

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



July 18, 2001

ALL COUNTY LETTER NO. 01-43

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS**REASON FOR THIS TRANSMITTAL**

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: CalWORKs SPECIAL NEEDS PAYMENTS FOR PERMANENT HOUSING ASSISTANCE –SECURITY DEPOSITS

The purpose of this All County Letter is to provide clarification regarding the payment of security deposits for a family that is requesting a CalWORKs special need permanent housing assistance payment when they are receiving housing assistance from Housing and Urban Development (HUD) or some other third party. Effective immediately, the amount of the security deposit payable to the assistance unit (AU) is to be based on the total rent obligation of the AU including any assistance or subsidy, as opposed to the amount of monthly rent the AU will actually pay.

Once initial eligibility for Homeless Assistance has been determined, there is a two step process to determine the amount of a security deposit payment. In accordance with MPP 44-211.531, a permanent housing payment shall be made only when the AU proves that they have found housing where the rent does not exceed 80 percent of the AU's maximum aid payment (MAP). In cases when the AU is in a shared housing situation the AU's share of the rent shall not exceed 80 percent of the AU's MAP.

The second step requires the county to determine the amount of a security deposit that can be paid to the AU as a special need payment. In accordance with MPP 44-211.531 and .532, an amount not to exceed two months of an AU's rent is available to pay for the reasonable costs of security deposits when the deposits are a condition of securing a permanent residence. In subsidized or shared housing cost situations, the amount that the AU is obligated to pay to secure housing (that is, the total rental cost) shall be used. The portion of the deposit attributed to last month's rent cannot exceed 80 percent of the AU's MAP in accordance with MPP 44-211.532.

The following example illustrates how special needs payments for permanent housing assistance and security deposits are to be calculated when a portion of the AU's rent is paid using subsidized housing assistance:

Step 1:

An AU of four finds permanent housing that rents for \$800 per month. The AU has obtained a monthly subsidy of \$160 from either HUD or another third party. With the subsidy, the family's share of the monthly rent is \$640. The MAP for an AU of four is \$811 and 80 percent of this is \$648. In this example, the family's monthly rent is less than 80 percent of MAP. Therefore, this housing arrangement is acceptable under MPP 44-211.531.

Step 2:

The same AU from above is also requesting \$1,440 for the security deposit and last month's rent. The \$1,440 requested by the AU is acceptable because it is less than \$1,600, which is twice the monthly rent the AU is obligated to pay (prior to HUD or any other third party assistance). The portion of the deposit attributed to last month's rent cannot exceed \$648, which is 80 percent of the AU's MAP.

If you have any questions about this letter, please contact Kevin Campbell at (916) 654-2130.

Sincerely,
Original signed by
Bruce Wagstaff on
7/18/01
BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

c: CWDA
CSAC