

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



July 29, 1988

ALL COUNTY LETTER NO: 88-91

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: HAMILTON V. LYG FEDERAL INJUNCTION - AFDC HOMELESS ASSISTANCE PAYMENTS

REFERENCE: ALL COUNTY FOOD STAMP COORDINATORS NOTICE DATED JULY 14, 1988 AND ALL COUNTY LETTER 88-55 DATED JUNE 7, 1988

On July 8, 1988, the U.S. District Court issued a preliminary injunction against the Department of Agriculture and the California Department of Social Services which enjoined us from counting AFDC homeless assistance payments as income for food stamp purposes. The original injunction was amended, with regard to fair hearings, on July 21, 1988. Copies of both the original injunction and the amendment are attached.

The purpose of this letter is to provide instructions for implementing the requirements of this injunction and to revise previously released information regarding these payments.

The preliminary injunction requires the following:

- 1) AFDC homeless assistance payments must be excluded from income in determining Food Stamp Program eligibility and benefit levels, effective with the August 1, 1988 allotments. This exclusion will continue pending the outcome of the lawsuit.
- 2) Food Stamp benefits are to be restored retroactive to July 1, 1988 to recipients whose allotments were reduced, suspended or terminated because the homeless assistance they received was counted as income.
- 3) Any notices of reduction, suspension or termination of food stamp benefits for August 1988 that were a result of including income from AFDC homeless assistance payments are to be rescinded and aid restored if otherwise eligible.
- 4) AFDC homeless assistance payments are to be excluded from income in any fair hearing decisions regardless of whether the county action occurred before or after the effective date of the injunction. This would include cases pending back to February 1, 1988.

- 5) At the request of any recipient who has filed an administrative appeal and has conditionally withdrawn the appeal, the county shall rescind the reduction, suspension, or termination of food stamp benefits that resulted from counting AFDC homeless assistance payments as income.

#### Handling of Deductions

The regulations regarding the handling of deductions will continue to apply. If the homeless assistance is in the form of a vendor payment, the expense covered by that payment cannot be calculated as part of the household shelter costs (Section 63-503.254). If the payment is made in cash, only that portion of the payment that is for allowable shelter deductions can be included in the calculation of eligibility and benefit level (Section 63-502.351).

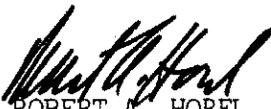
#### ACL 88-55 and Homeless Assistance Form (CA 42)

All County Letter No. 88-55 (June 7, 1988), page 4, contains a paragraph under the heading "IMPACT OF HOMELESS ASSISTANCE ON FOOD STAMPS." This paragraph is no longer accurate and cannot be applied since this injunction prohibits counting AFDC homeless assistance payments as income, regardless of the form (vendor or direct).

The third item on the CA 42, under "Important Information", no longer applies. On your current stock of CA 42 forms, the statement, "If you don't want this money to count against your Food Stamps, ask that the payment be given directly to a shelter, landlord or others." should be marked out (See Attachment 3 for an example).

Counties which print their own forms, should modify the CA 42 (6/88) at the next printing and should limit the amount of CA 42 stock because it is currently undergoing revision. The revised version should be available in the fall.

If you have any questions regarding the above instructions, you may contact Julie Andrews, Food Stamp Policy Bureau at (916) 324-8701. Any questions regarding the CA 42 should be directed to LeAnne Torres, AFDC/FS Policy Implementation Bureau at (916) 324-2016.

  
ROBERT A. HOREL  
Deputy Director

Attachments

cc: CWDA

JUL 3 4 35 PM '88

U.S. DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA  
BY \_\_\_\_\_

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IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF CALIFORNIA

MONICA HAMILTON, LAURA  
STROY, and WANDA VALECK,  
individually, and on  
behalf of all similarly  
situated persons,

Plaintiffs,

v.

CIV. NO. S-88-705 EJC

RICHARD LYNG, in his  
official capacity as  
Secretary, United States  
Department of Agriculture;  
LINDA McMAHON, in her  
official capacity as  
Director, California  
Department of Social  
Services,

Defendants.

ORDER GRANTING PLAINTIFFS'  
MOTIONS FOR CLASS  
CERTIFICATION AND PRELIMINARY  
INJUNCTION

This matter is before the court on plaintiffs' motions for  
class certification and preliminary injunction which are  
scheduled for hearing on July 15, 1988. The court finds the  
motions appropriate for resolution without oral argument and  
orders them submitted pursuant to Local Rule 230(h). The hearing

on July 15, 1988 is ordered vacated.

1 After reviewing the documents submitted by the parties, the  
2 court finds that the motions should be granted. Defendant  
3 Richard Lyng has filed a statement of non-opposition to the  
4 motions and defendant Linda McMahon has signed a stipulation with  
5 the plaintiffs consenting to the entry of a preliminary  
6 injunction and a class certification order. Therefore, the court  
7 orders that this action be maintained as a class action, with the  
8 class defined as:

9 All past, present and future applicants  
10 for and recipients of food stamps who  
11 have received or will receive homeless  
assistance under California Welfare and  
Institutions Code § 11450(f)(2).

12 The court further orders that pending final hearing on the  
13 merits or until further order from the court, the above-named  
14 defendants, their officers, partners, agents, employees and all  
15 persons acting in concert or participating with them, shall be  
16 and hereby are restrained and enjoined from the following acts:

17 A. Including or causing to be included as countable income  
18 for Food Stamp purposes non-recurring special needs payments for  
19 homeless assistance provided pursuant to California Welf. and  
20 Inst. Code § 11450(f)(2); and

21 B. Reducing, suspending or terminating food stamp  
22 allotments effective August 1, 1988 based on administrative  
23 notices of action which have been sent or may now be in the  
24 process of being sent to food stamp recipients because the  
25 homeless assistance they received was counted as income; and  
26

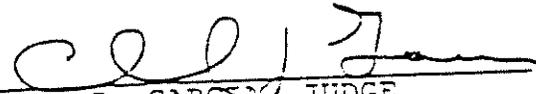
1 C. Failing to restore July food stamps to food stamp  
2 recipients whose allotments were reduced, suspended or terminated  
3 because the homeless assistance they received was counted as  
4 income; and

5 D. Proceeding with fair hearings in administrative appeals  
6 filed by food stamp recipients who were notified that their  
7 allotments would be reduced, suspended or terminated because the  
8 homeless assistance they received was counted as income.

9 It is further ordered that plaintiffs will be permitted to  
10 proceed in this matter without posting bond or any other  
11 security.

12 IT IS SO ORDERED.

13 DATED: July 8, 1988.

14   
15 EDWARD J. GARCIA, JUDGE  
16 UNITED STATES DISTRICT COURT  
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CERTIFICATE OF SERVICE

HAMILTON, et al  
v  
LYNG, et al

CIV-S- 88-705 -EJG

I, the undersigned, hereby certify that I am an employee in the Office of the Clerk, U.S. District Court, Eastern District of California.

ORDER (2)

That on July 11, 1988, I served a copy of the attached by placing said copy in a postage paid envelope addressed to the person hereinafter listed, by depositing said envelope in the U.S. Mail at Sacramento, California, or by placing said copy into an inter-office delivery receptacle located in the Clerk's Office.

SERVED BY MAIL:

SEE ATTACHED LIST

SERVED BY INTER-OFFICE:

Michael V. Hammang  
Deputy Attorney General

Asst US Attorney - Patterson

EDWARD J. GARCIA

J.R. GRINDSTAFF, Clerk

By: P. Nelson  
P. Nelson, Deputy

SE D LIST: Hamilton, et al v. Lyng, et al

For  
PLAINTIFFS

MELINDA BIRD  
MARK GREENBERG  
WESTERN CENTER ON LAW AND POVERTY  
3535 West Sixth Street  
Los Angeles, California 90020  
213/487-7211

CASEY MCKEEVER  
WESTERN CENTER ON LAW AND POVERTY  
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1900 "K" Street, Suite 200  
Sacramento, California 95814  
916/442-0753

BRIAN PADDOCK  
LEGAL SERVICES OF NORTHERN CALIFORNIA  
515 12th Street  
Sacramento, California 95814  
916/444-6760

CINDY BABBY  
LEGAL SERVICES OF NORTHERN CALIFORNIA  
1370 West Street  
Redding, California 96001  
916/241-3565

CAROLE F. GROSSMAN  
LEGAL SERVICES OF NORTHERN CALIFORNIA  
619 North Street  
Woodland, California 95695  
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ILENE J. JACOBS  
CALIFORNIA RURAL LEGAL ASSISTANCE  
818 "D" Street  
P.O. Box 2600  
Marysville, California 95901  
916/742-5191

BYRON GROSS  
LEGAL AID FOUNDATION OF LOS ANGELES  
1636 West Eighth Street  
Los Angeles, California 90017  
213/359-3581

COLLEEN FAHEY FEARN  
Legal Aid Society of San Diego  
110 S. Euclid Avenue  
San Diego, California 92114  
619/262-5557

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 12 LEGAL SERVICES OF NORTHERN CALIFORNIA  
 515 12th Street  
 13 Sacramento, California 95814  
 916/444-6760

14 (Plaintiffs' Counsel continued on following page)

15  
 16 UNITED STATES DISTRICT COURT  
 EASTERN DISTRICT OF CALIFORNIA

17	MONICA HAMILTON, LAURA STROY,	)	CASE NO.
18	and WANDA VALECK, individually,	)	
19	and on behalf of all similarly	)	CLASS ACTION
	situated persons,	)	
20	-vs-	)	STIPULATION RE
		)	MODIFICATION OF
21	RICHARD LYNG, in his official	)	PRELIMINARY INJUNCTION
22	capacity as Secretary, United	)	
23	States Department of Agriculture;	)	
24	LINDA McMAHON, in her official	)	
	capacity as Director, California	)	
	Department of Social Services,	)	
25	Defendants.	)	

26  
 27  
 28

1 CINDY BABBY  
LEGAL SERVICES OF NORTHERN CALIFORNIA  
2 1370 West Street  
Redding, California 96001  
3 916/241-3565

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CALIFORNIA RURAL LEGAL ASSISTANCE  
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1           The parties hereby stipulate and agree to request that the  
2 Court modify the Order re: Class Certification and Preliminary  
3 Injunction entered in this action to strike Paragraph D, page 3,  
4 lines 5-8 of the Order, which enjoins defendants from:

5           D. Proceeding with fair hearings in  
6 administrative appeals filed by food stamp  
7 recipients who were notified that their  
8 allotments would be reduced, suspended or  
9 terminated because the homeless assistance  
10 they received was counted as income.

11           The parties request that in lieu of the paragraph to be  
12 stricken, the following paragraphs be inserted to enjoin  
13 defendants from:

14           D. Rendering fair hearing decisions which  
15 treat homeless assistance as income for  
16 purposes of the food stamp program, regardless  
17 of whether the county action occurred before  
18 or after the effective date of this order, and

19           E. Failing to rescind the reduction,  
20 suspension or termination of food stamp  
21 benefits based upon the treatment of homeless  
22 assistance as income, at the request of a  
23 class member who has filed an administrative  
24 appeal of such an action and upon the  
25 conditional withdrawal of the class member's  
26 appeal.

27           This modification is necessary to more fairly effectuate  
28 relief to the class, by permitting class members to

1 pursue administrative appeals concerning reductions, suspensions  
2 or terminations of food stamp benefits prior to July 1, 1988.

3 Respectfully submitted,

4  
5 Dated: July \_\_, 1988

6 \_\_\_\_\_  
7 Brian Paddock  
8 Legal Services of Northern California  
9 Attorney for Plaintiffs

10 Dated: July \_\_, 1988

11 \_\_\_\_\_  
12 Michael Hammang  
13 Deputy Attorney General  
14 Attorney for Defendant McMahon

15 Dated: July \_\_, 1988

16 \_\_\_\_\_  
17 Karen Patterson  
18 Deputy U.S. Attorney  
19 Attorney for Defendant Lyng

20 ORDER

21 Good cause having been shown, it is hereby ORDERED that the  
22 Order granting plaintiffs' motions for class certification and  
23 preliminary injunction is modified accordingly.  
24

25 Dated: July \_\_, 1988

26 \_\_\_\_\_  
27 U.S. DISTRICT COURT JUDGE  
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# STATEMENT OF FACTS - Homeless Assistance

## Important Information

- If you have no place to stay, have \$100 or less in resources and are apparently eligible for AFDC, you may get Homeless Assistance. However, you must be seeking permanent housing. While you are looking, you may get money for temporary shelter. If you find someplace to live, you may get money for permanent housing.
- You may get Temporary Shelter (TS) payments for up to 21 days in a row. The first day starts when you get the first TS payment. If you stay somewhere for free during the 21 days, you can't get a TS payment for the free days, but the free days count as part of the 21 days.
- ~~If you don't want this money to count against your Food Stamps, ask that the payment be given directly to a shelter, landlord or others.~~
- You may be asked to prove that your payment was spent on shelter. If you can't, future payments will go to a shelter, landlord or others.

Instructions: Print all answers in ink. If you need help, ask your worker.

1. Name of Caretaker Relative (first, middle, last)		
Social Security Number	Date of Birth	Message Phone
- -	/ /	
2. Explain where you are staying now.		
3. Explain why you have no place to stay.		
4. Are you seeking permanent housing? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>		
Explain:		
5. Do you get Cash Aid? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>		
If "YES," in which county:		
6. Did you get Homeless Assistance from any county at any time? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>		
If "YES," complete:		
Which county:	When:	
7. Did you or will you get money or other income this month? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>		
If "YES," complete:		
How much: \$	When:	From Where:
8. List all liquid resources you own (include cash, checks, savings or checking accounts, credit union accounts, etc.). List each item and give its value.		
9. Are you a refugee? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>		
If "YES," did you get Housing Assistance from a voluntary agency/sponsor? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>		
If "YES," dates covered: From _____ to _____		
10. If you are eligible for Homeless Assistance, do you want to have your payment given directly to a shelter, landlord or others? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>		

COUNTY USE ONLY

CASE NUMBER \_\_\_\_\_

DATE RECEIVED \_\_\_\_\_

Disposition:

Shelter arranged prior to Temp. Asst.

Temp. Asst. Date: \_\_\_\_\_

Permanent HA. Date: \_\_\_\_\_

Vendor payment issued.

HA Denied

Worker: \_\_\_\_\_

Total resource value: \_\_\_\_\_

Date of entry: \_\_\_\_\_

Agency/Sponsor Name: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### CERTIFICATION

I understand there is a limit on how much Homeless Assistance I can get.

I understand I must provide proof of housing if it is requested, and if I cannot, I must have my Homeless Assistance payments sent to a shelter, landlord or others for me.

I understand that providing a Social Security Number (SSN) is required by Section 402(a)(25) of the Social Security Act. The number will be used to check identity, to prevent duplicate participation and to verify my eligibility and benefits.

I declare under penalty of perjury under the laws of the United States of America and the State of California that the information contained on this statement of facts is true and correct.

SIGNATURE OF CARETAKER RELATIVE \_\_\_\_\_

DATE \_\_\_\_\_