

## Low and Moderate Income Households

The San Luis Obispo County Housing Trust Fund (HTF) generally uses the income limits set by the US Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD) to define low and moderate income<sup>1</sup> households. These income limits are used for most federal, state and local housing programs. They are also used for targeting affordable housing units in local housing elements.

Income from almost all sources must be included when qualifying tenants and home buyers using the HUD/HCD income limits. The incomes are calculated based upon the current monthly income and projected for the upcoming year. Detailed information on how to calculate income can be found in HUD’s Technical Guide for Determining Income and Allowances for the HOME Program, <http://170.97.67.13/offices/cpd/affordablehousing/library/modelguides/1780.pdf>. The HTF accepts the income verifications used by whoever regulates the affordable units.

The HUD/HCD income limits are generally updated in the spring of each year. The current income limits are as follows:

| Household size | Very Low<br>(50% of AMI <sup>2</sup> ) | Low<br>(80% of AMI) | Moderate<br>(120% of AMI) | Workforce<br>(160% of AMI) |
|----------------|--|---------------------|---------------------------|----------------------------|
| 1              | \$23,450                               | \$37,500            | \$56,300                  | \$75,000                   |
| 2              | \$26,800                               | \$42,900            | \$64,300                  | \$85,800                   |
| 3              | \$30,150                               | \$48,250            | \$72,400                  | \$96,500                   |
| 4              | \$33,500                               | \$53,600            | \$80,400                  | \$107,200                  |
| 5              | \$36,200                               | \$57,900            | \$86,800                  | \$115,800                  |
| 6              | \$38,850                               | \$62,200            | \$93,300                  | \$124,400                  |
| 7              | \$41,550                               | \$66,450            | \$99,700                  | \$132,900                  |
| 8              | \$44,200                               | \$70,750            | \$106,100                 | \$141,500                  |

Effective February 28, 2008

The California Housing Financing (CalHFA) calculates its own income limits, which tend to be higher than the HUD/HCD income limits. For ownership housing projects that will offer CalHFA financing, the HTF will accept the CalHFA income limits for units that will be sold to households that receive CalHFA financing.<sup>3</sup> The current CalHFA low and moderate income limits are:

| Income Level                | Persons in Household |                   |
|-----------------------------|----------------------|-------------------|
|                             | 1 or 2 persons       | 3 or more persons |
| Moderate Income             | \$80,400             | \$93,800          |
| Low Income (New Homes)      | \$56,280             | \$64,722          |
| Low Income (Existing Homes) | \$48,240             | \$55,476          |

Effective March 27, 2008

<sup>1</sup> The terms “low” and “lower” income are used interchangeably. HUD also uses the term “low and moderate income” for households that earn up to 80% of AMI.

<sup>2</sup> AMI means area median income. AMI is adjusted for households size.

<sup>3</sup> While the HTF accepts the CalHFA income limits, the unit may not qualify under federal, state or local programs that use the HUD/HCD income limits. Since the HTF does not offer loans for first time home buyers, these income limits only apply for units in projects that involve the acquisition and rehabilitation of existing units