:			6/28/21

- ¹ Based on a three-person household.
- ² Utilities allowances are based on LACDA allowances published on July 1, 2020 Assumes Gas Heating; Gas Cooking; Gas Water Heater; Basic Electric; and Air Conditioning.
- ³ Based on the Freddie Mac site average for the week of November 19, 2020. Assumes a 30-year fixed interest rate mortgage.
- ⁴ Current Owner's Purchase Price x 1.2266.