



California Department of Housing and Community Development

Income Limits

Most federal and State housing assistance programs set maximum incomes for eligibility to live in assisted housing, and maximum rents and housing costs that may be charged to eligible residents, usually based on their incomes. The Department of Housing and Community Development (HCD) publishes annual tables of official federal and State income limits for determining these maximums for a variety of programs, including most of those on the web site. State statutory limits are based on federal limits set and periodically revised by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 Housing Choice Voucher Program. HUD's limits are based on surveys of local area median income (AMI). The commonly used income categories are approximately as follows, subject to variations for household size and other factors:

- Extremely low income: 0-30% of AMI
- Very low income: 30% to 50% of AMI
- Lower income: 50% to 80% of AMI; the term may also be used to mean 0% to 80% of AMI
- Moderate income: 80% to 120% of AMI

"Affordable housing cost" for lower-income households is defined in State law as not more than 30 percent of gross household income with variations (Health and Safety Code Section 50052.5). The comparable federal limit, more widely used, is 30 percent of gross income, with variations. "Housing cost" commonly includes rent or mortgage payments, utilities (gas, electricity, water, sewer, garbage, recycling, green waste), and property taxes and insurance on owner-occupied housing.

State Income Limit Hold Harmless Policy

In 2013, the California Department of Housing and Community Development (HCD) implemented a State Hold Harmless Policy as a result of the discontinuation of the U.S. Department of Housing and Urban Development's (HUD's) long-standing Hold Harmless Policy in 2009. The purpose of HUD's former Hold Harmless policy was to not allow decreases to county area median income (AMI) and household size income limit figures when annually updating Section 8 income limits.

HCD's Hold Harmless policy, identical to HUD's former policy, applies to State and local affordable housing programs statutorily linked to HUD income limits. HCD implements its Hold Harmless Policy upon receipt of HUD's annual update of Section 8 Program Income Limits and adjusts any current year decreases to retain higher prior year figures.

The State's Hold Harmless policy supports objectives to preserve and increase the supply of affordable rental housing. Availability of affordable rental housing benefits a broad public and households with different income levels served by affordable housing providers required to comply with Health and Safety Code (H&SC) income limits and affordable rent criteria [H&SC 50093(c)].
