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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 92 ADM-9

TO: Commissioners of  
 Social Services

DIVISION: Income  
 Maintenance

DATE: February 14, 1992

SUBJECT: Food Stamps: Income Exclusion for Homeless Households in  
 Transitional Housing

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| SUGGESTED<br>DISTRIBUTION: | Income Maintenance Staff<br>Food Stamp Staff<br>Staff Development Coordinators |
| CONTACT<br>PERSON:         | Food Stamp County Representative at 1-800-342-3715,<br>extension 4-9225        |
| ATTACHMENTS:               | None   |

FILING REFERENCES

| Previous<br>ADMs/INFs | Releases<br>Cancelled | Dept. Regs.  | Soc. Serv.<br>Law & Other<br>Legal Ref. | Manual Ref.                                     | Misc. Ref.         |
|-----------------------|-----------------------|--------------|---|---|--------------------|
|                       |                       | 387.11(c)(4) |   | FSSB<br>X-B-7-all<br>XII-G-3<br>XII-H-5-<br>all | GIS<br>91 IM/DC013 |

I. PURPOSE

This is to inform social services districts of a change to food stamp (FS) policy regarding the exclusion, as food stamp income, of public assistance (PA) shelter payments paid to a third party (vendor payments) for homeless individuals residing in temporary housing. It is also to inform social services districts of a change in definition regarding the types of temporary housing to which this exclusion applies.

II. BACKGROUND

The provision of the Stewart B. McKinney Homeless Act (McKinney Act) which excluded as food stamp income the entire public assistance shelter vendor payment made for a homeless household residing in temporary housing expired on September 30, 1990. A provision of the Mickey Leland Memorial Domestic Hunger Relief Act (Leland Act), which was effective October 1, 1990 now permits only part of the PA shelter vendor payment for homeless residents to be excluded as food stamp income. Information regarding this Leland Act provision was provided to social services districts in WMS GIS 91 IM/DC013 on March 29, 1991.

The expired income exclusion provision in the McKinney Act was limited to situations in which the temporary housing unit lacked facilities for the preparation and cooking of hot meals or the refrigerated storage of food for home consumption. The Leland Act provision expands the definition of the types of housing to which the income exclusion applies.

III. PROGRAM IMPLICATIONS

The previous food stamp income exclusion policy for public assistance households receiving payments for homeless housing applied to households residing in places which lacked cooking and/or refrigeration facilities. The Leland Act legislation applies the income exclusion to households residing in transitional housing. For food stamp purposes, the term transitional housing means a living accommodation which is intended to provide shelter to homeless households for a short period of time until permanent regular housing, such as an apartment or house, can be obtained by the household. Such living accommodations may contain cooking and/or refrigeration facilities. Food stamp transitional housing does not include living accommodations whose purpose is to aid the movement of individuals from institutions back into the community such as half-way houses or group homes for parolees or drug addicts. It also does not include facilities whose purpose is to provide shelter and services to individuals with problems other than homelessness, such as homes for pregnant teens or group homes for delinquent children.

Housing provided in hotels, motels, publicly and privately run shelters for the homeless and shelters for abused women and children all fit the definition of transitional housing for food stamp purposes. Please note that the terms transitional housing and temporary housing have specific definition for Public Assistance programs that differ from the use of these terms within the Food Stamp Program.

This change in definition is beneficial because some temporary housing units now available to homeless households have cooking and refrigeration facilities. Although there were not yet any homeless facilities in this state in which residents had been denied food stamps due to the presence of cooking and refrigeration facilities, this would have become an issue as new types of homeless housing were developed. This change insures that households not in stable living situations will continue receiving benefits. It also protects New York from overpayment errors due to misapplication of the exclusion policy.

The new income exclusion policy is that an amount equal to 50% of the maximum shelter with heat allowance for the family size is excluded as food stamp income when a public assistance payment for transitional housing is made directly to a vendor on behalf of a homeless household. In addition, the amount of a vendorized transitional housing payment that is above the maximum shelter with heat allowance is also excluded as food stamp income because it is a special payment for emergency needs. Since previous policy was to exclude the entire shelter payment, the effect of this new policy will be to raise the amount of countable food stamp income for these homeless households. In most circumstances, this increase in countable income will decrease the amount of food stamps these households receive.

#### IV. REQUIRED ACTION

##### A. Determining Countable Income and Food Stamp Shelter Expense

Homeless individuals residing in transitional housing that have public assistance shelter payments made directly to a third party are to have an amount equal to one-half of the social services district's public assistance shelter, with heat, maximum for the family size excluded as food stamp income. In addition, as defined in FSSB XII-G-3, the amount of the public assistance shelter payment over and above the social services district's public assistance shelter maximum, with heat, is also to be excluded as food stamp income.

The amount of the PA shelter payment that is not excluded as food stamp income under this provision is counted as a FS shelter expense. In addition, any shelter expense the household is paying from other than non-excluded FS income is counted as a FS shelter expense.

EXAMPLE 1: PA/FS Case With Only PA Income

A homeless individual residing in a hotel/motel has a public assistance monthly shelter payment of \$700 paid directly to the motel operator. The agency's shelter maximum with heat is \$184. The household's PA countable income is determined as follows:

|               |  |
|---------------|--|
| \$112.00      | Basic Allowance  |
| 25.10         | HEA's  |
| 64.00         | Restaurant Allowance                                     |
| <u>700.00</u> | <u>Shelter Allowance</u>                                 |
| \$901.00      | PA Deficit (10¢ is dropped when determining PA deficit)  |
| - 25.10       | HEA's  |
| - 92          | (½ of \$184, i.e. ½ of the PA shelter maximum with heat) |
| <u>- 516</u>  | (amount over PA shelter with heat \$700 - \$184 = \$516) |
| \$267.90      | Countable PA Income                                      |

FS countable shelter cost is determined as follows:

\$516 + \$92 = \$608 is excluded as FS income and therefore cannot be counted as a FS shelter cost.

|              |                     |
|--------------|---------------------|
| \$700        | Total Shelter Costs |
| <u>- 608</u> | FS Excluded Income  |
| \$ 92        | FS Shelter Cost     |

EXAMPLE 2: PA/FS Case With PA and Other Income

A homeless individual residing in a hotel/motel has \$700 in unearned income. The individual is eligible for a \$201 PA grant that is paid directly to the landlord. The agency's shelter maximum with heat is \$184. The household's PA countable income is determined as follows:

|                |   |
|----------------|---|
| \$112.00       | Basic Allowance   |
| 25.10          | HEA's   |
| 64.00          | Restaurant Allowance                                    |
| <u>700.00</u>  | <u>Shelter Allowance</u>                                |
| \$901.00       | PA needs (10¢ is dropped when determining PA deficit)   |
| - 700.00       | Unearned Income   |
| \$201.00       | PA Deficit (Paid as vendored shelter payment)           |
| - 25.10        | HEA's   |
| - 92.00        | (½ of 184, i.e. ½ of PA shelter maximum with heat)      |
| <u>- 17.00</u> | (Amount over PA shelter with heat \$201 - \$184 = \$17) |
| \$ 66.90       | Countable PA Income                                     |

FS allowable shelter cost is determined as follows:

\$17 + \$92 = \$109 is excluded as FS income and therefore cannot be counted as a FS shelter cost.

|                  |  |
|------------------|--|
| \$ 92.00         | Countable PA shelter payment (\$201 vendored PA rent - \$109 FS excluded PA shelter = \$92.00) |
| <u>+\$499.00</u> | Out of pocket shelter payment from recipient's unearned income (\$700 - \$201 = \$499)         |
| \$591.00         | Total FS Shelter Cost  |

B. Households Affected

This budgeting methodology must be used for newly applying households effective April 1, 1991. Households already participating on April 1, 1991 are to be budgeted using this methodology at the next agency contact or recertification after April 1, 1991.

C. Notice Requirement

If during the certification period (not at recertification) a household is found to be entitled to fewer benefits or determined to be ineligible because of this policy change, a ten-day notice of adverse action must be sent before the action is taken.

D. Claims

If households are entitled to less benefits as a result of this policy change, no claims are to be filed against the household for overissuances prior to April 1, 1991 or for the period April 1, 1991 to the date of the first agency contact with the household.

V. SYSTEM IMPLICATIONS

A. Upstate

ABEL Transmittal 91-3 provided details about the automated support for the budgeting change which was made available on June 3, 1991.

B. NYC

The system changes which allow workers to budget transitional housing situations were available in the production environment on June 24, 1991. Workers will now be required to always input the actual cost of housing in the PA Shelter Amount field on household screen NSBL02.

In addition, the system will now automatically calculate the amount of income available to the client to be applied towards their FS housing costs in those situations where their PA Net Income is greater than total needs less shelter costs. (Note: In NYC, PA housing costs are issued via a process outside of the ABEL budget. ABEL will continue to output a PA shelter allowance of zero in these situations).

Workers should consult current procedures for the details on the issuance of PA Shelter costs.

VI. ADDITIONAL INFORMATION

Although this new policy was effective October 1, 1990, USDA has instructed that no quality control error will be recorded for overissuances during the period from October 1, 1990, through March 31, 1991 because the states were required to implement retroactively. An error will be recorded, however, if the temporary housing assistance payment regulations in effect prior to the Mickey Leland Act provision, were not applied correctly to a case during this period.

In addition, with the April 1, 1991 implementation of the new policy there is a 60-day period during which QC reviewers will exclude any variances that result from misapplication of the new transitional housing regulation.

VII. EFFECTIVE DATE

The effective date for implementation of this provision is February 1, 1992 retroactive to October 1, 1991.

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Oscar R. Best, Jr.  
Deputy Commissioner  
Division of Income Maintenance