

63-235 Excess Shelter Deduction

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63-235.1 Definition

The excess shelter deduction is the monthly shelter costs in excess of 50 percent of the household's income after all other applicable deductions have been allowed.

The excess shelter deduction will not exceed the current maximum, unless the household contains a member who is elderly or disabled. See current Maximum Excess Shelter Deduction in the CalFresh Handbook, [Section 63-1102](#).

The allowable shelter deductions are:

63-235.2 Rent or Mortgage Costs

Allow continuing costs for the shelter occupied by the household as a shelter deduction including:

- Rent,
- Mortgage,
- Homeowners association fees, and
- Continuing costs leading to the ownership of the shelter such as loan payments for the purchase of a mobile home, including interests on such payments.

The following payments will not be included as a shelter cost or part of a shelter cost:

- One-time deposits, such as security deposits.
- Penalty fees for being late in making payments on utilities,

mortgages, and/or property taxes. (USDA memo 83-19).

Apply the income conversion factors, 4.33, 2.167, or 2 when the household is billed rent on a weekly, bi-weekly or semi-monthly basis respectively. Use the conversion factor only when a full month's expense is anticipated to continue throughout the certification period as specified in [63-282.7 and 8](#). ACIN I-01-06

Refer to [63-282.13, Reasonably Anticipated Expenses](#).

WHEN RENT IS PAID IN ADVANCE

If a household occupies a residence that has a monthly rent structure, allow the monthly amount of the rent obligation each month without regard to when it is actually paid.

- **First and Last Month Rent Paid**

When a rental agreement requires that the household must pay rent for both the first and last month, allow the shelter expense deduction for each month of the rental agreement because the household is on a monthly rent structure. Allow the last month payment as a deduction for the last month of the rental agreement even if expense was paid in the first month.

- **Rent Paid in Advance**

If the household chooses to pay a few months of rent in advance, allow the shelter deduction for each month of the rental agreement regardless if some months were paid in advance. Allow the rent expense for each month that the rent is billed regardless of when the rent was actually paid to the landlord.

- **Last Month Rent Paid in Installments**

If the landlord allows the household to pay the last month's rent in installments because the household cannot afford to pay both the first and last month's rent, which is required by the rental agreement, allow the deduction for each month of the rental agreement because the household is on a monthly rent structure. Allow the last month rent expense even if the rent has been paid in advance.

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63-235.3
Property Taxes
and Insurance

Property taxes, state and local assessments, and insurance on the structure itself, but not separate costs for insuring furniture or personal belongings.

63-235.4
Heating, Cooling,
and Other
Utilities
Expenses

Utility expenses are defined as the costs billed for:

- A. Heating and/or cooling:
 1. Gas,
 2. Electricity,
 3. Butane,
 4. Propane (and tank rental),
 5. Coal, or
 6. Firewood.
- B. Cooking fuel;
- C. Water;
- D. Sewer;
- E. Garbage and trash collection fees;
- F. Basic service for one telephone, including rental fees, tax on the basic fee, wire maintenance fees, subscriber line charges, relay center surcharges, 911 fees, and taxes; and fees charged by the utility provider for initial installation of the utility.

One-time deposits are not included as shelter costs.

NOTE: The Standard Utility Allowance (SUA) is a mandatory deduction for households incurring heating or cooling costs. If the household is not eligible to the SUA deduction based on heating or cooling expenses, issue the Standard Utility Assistance Subsidy (SUAS) if the household would receive more benefits or would become eligible for CalFresh when receiving the SUA deduction. See [63-236.5](#).

63-235.5
Home
Temporarily Not
Occupied by the
Household

Allow the shelter costs for the home if temporarily not occupied by the household because of employment or training away from home, illness, or abandonment caused by natural disaster or casualty loss.

To allow the costs of a home vacated by the household as a shelter cost, the household must:

- Intend to return to the home;
- The current occupants of the home, if any, must not be claiming the shelter costs for food stamp purposes; and
- The home must not be leased or rented during the absence of the household.

63-235.6
Home Repair
Costs

Costs for the repair of the home, which was substantially damaged or destroyed due to a natural disaster such as a fire or flood.

Shelter costs will not include costs for repair of the home that have been or will be reimbursed by private or public relief agencies, insurance companies, or from any other source.
