

Number of Persons in Household:	1	2	3	4	5	6	7	8
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Santa Clara County Area Median Income: \$195,200	Acutely Low	20500	23450	26350	29300	31650	34000	36350	38700
	Extremely Low	42200	48200	54250	60250	65100	69900	74750	79550
	Very Low Income	70350	80400	90450	100450	108500	116550	124600	132600
	Low Income	111700	127650	143600	159550	172350	185100	197850	210650
	Median Income	136650	156150	175700	195200	210800	226450	242050	257650
	Moderate Income	164000	187400	210850	234250	253000	271750	290450	309200

Santa Cruz County Area Median Income: \$132,800	Acutely Low	13950	15900	17900	19900	21500	23100	24700	26250
	Extremely Low	41550	47500	53450	59350	64100	68850	73600	78350
	Very Low Income	69250	79100	89000	98900	106800	114700	122650	130550
	Low Income	111100	127000	142850	158700	171400	184100	196800	209500
	Median Income	92950	106250	119500	132800	143400	154050	164650	175300
	Moderate Income	111550	127500	143400	159350	172100	184850	197600	210350

Shasta County Area Median Income: \$101,800	Acutely Low	10700	12200	13750	15250	16450	17700	18900	20150
	Extremely Low	20450	23400	26650	32150	37650	43150	48650	54150
	Very Low Income	34050	38900	43800	48650	52550	56450	60350	64250
	Low Income	54500	62300	70100	77850	84100	90350	96550	102800
	Median Income	71250	81450	91600	101800	109950	118100	126250	134400
	Moderate Income	85500	97700	109950	122150	131900	141700	151450	161250

Sierra County Area Median Income: \$93,900	Acutely Low	9850	11300	12700	14100	15250	16350	17500	18600
	Extremely Low	19750	22550	26650	32150	37650	43150	48650	54150
	Very Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	Low Income	52600	60100	67600	75100	81150	87150	93150	99150
	Median Income	65750	75100	84500	93900	101400	108900	116450	123950
	Moderate Income	78900	90150	101450	112700	121700	130750	139750	148750

Siskiyou County Area Median Income: \$93,900	Acutely Low	9850	11300	12700	14100	15250	16350	17500	18600
	Extremely Low	19750	22550	26650	32150	37650	43150	48650	54150
	Very Low Income	32900	37600	42300	46950	50750	54500	58250	62000
	Low Income	52600	60100	67600	75100	81150	87150	93150	99150
	Median Income	65750	75100	84500	93900	101400	108900	116450	123950
	Moderate Income	78900	90150	101450	112700	121700	130750	139750	148750

Solano County Area Median Income: \$124,600	Acutely Low	13100	14950	16850	18700	20200	21700	23200	24700
	Extremely Low	28850	33000	37100	41200	44500	47800	51100	54400
	Very Low Income	48100	54950	61850	68700	74200	79700	85200	90700
	Low Income	76950	87950	98950	109900	118700	127500	136300	145100
	Median Income	87200	99700	112150	124600	134550	144550	154500	164450
	Moderate Income	104650	119600	134550	149500	161450	173400	185400	197350

Sonoma County Area Median Income: \$132,000	Acutely Low	13850	15850	17800	19800	21400	22950	24550	26150
	Extremely Low	31750	36250	40800	45300	48950	52550	56200	59800
	Very Low Income	52850	60400	67950	75500	81550	87600	93650	99700
	Low Income	84650	96750	108850	120900	130600	140250	149950	159600
	Median Income	92400	105600	118800	132000	142550	153100	163700	174250
	Moderate Income	110900	126700	142550	158400	171050	183750	196400	209100

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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April 23, 2025

MEMORANDUM FOR: Interested parties

FROM: Megan Kirkeby, Deputy Director
Division of Housing Policy Development

SUBJECT: **2025 State Income Limits**

Attached are briefing materials and 2025 State Income Limits that are now in effect, replacing the previous 2024 State Income Limits. Income limits reflect updated median income and household income levels for acutely low-, extremely low-, very low-, low-, and moderate-income households for California's 58 counties. The 2025 State Income Limits are available on the Department of Housing and Community Development (HCD) website at <https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>.

State Income Limits apply to designated programs, are used to determine applicant eligibility (based on the level of household income), and may be used to calculate affordable housing costs for applicable housing assistance programs. Use of State Income Limits are 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 the funding source and program, resulting in some programs using other income limits.

The attached briefing materials detail California's 2025 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 1, 2025, for its Public Housing, Section 8, Section 202, and Section 811 programs and (2) adjustments HCD made based on State statutory provisions and its 2013 Hold Harmless (HH) Policy. Since 2013, HCD's HH Policy has held State Income Limits harmless from any decreases in household income limits and median income levels that HUD may apply to the Public Housing and Section 8 Income Limits. 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 see the Questions and Answers on page 5. You can also contact HCD staff at StateIncomeLimits@hcd.ca.gov.

2025 State Income Limits Briefing Materials

California Code of Regulations, Title 25, Section 6932

Overview

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 U.S. Department of Housing and Urban Development (HUD) revisions to the Public Housing and Section 8 Income Limits that HUD most recently released on April 1, 2025.

HUD annually updates its Public Housing and Section 8 Income Limits to reflect changes in median family income levels for different size households and income limits 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 Hold Harmless (HH) Policy (HCD's HH Policy was implemented to replace HUD's HH Policy, discontinued in 2009, to not decrease income limits and area median income levels below a prior year's highest level), and (3) determines income limits for California's acutely low-income and moderate-income category.

The following are brief summaries of technical methodologies used by HUD and HCD in updating income limits for different household income categories. For additional information, please refer to HUD's briefing materials at

<https://www.huduser.gov/portal/datasets/il/il25/Medians-Methodology-FY25.pdf>.

HUD Methodology

HUD Public Housing and Section 8 Income Limits begin with the production of median family incomes. HUD uses the Section 8 program's Fair Market Rent (FMR) area definitions in developing median incomes, which means developing median incomes for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. The 2025 FMR area definitions for California are unchanged from last year. HUD calculates Income Limits for every FMR area with adjustments for family size and for areas with unusually high or low family income or housing-cost-to-income relationships.

Extremely Low-Income

In determining the extremely low-income limit, HUD uses the Federal Poverty Guidelines, published by the Department of Health and Human Services. The Federal Poverty Guidelines are a simplified version of the Federal Poverty Thresholds used for administrative purposes — for instance, determining financial eligibility for certain federal programs. HUD compares the appropriate poverty guideline with 60 percent of the very low-income limit and chooses the greater of the two as the extremely low-income limit. The value may not exceed the very low-income level.

Very Low-Income

The very low-income limits are the basis for the extremely low- and low-income limits. The very low-income limit typically reflects 50 percent of median family income (MFI), and HUD's MFI figure generally equals two times HUD's 4-person very low-income limit. However, HUD may adjust the very low-income limit for an area or county to account for conditions that warrant special considerations. As such, the very low-income limit may not always equal 50 percent MFI.

2025 State Income Limits Briefing Materials

California Code of Regulations, Title 25, Section 6932

Low-Income

In general, 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 to the very low-income limit, strictly calculating low-income limits as 80 percent of MFI could produce unintended anomalies inconsistent with statutory intent (e.g., very low-income limits being higher than low-income limits). Therefore, HUD's briefing materials specify that, with some exceptions, the low-income limit reflects 160 percent of the very low-income limit. HUD may apply additional adjustments to areas with unusually high or low housing-costs-to-income relationships and for other reasons. This can result in low-income limits exceeding MFI in certain counties.

Median Family Income/Area Median Income

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

In estimating FY 2025 median family incomes, HUD uses median family income data (as opposed to median household income data) from the 2023 American Community Survey (ACS) as calculated by the Census Bureau. The Census Bureau produces two types of ACS estimates: the "one-year" data, which represent estimates as of 2022; and the "five-year" data, which represent estimates as of 2018-2022 (but are inflated to 2022 dollars). HUD requires special tabulations of the ACS to match its custom HMFA definitions described above.

HUD uses the 2023 American Community Survey (ACS) median family income data (as opposed to household income data) as the basis of FY 2025 Income Limits for all areas of California. In the past, HUD has used an inflation forecast from the Congressional Budget Office (CBO) in updating ACS estimates. However, starting this FY and going forward, HUD is using the projected change in per capita wage growth, also based on CBO estimates. HUD found that the new approach would have significantly improved the accuracy of earlier MFI calculations. For FY 2025, CBO has produced a wages and salaries forecast of 47,460, which divided by the annual 2023 value of 43,920 is 1.08 (an increase of 8 percent).

For additional information on MFI's please see HUD's briefing materials at <https://www.huduser.gov/portal/datasets/il/il25/IncomeLimitsMethodology-FY25.pdf>.

Adjustment Calculations

HUD may apply adjustments to areas with unusually high or low family income, uneven housing-cost-to-income relationship, or other reasons. For example, HUD applies an increase if the four-person very low-income limit would otherwise be less than the amount of 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. In certain cases, HUD also applies an adjustment to the income limits based on the state non-metropolitan median family income level.

2025 State Income Limits Briefing Materials

California Code of Regulations, Title 25, Section 6932

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 as measured by the American Community Survey with an absolute cap of 10 percent, whichever is greater. For 2025, the annualized change is measured by the ACS from 2022 to 2023. Twice this change is approximately 9.23 percent, which is less than the 10 percent absolute cap. So, for FY 2025, the income limits "cap" is 9.23 percent. The cap and floor rules do not apply to the extremely low-income limits.

Please refer to HUD briefing materials for additional information on the adjustment calculations.

Income Limit Calculations for Household Sizes Other Than 4-Persons

The income limit statute requires adjustments for family size. The legislative history and conference committee report indicates that Congress intended that income limits should be higher for larger families and lower for smaller families. The same family size adjustments apply to all income limits, except extremely low-income limits, which are set at the poverty income threshold. They are as follows:

Number of Persons in Household:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
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 2025 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. New for FY 2025, family size-adjusted income limits are retested for compliance with the cap and floor rules. Please refer to HUD's briefing material for additional information on family size adjustments.

NOTE: For FY2025, HUD has implemented geographic area definition changes as determined by the [Office of Management and Budget](#). Users should note that the constituent counties or towns of metropolitan areas may have changed. Please refer to the [Area Definition Report](#) for a listing of areas and their components.

HCD Methodology

State law (see, e.g., Health & Safety Code Section 50093) prescribes the methodology HCD uses to update the State Income Limits. HCD utilizes HUD's Public Housing and Section 8 Income Limits. HCD's methodology involves: (1) if necessary, increasing a county's median income established by HUD to equal California's non-metropolitan county 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, (3) applying to the median income the same family size adjustments HUD applies to the income limits, (4) determining income limit levels applicable to California's acutely low-income households defined by law as household income not exceeding 15 percent of county area median income, and (5) determining income limit levels applicable to California's moderate-income households defined by law as household income not exceeding 120 percent of county area median income.

2025 State Income Limits Briefing Materials

California Code of Regulations, Title 25, Section 6932

Area Median Income and Income Category Levels

HCD, pursuant to federal and state law, adjusts median income levels for all counties so they are not less than the non-metropolitan county median income established by HUD (\$93,900 for 2025). Next, HCD 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. Health and Safety Code section 50093 requires HCD to adjust the AMI for family size in accordance with adjustment factors adopted by HUD and illustrated on the previous page. This establishes that the MFI published by HUD equals the four-person AMI for California counties.

Acutely Low-Income Levels

Chapter 345, Statutes of 2021 (Assembly Bill 1043) established California's acutely low-income levels. See Health & Safety Code, § 50063.5. After calculating the 4-person area median income (AMI) level as previously described, HCD sets the maximum acutely low-income limit to equal 15 percent of the county's AMI, adjusted for family size.

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, adjusted for family size.

Applicability of California's Official State Income Limits

Applicability of the State Income Limits are subject to specific programs as program definitions of factors such as income, family, and household size vary. Some programs, 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>.

Questions and Answers

In Los Angeles, as well as several other counties in the state, why does the very low-income limit not equal 50% of the AMI (or the low-income limit not equal 80% of the AMI)?

There are many exceptions to the arithmetic calculation of income limits. These include adjustments for high housing cost relative to income, the application of state nonmetropolitan income limits in low-income areas, and national maximums in high-income areas. **In Los Angeles County, as well as several others, the magnitude of these adjustments results in the low-income limit exceeding the AMI.** These exceptions are detailed in the FY 2025 Income Limits Methodology Document, <https://www.huduser.gov/portal/datasets/il/il25/IncomeLimitsMethodology-FY25.pdf>.

2025 State Income Limits Briefing Materials

California Code of Regulations, Title 25, Section 6932

For further information on the exact adjustments made to an individual area of the country, please see HUD's FY 2025 Income Limits Documentation System. The documentation system is available at https://www.huduser.gov/portal/datasets/il/il2025/select_Geography.odn. Once the area in question is selected, a summary of the area's median income, Very Low-Income, Extremely Low-Income, and Low-Income Limits are displayed. Detailed calculations are obtained by selecting the relevant links.

Why don't the income limits for my area reflect recent gains?

Although HUD uses the most recent data available concerning local area incomes, there is still a lag between when the data are collected and when the data are available for use. For example, FY 2025 Income Limits are calculated using 2023 American Community Survey (ACS) data, and one-year 2020 data where possible.

HUD estimates Median Family Income (MFI) annually for each metropolitan area and non-metropolitan county. The basis for HUD's median family incomes is data from the American Community Survey, table B19113 - MEDIAN FAMILY INCOME IN THE PAST 12 MONTHS. In the past, HUD has used the Consumer Price Index (CPI) forecast published by the Congressional Budget Office (CBO) to bring the ACS and PRCS data forward from the year of the ACS to the current fiscal year. For FY 2025 and going forward, HUD will use an inflation factor based on the most recent projected change in national per capita wages published by the CBO in an attempt to improve the accuracy of its median family income estimates.

For additional details concerning the use of the ACS in HUD's calculations of MFI, please see HUD's FY 2025 Median Family Income methodology document, at <https://www.huduser.gov/portal/datasets/il/il25/IncomeLimitsMethodology-FY25.pdf>.

Additionally, full documentation of all calculations for Median Family Incomes are available in the FY 2025 Median Family Income and the FY 2025 Income Limits Documentation System. These systems are available at https://www.huduser.gov/portal/datasets/il/il2025/select_Geography.odn.

Why didn't the income limits for my county change from last year?

HCD's Hold Harmless Policy likely prevented the income limits from decreasing from last year's levels and has maintained them despite a decrease in median income and/or income limits published by HUD.

Why do the income limits or area median income for my county not match what was published by HUD?

HCD adjusts each county's area median income to at least equal the state non-metropolitan county median income, as published by HUD. Further, HCD's Hold Harmless Policy prevents any decrease in income limits or median family income published by HUD to be applied to State Income Limits.