

**County of San Diego, Health and Human Services Agency (HHSA)
CalFresh Program Guide**

Shelter Costs and Utility Allowances

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Revision Date:

10/01/2022

Background:

CalFresh household's (HH) are eligible to deduct shelter and utility costs from their income to determine CalFresh eligibility.

Purpose:

There has been no change in policy. This section has been updated to merge all sections pertaining to shelter costs and utility allowances into one section and due to sunset review.

Policy:

The excess shelter deduction is the monthly shelter costs (shelter and utilities combined) in excess of 50 percent of the HH's income after all other applicable deductions have been allowed. The excess shelter deduction cannot exceed the current maximum set by the California Department of Social Services (CDSS), unless the HH contains a member who is elderly or disabled, then there is no maximum. The sections below detail the different types of expenses and allowances that are eligible to be included in the excess shelter deduction calculation.

1. **Shelter Cost:**

Shelter cost is the amount paid by a HH for the home they reside in, the following is a list of allowable costs related to shelter:

- Rent.
- Mortgage.
- Homeowner's association (HOA) fees.
- Loan payments for the purchase of a mobile home, including interest on such payments.
- Property taxes, state and local assessments.
- Insurance on the structure itself, but not separate costs for insuring furniture or personal belongings.
- Space rent in a mobile home park.
- Costs for the repair of the home, which was substantially damaged or destroyed due to a natural disaster such as a fire or flood.
- Costs of a home temporarily not occupied by the HH because of employment or training away from home, illness, or abandonment caused by natural disaster or casualty as long as one of the following exists:
 - HH intends to return to the home.
 - The current occupants of the home, if any, must not be claiming the shelter costs for CalFresh purposes on another case.
 - The home must not be leased or rented during the absence of the HH.

The following payments will not be included in the shelter cost:

- One-time deposits, such as security deposits.
- Penalty fees for making late payments.
- Costs for home repairs that have been or will be reimbursed by private or public agencies, insurance companies, or from any other source.
- Garage rental.
- Shelter costs claimed as a business expense.

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Apply the corresponding income conversion factors, 4.33, 2.167, or 2 when the HH 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.

When a HH chooses to or is obligated to pay rent in advance allow the monthly amount of the rent obligation each month without regard to when it is actually paid.

Example:

Scenario	HH's monthly rent is \$1,000. The HH chooses to pay the landlord a year's rent in advance totaling \$12,000.
Outcome	The HH will be allowed a monthly shelter expense of \$1,000 in the CalFresh budget.

2. Shared Shelter Cost:

The HH may live with and share the shelter cost with an excluded/ineligible HH member(s) or another separate HH that may or may not be participating in CalFresh. The table below gives guidance on how to calculate the portion of the shelter cost that is allowed as a deduction.

If the HH shares the shelter cost with...	then...
a separate HH,	allow the amount paid by the CalFresh HH. If the amount paid cannot be differentiated per HH, the shelter cost will be divided by the number of HHs contributing to the expense.
an Intentional Program Violation (IPV) disqualified and/or work sanctioned individuals who otherwise would be an eligible HH member,	allow the entire shelter cost including the IPV and/or work sanctioned individual's portion.
an ineligible noncitizen(s) and/or Social Security Number (SSN) disqualified individual(s) who contribute to the shelter cost from their own income or resources,	prorate the shelter cost among all eligible and ineligible HH members. Count only the eligible members' portion.
an ineligible noncitizen(s) and/or SSN disqualified individual(s) who do not have their own income or resources to contribute to the shelter cost,	do not consider the ineligible noncitizen(s) and/or SSN disqualified individual(s) in the proration if proration needs to be done.
an ineligible student(s) that contributes a set dollar amount to the shelter cost or does not contribute at all,	allow the entire shelter cost excluding the student's contribution.
an ineligible student(s) that contributes to the shelter cost but the amount they contribute cannot be differentiated from the rest of the HH,	prorate the shelter cost among eligible and ineligible HH members. Count only the eligible members' portion.

Note: if a HH contains multiple ineligible noncitizens and/or SSN disqualified individuals, if at least one of them contributes or has income, then include all the ineligible noncitizens and/or SSN disqualified individuals in the proration calculation.

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Example:

Scenario	HH consists of ineligible noncitizen mom and 2 United States (US) citizen children. Mom works and contributes to the rent and the children receive CalWORKs. Total rent is \$1200.
Outcome	Mom is an ineligible noncitizen that contributes her earnings from work to the rent, therefore mom is included in the proration. $\$1200 / 3$ (mom and 2 children) = \$400 per person. Since there are only 2 eligible HH members $\$400 \times 2$ (2 eligible children) = \$800 is allowed as the deduction.

Example:

Scenario	HH consists of ineligible noncitizen dad, eligible noncitizen mom, and 2 US citizen children. Dad has no income. Mom and the children receive CalWORKs. Total rent is \$1200.
Outcome	Dad has no income therefore lacking the means to contribute, so he is not included in the proration. The entire rent of \$1200 is allowed as the deduction.

Example:

Scenario	HH consists of ineligible noncitizen mom, 3 US citizen children and 1 unrelated adult that does not Purchase and Prepare (P&P) with the CalFresh HH. Mom works and contributes to rent, 2 of the children receive CalWORKs, 1 of the children is 20 years old and an ineligible student, who does not contribute anything to the rent, and the unrelated adult contributes \$200 to the rent. Total rent is \$1000.
Outcome	Since the unrelated adult is considered a separate HH, first deduct their portion of the rent from the total, $\$1000 - \200 (unrelated adult's contribution) = \$800. Since the ineligible student does not contribute, subtract zero from the remaining rent, $\$800 - \0 (ineligible student's contribution) = \$800. Since mom contributes, she is included in the proration with the 2 children receiving CalWORKs, $\$800 / 3$ (mom and 2 children) = \$266.67 per person. $\$266.67 \times 2$ (2 eligible children) = \$533.33 allowed as the deduction.

Example:

Scenario	HH consists of ineligible IPV mom who has earned income, 2 US citizen children, and ineligible noncitizen grandma who P&Ps with the HH and contributes \$150 to the rent each month. Total rent is \$1200.
Outcome	The known contribution of grandma is not deducted as she P&Ps with the HH. She is included in the proration, but her portion is not allowed as part of the deduction. $\$1200 / 4$ (total HH members) = \$300 per person. $\$300 \times 3$ (IPV mom and 2 eligible children) = \$900 allowed as the deduction.

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3. Utility Allowances:

There are three different utility allowances a HH may be eligible to. Utility allowances are adjusted to the cost-of-living, refer to the current CalFresh Assistance Standards Chart for allowance amounts. The table below explains the different types of allowances and gives guidance on when to include it in the benefit calculation.

If the HH incurs a cost for...	then they are eligible to...
heating or cooling (e.g., gas, electricity, butane, propane, coal, firewood) whether paid to the utility company directly, the landlord, or to someone with whom the HH shares the expense, and the expense is separate from their rent,	Standard Utility Allowance (SUA)
at least two of the following utilities: telephone, water, sewer, and garbage or trash collection, but does not incur a cost for heating and cooling,	Limited Utility Allowance (LUA)
only a phone or in its absence, an equivalent form of communication (e.g., internet for email, prepaid phone card, line for a fax machine), whether billed to them or someone else,	Telephone Utility Allowance (TUA)

Note: LUA and TUA are only to be used in the evaluation of Expedited Services (ES).

Example:

Scenario	The HH is charged a flat amount of \$250 for rent and a separate flat amount of \$50 (paid separate from rent) for gas and electric. The HH writes a check to the landlord for \$300.
Outcome	HH would be allowed the SUA deduction.

Example:

Scenario	The HH is charged \$300 for rent, which includes utilities used for heating and cooling.
Outcome	No SUA deduction will be allowed because the expense is not separate from the rent.

4. State Utility Assistance Subsidy (SUAS):

SUAS is a program that provides HHs with a cash benefit of \$20.01, issued via Electronic Benefits Transfer (EBT), and entitles the HH to the SUA deduction. Issue the SUAS only if the HH will receive more benefits or would become eligible for CalFresh if receiving the SUA deduction. Some HHs are not eligible to SUAS and therefore should not be issued the benefit. Do not issue the SUAS payment to HHs who are:

- Eligible for SUA because they incur a cost for heating or cooling.
- Already receiving the maximum allotment.
- Already receiving the maximum shelter deduction (not applicable to elderly/disabled HHs).
- Experiencing homelessness and would receive higher benefit allotment from the Homeless Shelter deduction as opposed to SUA. HHs may not receive the Homeless Shelter deduction and the SUA deduction simultaneously.

Refer to Desk Aid SUAS for SUA Flowchart for more information.

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Example:	
Scenario	The HH filed an initial application on July 17. The HH does not incur a heating or cooling cost, therefore not entitled to the SUA deduction. It is determined the HH is eligible to the maximum CalFresh allotment for its HH size.
Outcome	The HH is not eligible to receive the SUAS because they are already receiving the maximum allotment.

Example:	
Scenario	The HH filed an initial application on July 17. The HH does not incur a heating or cooling cost, therefore not entitled to the SUA deduction. It is determined the HH is eligible to CalFresh but not the maximum allotment for a HH of their size. If the HH had the SUA deduction the HH's benefits would increase.
Outcome	The HH is eligible to SUAS and should be issued the SUAS payment since it will increase their benefits. The SUA deduction will now be included in the benefit calculation.

Note: When determining eligibility to ES use the actual utility allowance for the expenses the HH incurs. Do not account for SUAS when evaluating ES. Upon approval of the case, the HH can then be issued the SUAS payment of \$20.01, if eligible.

Evaluate for SUAS at application, recertification, semi-annual report (SAR), or mid-period if a change is reported that could potentially make the HH eligible to it. HHs receiving the SUAS payment are eligible to SUA effective the month in which the SUAS payment is issued. SUA cannot be applied for any month prior to the issuance of the SUAS payment.

Example:	
Scenario	The HH filed an initial application on July 17. The HH did not incur a heating or cooling cost and was not entitled to SUA. It is determined the HH is not receiving the maximum shelter deduction but if the HH had the SUA deduction they would be eligible to increased benefits. The case was approved for July ongoing on August 5 and the SUAS payment was issued August 6.
Outcome	Since the case was approved and the SUAS payment was not issued until August, the HH is eligible to SUA for the month of August through the remainder of the certification period. The HH is not eligible to SUA in the July budget because they did not receive the payment until after July ended.

When a HH receives the \$20.01 SUAS payment, they are eligible to SUA **for a maximum of 12 consecutive months**, however there are instances when the HH could receive multiple SUAS issuances in a 12-month period. The table below provides guidance on when to issue a SUAS payment and for how long the HH is eligible to SUA based on receiving the payment.

If the HH...	then the HH...
is certified for 12 months, eligible to and receives the SUAS payment at intake or recertification,	is eligible to SUA for the entire certification period.

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is certified for 12 months, eligible to and receives the SUAS payment based on information reported on the SAR 7 or information reported mid-period,	is eligible to SUA for the rest of the certification period. HHs that receive the SUAS payment mid-period will receive another SUAS payment at recertification, if still eligible to it.
is certified for 12 months, received a SUAS payment and is restoring their benefits,	is not eligible to another SUAS issuance if they already received one during the certification period but will continue to be allowed SUA for the remainder of it.
received the SUAS payment but the case discontinued before the end of the 12-month certification period. The HH reapplies after the restoration period and is still eligible to SUAS,	is issued another SUAS payment making them eligible to SUA for the entire new 12-month certification period.
is certified for 24 months, eligible to and receives the SUAS payment at intake or recertification,	is eligible to SUA for the first 12 months and must be re-evaluated for SUAS at SAR. If eligible they will receive another SUAS payment and be allowed SUA for the remaining 12 months of the certification period.
is certified Elderly Simplified Application Project (ESAP), eligible to and receives the SUAS payment at intake or recertification,	is eligible to SUA for the first 12 months and will have SUAS reissued automatically at the 13 th and 25 th month as long as no changes have been reported that make them ineligible for SUAS.

When a HH is eligible to SUAS they must be issued a notice (CF 1) informing them of the SUAS payment provided on their EBT card. SUAS payments issued in error are never considered an overissuance. EBT cards must have the cash portion activated to access the SUAS payment, for more information refer to How To 534 Activate the Cash/Food Stamp Account in CalWIN or ebtEDGE for SUAS Access on CalFresh-Only Case.

5. Shared Utilities:

Do not prorate SUA, LUA, or TUA when the HH lives with and shares utility expenses with an excluded or ineligible HH member, or when the CalFresh HH lives with and shares utility expenses with another HH.

6. SUAS and Transitional CalFresh (TCF):

HHs transitioning from Public Assistance CalFresh (PACF) to TCF that were receiving the SUA deduction will continue to receive the SUA deduction. Do not issue the SUAS payment to a TCF case if the PACF HH was not receiving the SUA deduction. Evaluate TCF HHs that transition to regular CalFresh for the SUAS payment and the SUA deduction at the time of transitioning.

7. SUAS and Inter-County Transfers (ICTs):

HHs transferring from another county that already received the SUAS payment from the sending county will not receive another SUAS payment during the same certification period. Communicate with the sending county to ensure that duplicate SUAS payments are not issued in the same certification period.

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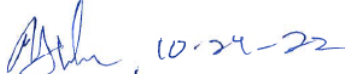
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MPP 63-502.36, 63-502.37, CFR 273.9(d)(6), ACL 14-66, ACWDL 6-30-14, ACIN I-34-04

Sunset Date:

This policy will be reviewed for continuance on or by 10/31/2025.

Approval for Release:

 10-24-22

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