

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

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MEMORANDUM FOR: All Eligible Recipients of the State's Community Development Block Grant, HOME Investment Partnership Program, Emergency Solutions Grants and National Housing Trust Fund Programs and All Interested Parties

FROM: 
Lisa Bates, Deputy Director
Division of Financial Assistance

SUBJECT: Income Limits for State CDBG, HOME, NHTF and ESG Programs

Effective June 1, 2018, all HUD-funded programs, including the Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Emergency Solutions Grants (ESG), and National Housing Trust Fund (NHTF) Programs will use the HUD income requirements as detailed below.

HCD grantees must include a print out of the HUD Income Limits from the appropriate website (with a date stamp visible on the printout) in the program files to support income eligibility as of the date of determination. This supporting documentation must be available upon request (desk or on-site monitoring, or other reviews).

Please contact your HCD Representative with any questions you may have.

Community Development Block Grant Program (CDBG)

In the CDBG program, **Low and Moderate Income (LMI)** refers to a family or household with an annual income less than the Section 8 Low Income Limit, which is generally 80 percent (80%) of the Area Median Income (AMI), as established by HUD.

For CDBG, HUD determines 3 levels of income, which are:

- Low and Moderate Income (80%)
- Very Low (50%)
- Extremely Low (30%)

CDBG Income Limits are located at: <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>

HOME Investment Partnerships Program (HOME)

HUD uses the same methodology to calculate the HOME Income Limits as is used for calculating income limits for the Section 8 program, in accordance with Section 3(b)(2) of the U.S. Housing Act of 1937, as amended. Effective March 30, 2009, the "Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs" rule made conforming changes to the HOME regulations at 24 CFR 92.203(d)(1) "Income Determinations" to ensure consistency among HUD programs. The rule changed the way annual income for the HOME program is calculated.

HOME Income Limits are located at: <https://www.hudexchange.info/programs/home/home-income-limits/>

National Housing Trust Fund (NHTF)

NHTF Program funds must be used to benefit extremely low income families or families with incomes at or below the poverty line (whichever is greater). An extremely low income family is defined as a low income family whose annual income does not exceed 30 percent of the median family income of a geographic area.

NHTF Income Limits are calculated using the following methodologies:

- The formula used to calculate the income limits for the Section 8 program, in accordance with Section 3(b)(2) of the U.S. Housing Act of 1937, as amended. These limits are based on HUD estimates of median family income, with adjustments based on family size.
- The Federal Poverty Line as determined by the U.S. Department of Health and Human services, published annually in the Federal Register.

NHTF Income Limits are located at: <https://www.hudexchange.info/programs/hft/hft-income-limits/>

Emergency Solutions Grant (ESG)

For all ESG activities (both federal and state funded), income eligibility is based on the HUD income limits in effect at the time of income verification, not based on the grant year under which the ESG funds were awarded. The Income Limits to be used for ESG activities are listed as, "HUD 30% Income Limit for ALL Areas" on the HUD Exchange Income Limits page.

Recipients should be aware of the following critical components for ESG:

- Extremely Low Income vs. Area Median Income Limits

The “Extremely Low Income families” limits do NOT apply to the ESG or Continuum of Care (CoC) programs. ESG does not use the ELI measure to establish income limits but instead uses the “30% of Area Median Income” income limits. Please use the 30 percent AMI tables. If ESG recipients or sub recipients were to use the ELI standard, some applicants for ESG assistance might be falsely determined to be eligible for homelessness prevention assistance, when actually their incomes were over 30 percent of AMI.

- Rapid Re-Housing Income Requirements

Please keep in mind for program participants receiving ESG “Rapid Re-Housing” assistance, an income assessment is not required at initial evaluation. At re-evaluation - which must take place not less than once annually for rapid re-housing - the participant's household must have an annual income that does not exceed 30 percent of median family income for the area, as determined by HUD.

- Homelessness Prevention Income Requirements

The ESG Program interim rule limits eligibility for homelessness prevention assistance to individuals and families with incomes below 30 percent of AMI at intake and incomes that do not exceed 30 percent of AMI at re-evaluation, which must take place not less than once every 3 months.

The ESG Income Limits are located at: <https://www.huduser.gov/portal/datasets/il.html>