

**ASSEMBLY BILL**

**No. 2331**

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**Introduced by Assembly Member DeSaulnier**

February 21, 2008

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An act to amend Section 50093 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2331, as introduced, DeSaulnier. Home finance.

Existing law requires the California Housing Finance Agency to make financing opportunities available for the construction, rehabilitation, and purchase of housing for persons and families of low or moderate income by borrowing in the securities markets and relending to housing sponsors, developers, and homeowners, and by insuring loans made by the agency or by others for the same purposes. Existing law defines "persons and families of low or moderate income," for these purposes, to mean persons and families whose income does not exceed 120% of area median income, adjusted for family size by the department in accordance with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937.

This bill would revise the definition of "persons and families of low or moderate income," for these purposes, to mean persons and families whose income does not exceed 150% percent of area median income, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 50093 of the Health and Safety Code is  
 2 amended to read:  
 3 50093. “Persons and families of low or moderate income”  
 4 means persons and families whose income does not exceed ~~120~~  
 5 *150* percent of area median income, adjusted for family size by  
 6 the department in accordance with adjustment factors adopted and  
 7 amended from time to time by the United States Department of  
 8 Housing and Urban Development pursuant to Section 8 of the  
 9 United States Housing Act of 1937. However, the agency and the  
 10 department jointly, or either acting with the concurrence of the  
 11 Secretary of the Business and Transportation Agency, may permit  
 12 the agency to use higher income limitations in designated  
 13 geographic areas of the state, upon a determination that ~~120~~ *150*  
 14 percent of the median income in the particular geographic area is  
 15 too low to qualify a substantial number of persons and families of  
 16 low or moderate income who can afford rental or home purchase  
 17 of housing financed pursuant to Part 3 (commencing with Section  
 18 50900) without subsidy.  
 19 “Persons and families of low or moderate income” includes very  
 20 low income households, as defined in Section 50105, extremely  
 21 low income households, as defined in Section 50106, and lower  
 22 income households as defined in Section 50079.5, and includes  
 23 persons and families of extremely low income, persons and families  
 24 of very low income, persons and families of low income, persons  
 25 and families of moderate income, and middle-income families. As  
 26 used in this division:  
 27 (a) “Persons and families of low income” or “persons of low  
 28 income” means persons or families who are eligible for financial  
 29 assistance specifically provided by a governmental agency for the  
 30 benefit of occupants of housing financed pursuant to this division.  
 31 (b) “Persons and families of moderate income” or  
 32 “middle-income families” means persons and families of low or  
 33 moderate income whose income exceeds the income limit for lower  
 34 income households.  
 35 (c) “Persons and families of median income” means persons  
 36 and families whose income does not exceed the area median  
 37 income, as adjusted by the department for family size in accordance  
 38 with adjustment factors adopted and amended from time to time

1 by the United States Department of Housing and Urban  
2 Development pursuant to Section 8 of the United States Housing  
3 Act of 1937.

4 As used in this section, “area median income” means the median  
5 family income of a geographic area of the state, as annually  
6 estimated by the United States Department of Housing and Urban  
7 Development pursuant to Section 8 of the United States Housing  
8 Act of 1937. In the event these federal determinations of area  
9 median income are discontinued, the department shall establish  
10 and publish as regulations income limits for persons and families  
11 of median income for all geographic areas of the state at 100  
12 percent of area median income, and for persons and families of  
13 low or moderate income for all geographic areas of the state at  
14 120 percent of area median income. These income limits shall be  
15 adjusted for family size and shall be revised annually.

16 For purposes of this section, the department shall file, with the  
17 Office of Administrative Law, any changes in area median income  
18 and income limits determined by the United States Department of  
19 Housing and Urban Development, together with any consequent  
20 changes in other derivative income limits determined by the  
21 department pursuant to this section. These filings shall not be  
22 subject to Article 5 (commencing with Section 11346) or Article  
23 6 (commencing with Section 11349) of Chapter 3.5 of Part 1 of  
24 Division 3 of Title 2 of the Government Code, but shall be effective  
25 upon filing with the Office of Administrative Law and shall be  
26 published as soon as possible in the California Regulatory Code  
27 Supplement and the California Code of Regulations.

28 The department shall establish and publish a general definition  
29 of income, including inclusions, exclusions, and allowances, for  
30 qualifying persons under the income limits of this section and  
31 Sections 50079.5, 50105, and 50106 to be used where no other  
32 federal or state definitions of income apply. This definition need  
33 not be established by regulation.

34 Nothing in this division shall prevent the agency or the  
35 department from adopting separate family size adjustment factors  
36 or programmatic definitions of income to qualify households,  
37 persons, and families for programs of the agency or department,  
38 as the case may be.

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