

**Revision Date:**

07/01/2023

**Background:**

Households (HH) experiencing homelessness that are not receiving free shelter throughout the month may be entitled to the homeless shelter deduction or may claim actual shelter costs.

**Purpose:**

This section details the shelter expenses HHs experiencing homelessness may incur and the deductions they may be entitled to. This section is being revised to include vehicle expenses that may be considered shelter costs for HHs experiencing homelessness.

**Policy:**

Experiencing homelessness does not imply a HH does not have any monthly shelter expenses. The following are shelter expenses that may be incurred by a HH experiencing homelessness, they include, but are not limited to:

- Hotel/motel expenses.
- Fees required to stay at a homeless shelter.
- Vehicle expenses, if living in a vehicle.

Staff are to evaluate the shelter expenses the HH incurs and allow the deduction that is most beneficial to the HH.

**1. Homeless Shelter Deduction:**

HHs experiencing homelessness, that do not receive free shelter for the entire month, may receive the homeless shelter deduction, refer to Section 62-1101 for the current homeless shelter deduction amount. If the HH experiencing homelessness does not incur any shelter expenses nor do they anticipate having any shelter expenses, they are not eligible to the homeless shelter deduction.

For HHs eligible to the homeless shelter deduction staff are to determine if the HH would receive more benefits if given the homeless shelter deduction or if they received the State Utility Allowance Subsidy (SUAS), allowing the HH the Standard Utility Allowance (SUA) deduction. HHs may not receive the homeless shelter deduction and a utility allowance simultaneously. HHs experiencing homelessness may claim actual shelter expenses instead of the homeless shelter deduction when actual expenses would entitle the HH to more benefits than when using the homeless shelter deduction. When the actual expenses are used as a shelter cost, a utility allowance may also be allowed.

**Note:** The homeless shelter deduction is always deducted from the net income when determining eligibility and allotment, refer to section 63-254 for more information.

**2. Vehicle Expenses Considered Shelter Costs:**

HHs experiencing homelessness that live in a vehicle and are responsible for paying reasonably anticipated or reoccurring expenses on the vehicle, may claim the expenses as a shelter cost. A vehicle expense that occurs less frequently than monthly may be averaged over the months in which it is intended to cover. Vehicle expenses include, but are not limited to:

- Vehicle payments.
- Collision and comprehensive insurance premiums (insurance that covers the vehicle itself). Liability and medical insurance premiums are not allowable shelter costs.
- The cost of overnight parking and camping fees.
- Maintenance expenses.

**Note:** The cost of fuel, such as gasoline or diesel fuel, to operate or heat/cool a vehicle, is not an allowable shelter or utility expense.

### 3. Verification:

Staff are to accept the shelter expenses reported by the HH verbally or on a signed application, status report, or application for recertification without requesting additional verification. Verification shall only be requested if the shelter expenses are questionable. If the HH is reporting vehicle insurance premiums as a vehicle expense, clarify the portion paid for collision or comprehensive coverage, since the only portion of the premium that is considered a shelter expense is insurance on the vehicle itself.

The following examples demonstrate how to determine which deductions would be most beneficial to the HH experiencing homelessness:

Example:	
Scenario	A HH experiencing homelessness consists of husband and wife, neither is disabled or elderly. The wife receives \$800 per month as a cash gift. The HH lives in their car and pays \$300 per month for the car loan. They also pay \$200 per month for car insurance, of which \$100 of the insurance is for liability, \$100 is for comprehensive coverage. The HH does not have any utility expenses.
Outcome	<p>If the HH was given the homeless shelter deduction, they would be eligible to \$384 per month in CalFresh benefits.</p> <p>If the vehicle expenses of \$400 per month (\$300 car payment + \$100 comprehensive insurance) are used as the shelter cost, the HH would be eligible to \$362 per month in CalFresh benefits.</p> <p>If the \$400 in vehicle expenses are used as the shelter cost, the HH may also claim a utility allowance. If the HH is issued the SUAS payment it would entitle them to more benefits making the HH eligible to \$516 per month in CalFresh benefits.</p> <p><b>In this case we would use the vehicle expenses as a shelter cost and issue out SUAS allowing the SUA deduction since that would be the most beneficial to the HH.</b></p>

Example:	
Scenario	HH experiencing homelessness consists of disabled mother and 10 y/o son. Mom receives \$1000 per month in Social Security Disability benefits. The HH stays in a hotel 4 nights per month and pays \$100 per night when staying at the hotel and pays for no utilities.
Outcome	<p>If the HH was given the homeless shelter deduction the HH would be eligible to \$324 per month in CalFresh benefits.</p> <p>If the hotel expense of \$400 per month is used as the shelter cost, the HH would be eligible to \$273 per month in CalFresh benefits.</p> <p>If the hotel expense of \$400 per month is used as the shelter cost, the HH may also claim a utility allowance. If the HH is issued the SUAS payment, it would entitle them to more benefits making the HH eligible to \$440 per month in CalFresh benefits.</p> <p><b>In this case we would use the actual shelter costs and issue out SUAS allowing the SUA deduction since that would be most beneficial to the HH.</b></p>

Example:	
Scenario	A HH experiencing homelessness consists of single 30 y/o male. He receives \$800 per month in State Disability Insurance (SDI). He lives at a homeless

	shelter and is responsible for paying \$25 per month to stay there and pays for a telephone.
Outcome	<p>If the HH is allowed the homeless shelter deduction, he is not allowed a utility allowance, he would be eligible to \$149 per month in CalFresh benefits.</p> <p>If the HH is given SUAS instead of the homeless shelter deduction, he would be eligible to \$175 per month in CalFresh benefits.</p> <p>If the actual shelter expense of \$25 per month is claimed as the shelter cost, the HH may also claim a utility allowance. Since the HH pays for a telephone the HH is given the TUA utility allowance making him eligible to \$98 per month in CalFresh benefits.</p> <p>If the HH is issued the SUAS payment instead of TUA, the HH would be entitled to more benefits. Therefore, if the actual shelter cost of \$25 per month is claimed as the shelter cost and the HH is issued the SUAS payment instead of TUA, he would be eligible to \$183 per month in CalFresh benefits.</p> <p><b>In this case we would use the actual shelter costs and issue out SUAS allowing the SUA deduction since that would be most beneficial to the HH.</b></p>

**References:**

ACL 19-38, ACIN I-18-07, ACIN I-73-04, ACIN I-43-03, ACIN I-15-23, MPP 63-502.35, MPP 63-502.36, CFR 237.9(d)(6)(i)

**Sunset Date:**

This policy will be reviewed for continuance by 07/31/2026

**Approval for Release:**

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Self-Sufficiency Services