

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent									

San Mateo County 4-Person Area Median Income: \$115,300	Extremely Low	27650	31600	35550	39500	42700	45850	49000	52150
	Very Low Income	46100	52650	59250	65800	71100	76350	81600	86900
	Low Income	73750	84300	94850	105350	113800	122250	130650	139100
	Median Income	80700	92250	103750	115300	124500	133750	142950	152200
	Moderate Income	96850	110700	124500	138350	149400	160500	171550	182600

Santa Barbara County 4-Person Area Median Income: \$77,100	Extremely Low	18900	21600	24300	27000	29200	32960	37140	41320
	Very Low Income	31500	36000	40500	45000	48600	52200	55800	59400
	Low Income	50450	57650	64850	72050	77850	83600	89350	95150
	Median Income	53950	61700	69400	77100	83250	89450	95600	101750
	Moderate Income	64750	74000	83250	92500	99900	107300	114700	122100

Santa Clara County 4-Person Area Median Income: \$113,300	Extremely Low	25100	28650	32250	35800	38700	41550	44400	47300
	Very Low Income	41800	47800	53750	59700	64500	69300	74050	78850
	Low Income	59400	67900	76400	84900	91650	98450	105250	112050
	Median Income	79300	90650	101950	113300	122350	131450	140500	149550
	Moderate Income	95150	108750	122350	135950	146850	157700	168600	179450

Santa Cruz County 4-Person Area Median Income: \$87,000	Extremely Low	21200	24200	27250	30250	32700	35100	37550	41320
	Very Low Income	35300	40350	45400	50400	54450	58500	62500	66550
	Low Income	56500	64550	72600	80650	87150	93600	100050	106500
	Median Income	60900	69600	78300	87000	93950	100900	107900	114850
	Moderate Income	73100	83500	93950	104400	112750	121100	129450	137800

Shasta County 4-Person Area Median Income: \$61,800	Extremely Low	13000	16240	20420	24600	28780	32960	37140	40800
	Very Low Income	21650	24750	27850	30900	33400	35850	38350	40800
	Low Income	34650	39600	44550	49450	53450	57400	61350	65300
	Median Income	43250	49450	55600	61800	66750	71700	76650	81600
	Moderate Income	51900	59300	66750	74150	80100	86000	91950	97900

Sierra County 4-Person Area Median Income: \$71,800	Extremely Low	14800	16900	20420	24600	28780	32960	37140	41320
	Very Low Income	24650	28150	31650	35150	38000	40800	43600	46400
	Low Income	39400	45000	50650	56250	60750	65250	69750	74250
	Median Income	50250	57450	64600	71800	77550	83300	89050	94800
	Moderate Income	60300	68900	77550	86150	93050	99950	106850	113700

Siskiyou County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16240	20420	24600	28780	32960	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Solano County 4-Person Area Median Income: \$82,600	Extremely Low	17400	19850	22350	24800	28780	32960	37140	41320
	Very Low Income	28950	33050	37200	41300	44650	47950	51250	54550
	Low Income	45500	52000	58500	65000	70200	75400	80600	85800
	Median Income	57800	66100	74350	82600	89200	95800	102400	109050
	Moderate Income	69350	79300	89200	99100	107050	114950	122900	130800

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Yolo County 4-Person Area Median Income: \$76,900	Extremely Low	16150	18450	20750	24600	28780	32960	37140	41320
	Very Low Income	26950	30800	34650	38450	41550	44650	47700	50800
	Low Income	43050	49200	55350	61500	66450	71350	76300	81200
	Median Income	53850	61500	69200	76900	83050	89200	95350	101500
	Moderate Income	64600	73850	83050	92300	99700	107050	114450	121850

Yuba County 4-Person Area Median Income: \$59,900	Extremely Low	12600	16240	20420	24600	28780	32960	37140	39550
	Very Low Income	21000	24000	27000	29950	32350	34750	37150	39550
	Low Income	33550	38350	43150	47900	51750	55600	59400	63250
	Median Income	41950	47900	53900	59900	64700	69500	74300	79050
	Moderate Income	50350	57500	64700	71900	77650	83400	89150	94900

Instructions:

Eligibility Determination:

Use household size income category figures in this chart. Determine eligibility based on actual number of persons in household and total of gross income for all persons.

Determination of Income Limit for Households Larger than Eight Persons:

Per person (PP) adjustment above 8: (1) multiply 4-person income limit by eight percent (8%), (2) multiply result by number of persons in excess of eight, (3) add the amount to the 8-person income limit, and (4) round to the nearest \$50.

Yuba County							
E X A M P L E	4 persons	8% PP Adj	+ 8 persons	=9 persons	8 person +	8% Adj x 2	=10 persons
Extremely Low	24,600	1968	39,550	41,500	39,550	3936	43,500
Very Low Income	29,950	2396	39,550	41,950	39,550	4792	44,350
Lower Income	47,900	3832	63,250	67,100	63,250	7664	70,900
Moderate Income	71,900	5752	94,900	100,650	94,900	11504	106,400

Calculation of Housing Cost and Rent:

Refer to Health & Safety Code Sections 50052.5 and 50053. Use benchmark household size and multiply against applicable percentages defined in H&SC using Area Median Income identified in this chart.

Determination of Household Size:

For projects with no federal assistance, household size is set at number of bedrooms in unit plus one.

For projects with federal assistance, household size may be set by multiplying 1.5 against the number of bedrooms in unit.

HUD Income Limits release: 4/17/2017

HUD FY 2017 California median incomes:

State median income: \$73,300

Metropolitan county median income: \$73,600

Non-metropolitan county median income: \$59,900

Note: Authority cited: Section 50093, Health and Safety Code. Reference: Sections 50079.5, 50093, 50105 and 50106, Health and Safety Code

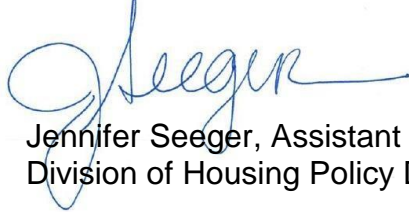
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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June 9, 2017

MEMORANDUM FOR: Interested Parties

FROM: 
Jennifer Seeger, Assistant Deputy Director
Division of Housing Policy Development

SUBJECT: **State Income Limits for 2017**

Attached are briefing materials and State Income Limits for 2017 that are now in effect and replace State 2016 Income Limits. Income limits reflect updated median income and household income levels for extremely low-, very low-, low-, and moderate-income households for California's 58 counties. The State's Official 2017 Income Limits can be downloaded on the Department of Housing and Community Development's (Department) website at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.

State Income Limits apply to designated programs and are used to determine applicant eligibility (based on level of household income) and calculate affordable housing cost for applicable housing assistance programs. Note that use of State Income Limits is subject to a particular program's definition of income, family, family size, effective dates, and other factors. In addition, definitions applicable to income categories, criteria, and geographic areas sometimes differ depending on funding source and program resulting in some programs using other income limits.

The Briefing Materials (next page) explain California's 2017 Income Limits and were updated based on: (1) changes to income limits the U.S. Department of Housing and Urban Development (HUD) released on April 14, 2017 for its Public Housing and Section 8 Housing Choice Voucher Program and, (2) adjustments the Department made based on State statutory provisions and its 2013 Hold Harmless (HH) Policy.

Since 2013, the Department's HH Policy has held State Income Limits harmless from any decreases in household income category and median income levels that HUD, since 2010, began applying to its Section 8 Income Limits after eliminating its longstanding HH Policy. HUD determined its HH Policy was no longer necessary due to federal law changes in 2008 (Public Law 110-98) prohibiting rent decreases in federal or private activity bond funded projects. For questions concerning State Income Limits, please contact Department staff at (916) 263-2911.

2017 State Income Limits Briefing Materials California Code of Regulations, Title 25, Section 6932

Overview

Department of Housing and Community Development (HCD), pursuant to Health & Safety Code Section 50093(c), must file updates to its State Income Limits with the Office of Administrative Law. HCD annually updates these income limits based on Federal Department of Housing and Urban Development (HUD) revisions to its Public Housing and Section 8 Housing Choice Voucher Program that HUD released on April 14, 2017.

HUD annually updates its Section 8 Income Limits to reflect changes in area and family median income levels and income levels for different size households and income categories for extremely low, very low, and low-income households. HCD, pursuant to statutory provisions, makes the following additional revisions: (1) If necessary, increase a county's area median income to equal California's non-metropolitan median income, (2) adjusts area median income and household income category levels to not result in any decrease for any year after 2009 pursuant to HCD's February 2013 HH Policy. HCD's HH Policy was implemented to replace HUD's HH Policy, discontinued in 2009, to not decrease income category and area median income levels below a prior year's highest level and, (3) determines income limits for California's moderate-income category.

Following are brief summaries of different technical methodologies used by HUD and HCD in updating income limits for different household income categories.

HUD Methodology

HUD uses 40th percentile rents in 50th percentile fair market rent (FMR) areas, to calculate high housing cost areas. The purpose is to prevent fluctuations in "Low-Income Housing Tax Credit Difficult Development Area" determinations that result solely from high housing cost income limit fluctuations as areas go in and out of the 50th percentile FMR program.

Extremely Low-Income

The Extremely Low-Income limits is calculated as 60 percent of the very low-income limits and compared to the most recent update to the Federal Poverty Guidelines. If the poverty guidelines are higher, those values are chosen. The value is capped at the Very Low-Income level.

Very Low-Income

The maximum Very Low-Income limit typically reflects 50 percent of median family income (MFI). HUD's MFI figure generally equals two times HUD's 4-person very low-income limit, except when HUD applies adjustments. HUD may adjust income limits for an area or county to account for conditions that warrant special considerations, referred to as exceptions.

Low-Income

In general, maximum income for low-income households reflects 80 percent of the MFI level. Most low-income limits represent the higher level of: (1) 80 percent of MFI or, (2) 80 percent of State non-metropolitan median family income. However, due to adjustments that HUD sometimes makes, strictly calculating low-income limits as

2017 State Income Limits Briefing Materials
California Code of Regulations, Title 25, Section 6932

80 percent of MFI could produce unintended anomalies inconsistent with statutory intent. HUD's briefing materials specify that, with some exceptions, the low-income limit reflect 160 percent of the very low-income limit. HUD may apply exceptions to areas with unusually high or low housing-costs-to-income relationships. An example of the result from HUD applying an exception to an area could be an increase to the low-income limit without an increase to the very low-income limit. In sum, an 80 percent limit cannot be assumed to equal 80 percent of the AMI or 4-person median income limit nor 160 percent of the very low-income limit due to adjustments HUD may make.

Median Family Income/Area Median Income

HUD references and estimates the MFI in calculating its income limits. California law and income limits reference Area Median Income (AMI) that, pursuant to Health & Safety Code 50093(c), means the median family income of a geographic area estimated by HUD for its Section 8 Program.

HUD's calculations of Section 8 Income Limits begin with the production of MFI estimates. FY 2017 MFI estimates use 5-year survey data (American Community Survey (ACS) 2010-2014 augmented by 2014, 1-year ACS. HUD then adjusts the survey data to account for anticipated income growth by applying the Consumer Price Index (CPI) inflation forecast (from federal FY mid-2014 through mid-2017) that the United States Congressional Budget Office published in January 2017. HUD's determination of MFI is used to calculate very low-income limits that are then used as the basis to calculate income limits for other income categories.

Adjustment Increases

HUD may apply exceptions to areas with unusually high or low family income, uneven housing-cost-to-income relationships or historical exceptions. Very low-income limits are used as the base to calculate extremely low and low-income limits. The following reflects HUD's explanations of adjustment increases contained in HUD's FY 2017 Income Limits Briefing Material:

HUD applies an increase, if the four-person very low-income limit would otherwise be less than the amount at which 35 percent of it equals 85 percent of the annualized two-bedroom Section 8 FMR (or 40th percentile rent in 50th percentile FMR areas). The purpose is to increase the income limit for areas where rental-housing costs are unusually high in relation to the median income.

HUD applies an increase to the four-person income limit to equal the State non-metropolitan median family income level. In addition, HUD restricts adjustments so income limits do not increase more than five percent of the previous year's very low-income figure OR twice the increase in the national MFI, whichever is greater. This adjustment does not apply to the extremely low-income limits.

Income Limit Calculations for Household Sizes Other Than 4-Persons

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, income limits for household sizes other than 4-persons are calculated

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using the 4-person income limit as the base. HUD's adjustments use the following percentages, with results rounded to the nearest \$50 increment:

Number of Persons in Household: 1 2 3 4 5 6 7 8

Adjustments: 70% 80% 90% Base 108% 116% 124% 132%

Income Limit Calculations for Household Sizes Greater Than 8-Persons

For households of more than eight persons, refer to the formula at the end of the table for 2017 Income Limits. Due to the adjustments HUD can make to income limits in a given county, table data should be the only method used to determine program eligibility. Arithmetic calculations are applicable only when a household has more than eight members.

Reference: FY 2017 HUD Income Limits Transmittal Notice PDR-2017-02 issued April 14, 2017 and HUD Income Limits Briefing Material dated March 21, 2017, both of which can be found at <https://www.huduser.gov/portal/datasets/il.html>.

HCD Methodology

State law (Health & Safety Code Section 50093, et. seq.) prescribes the methodology HCD uses to update its Official State Income Limits. HCD utilizes HUD's Section 8 Housing Choice Voucher Program Income Limits. HCD's methodology involves: (1) increasing counties' smaller median incomes established by HUD to equal California's non-metropolitan median income determined by HUD, (2) applying HCD's HH Policy, in effect since 2013, to not allow decreases in area median income levels and household income category levels, and (3) determining income limit levels applicable to California's moderate-income households defined by State law as household income not exceeding 120 percent of county area median income.

Area Median Income and Income Category Levels

HCD, pursuant to federal and State law and its HH Policy, adjusts median income levels determined by HUD for a metropolitan county (county included in a metropolitan statistical area) and for a non-metropolitan county (county not included in a metropolitan statistical area). HUD, pursuant to Federal law (Section 567 of the 1987 Housing and Community Development Act) and policy, requires adjusting any county's smaller median income to equal HUD's higher determined State non-metropolitan median income (\$59,900). Next, HCD, for all counties, applies its HH policy to ensure area median income and income limits for all household income categories do not fall below any level achieved in the prior year.

Moderate-Income Levels

HCD is responsible for establishing California's moderate-income limit levels. After calculating the 4-person area median income (AMI) level as previously described, HCD sets the maximum moderate-income limit to equal 120 percent of the county's AMI.

Applicability of California's Official State Income Limits

Applicability of these State Income Limits is subject to particular programs as program definitions of such factors as income, family, and household size, etc. vary. Some programs,

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such as Multifamily Tax Subsidy Projects (MTSPs), use different income limits. For MTSPs, separate income limits apply per provisions of the Housing and Economic Recovery Act (HERA) of 2008 (Public Law 110-289). Income limits for MTSPs are used to determine qualification levels as well as set maximum rental rates for projects funded with tax credits authorized under Section 42 of the Internal Revenue Code (Code). In addition, MTSP income limits apply to projects financed with tax-exempt housing bonds issued to provide qualified residential rental development under Section 142 of the Code. These income limits are available at <http://www.huduser.org/datasets/mtsp.html>.