

PROPERTY LIMIT EVALUATION

Purpose

The following assessment aims to evaluate the effectiveness and contemporary relevance of the existing General Relief (GR) property limits. The following factors were considered when conducting the evaluation:

- Review of the policy's authority including the California Welfare and Institutions Code (WIC) and County Code;
- Data analysis of existing property limits; and
- Comprehensive examination of property limits in comparable counties such as San Diego, Orange, and San Francisco. And comparison with other California counties using data from General Relief/Assistance County Exchange (GRACE).

Background

GR property limits can be categorized into two main categories: personal and real property. Personal property has subcategories which include liquid assets, crypt or niche, insurance policies with Cash Surrender Value (CSV), and vehicles. Each subcategory has its own value limits. Applicants and participants have the same value limit for each subcategory, except for liquid assets. The focus of this assessment will be on personal, real property, and vehicle value limits.

On March 19, 2019, the Los Angeles County Board of Supervisors implemented an ordinance to establish updated property limits for determining GR eligibility. This decision was prompted by rising poverty levels and a growing number of individuals residing in their vehicles, rendering them ineligible for GR. Subsequently, on June 1, 2019, the Board approved increases in property limits for the value of vehicles when used as a home, liquid assets, and personal property. The review and increase in the aforementioned assets and property limits prompted a more comprehensive review of all threshold limits set by either WIC or County Code.

Program Authority Review

<p>Welfare & Institutions Code (WIC)</p>	<p>17107. The board of supervisors may establish its own policies with reference to the amount of property, if any, a person shall be permitted to have while receiving assistance, to the end that, so far as it is possible, an applicant for public relief shall be required to apply his own property to his support.</p> <p>17008. In cases in which an indigent has an interest in the real property upon which he resides, a county may allow an amount that would otherwise be included in his budget for rentals, when such amount is necessary and will be used entirely for the purpose of preserving so far as possible the retention of such interest to provide a place of residence for the indigent.</p>
<p>County Code 2.102.060 General Relief-Eligibility-Real property limitations</p>	<p>A. Sets the real property value limit at \$34,000. The County Code states if the property consists of multiple residential units, units not occupied by the applicant/participant must be rented at current market value, given the property is assessed at \$34,000 or less.</p> <p>B. If applicant has real property county-assessed at \$34,000 or less, not used as residence, the applicant has one year from the application date to sell property at current market value.</p>
<p>County Code 2.102.070 General Relief-Eligibility-Lien on property required when.</p>	<p>States a lien must be placed if the applicant/participant has any real property or interest in real property. This is to serve as repayment for all GR benefits issued four years prior to the lien's effective date and any GR benefits issued after the lien. However, this does not include individuals receiving aid from federal, state adult, or family aid programs. And does not include individuals who receive GR benefits less than 30 days.</p>
<p>County Code 2.102.080 General Relief-Eligibility-Personal property limitations</p>	<p>A. Sets personal property limits at \$2,000.</p> <p>B. Applicants cannot have more than \$100 in liquid assets for an individual or \$200 for couples.</p> <p>C. Participants have a liquid asset limit of \$1,500 for individuals/couples.</p> <p>D. Insurance policies with a CSV cannot exceed \$500, given the GR</p>

	<p>applicant/participant does not have other means for burial expenses.</p> <p>E. Applicants/participants are allowed one Motor Vehicle (MV) valued at \$4,500 or less. However, if the motor vehicle is used as a residence, the value cannot exceed \$11,500. A mobile home value cannot exceed \$15,000.</p> <p>G. Applicants/participants may have a motor home or house trailer cannot exceed the value of \$11,500.</p>
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Lawsuits

There are no lawsuits brought upon Los Angeles County regarding GR's property limits.

Personal Property Evaluation

GR program defines personal property as “belongings” or interests one might have on valuable items not considered real property. Liquid assets, crypt or niche, and insurance policies with CSV are considered personal property. However, each has a separate value limit. The chart below indicates the limit for each subcategory.

Property Type	Applicant	Participant
Personal Property	\$2000 per individual/couple	\$2000 per individual/couple
Liquid Asset	\$100 per individual or \$200 per couple	\$1500 per individual/couple
Crypt or Niche	\$500 per individual	\$500 per individual
Insurance policies with CSV	\$500 per individual	\$500 per individual

In comparing Los Angeles County (LAC) with other counties, 71% of counties' property limits (41 out of 58) are lower than LAC's \$2,000 personal property limits. Counties with a personal property limit higher than \$2,000 are less than 1% (1 out of 58), while 10% of counties have the same personal property limit as LAC (6 out of 58). The remaining counties' personal property limits are unknown (9 out of 58). The overall counties' personal property limits range between \$50 - \$2,250¹.

¹ General Relief/Assistance County Exchange Comparison Chart March 2023



*Figure 1 This chart does not represent all 58 California Counties as some counties did not disclose information or do not have a GR Program.

Although there is substantial variance amongst counties when reviewing Personal Property limits, the review of vehicle value limits is more comparable amongst the counties, with a few exceptions.

Vehicle Value Exemption Limit

A vehicle is defined as an automobile or similar motor-driven vehicle. LAC has a vehicle value exemption limit of \$4,500. If the vehicle is used as a residence, the value limit cannot exceed \$11,500. If the applicant/participant has a mobile home, the value cannot exceed \$15,000. The vehicle value limits vary from county to county.

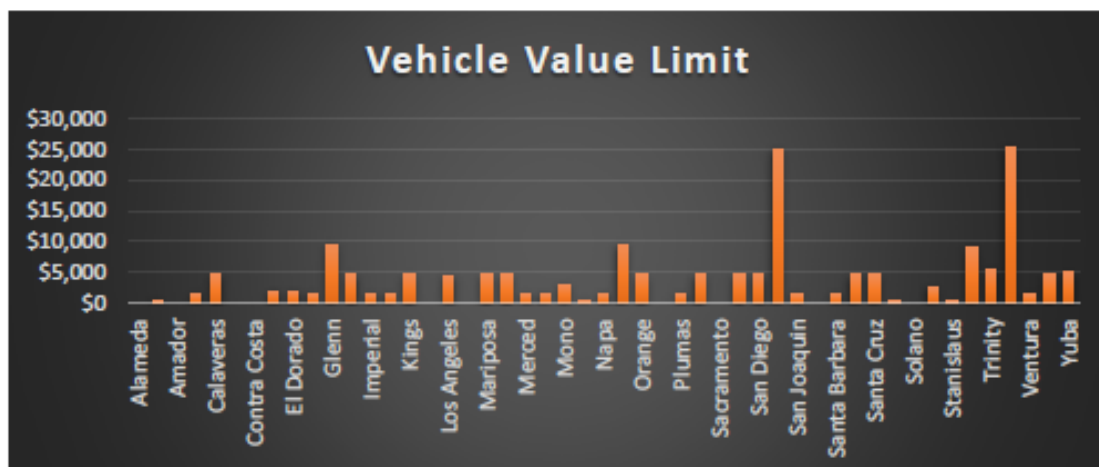


Figure 2 Vehicle Value Limit

The vehicle values for California counties are represented in the chart below.

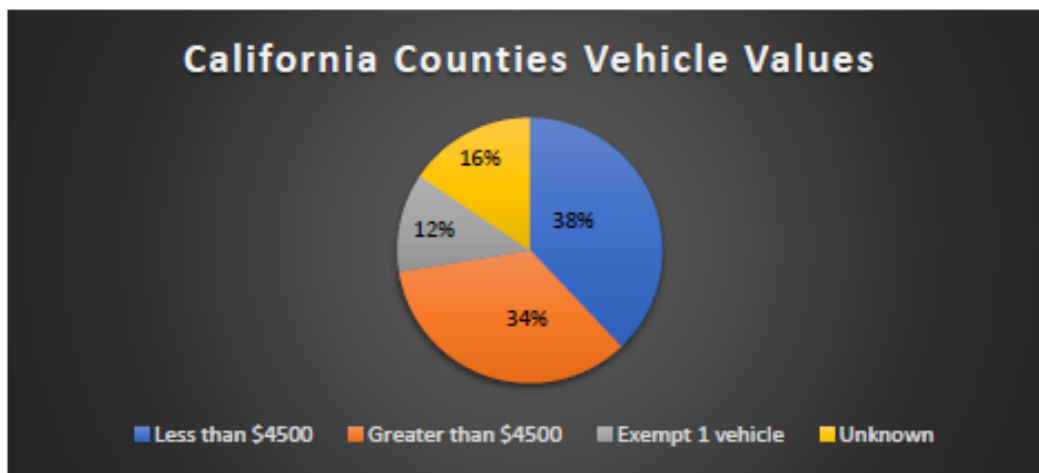


Figure 3 California Counties Vehicle Values

However, when it comes to real property, counties have varying policies from one another.

Real Property

Real property is defined as land and/or structures in which the GR individual(s) have owner rights or interests. LAC's real property, to be used as a home, has a limit value of \$34,000. In Orange County (OC), the net value of a GR customer's real property when used as a primary residence shall not exceed \$5,000². The net value is determined by subtracting all verified encumbrances from the market value. In San Diego County (SDC), customers who have real property are ineligible for GR; however, exceptions can be granted if extreme hardship would result if GR was not granted³.

San Francisco County (SFC) customers may only retain one property used as a home, whether owned by oneself or with others, provided their net monthly housing expense (mortgage, insurance payments, utilities, and taxes, etc.) does not exceed the customer's total monthly income and/or assets⁴. The real property limit in each county is a fraction of the median home value prices in each of the counties.

The median home price in LAC thus far in 2023 is \$808,000⁵. In comparing LAC home prices for 2023 with SFC, SFCs are 66% higher. SFC's median home price for 2023 is \$1,348,000⁶. SDC's median home price in 2023 is \$932,000⁶, 15% higher than LAC. OC has a median home price of \$1,254,000⁶ for year 2023, 55% higher than LAC.

² Orange County Social Services Agency General Relief Regulations Manual

³ County of San Diego, Health and Human Services Agency (HHSA) General Relief Program Guide (GRPG)

⁴ City and County of San Francisco HAS County Adult Assistance Programs

⁵ Los Angeles Almanac

⁶ Redfin.com

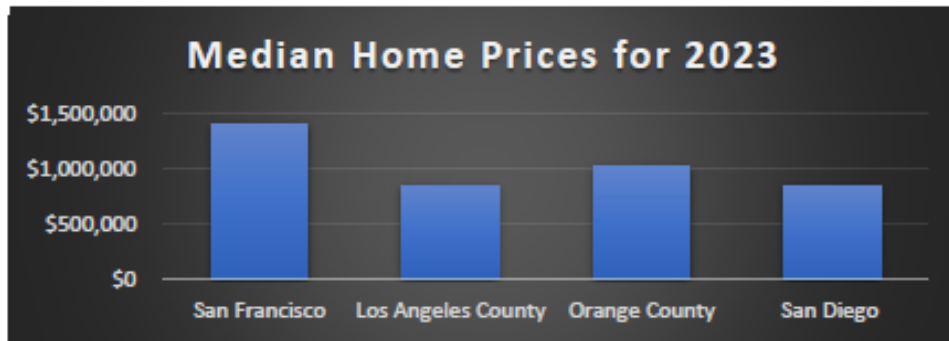


Figure 4 Median Home Prices for 2023

LAC's real property limit is 4% of the current median home price in the county, while SFC exempts one real property used as primary residency⁴. OC's real property limit is less than 1% of the current median home price. As inflation continues to rise, the median home prices continue to increase yearly.

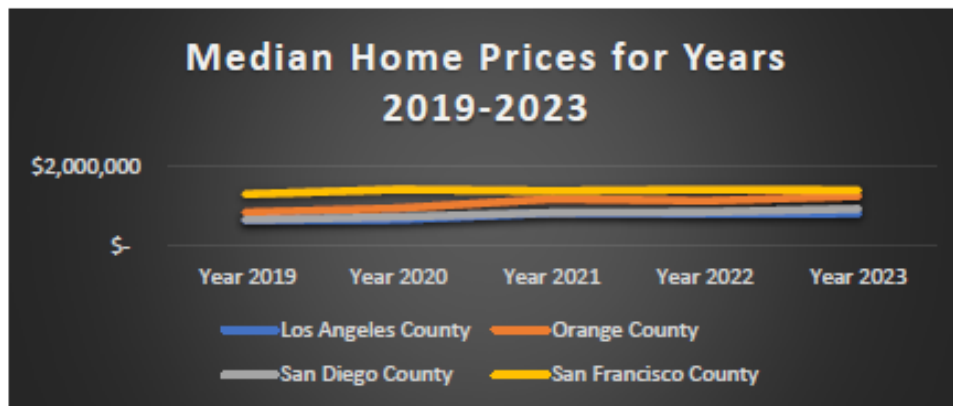


Figure 5 Median Home Prices for years 2019-2023

Since 2019, the median home prices have continued to steadily increase in LAC, OC, SDC, and SFC. However, the real property limit has not been modified to reflect those increases in GR/GA policies, except for SFC.

Data Analysis

A review of case denials for excess liquid property, vehicle countable value exceeded limit, and real property was conducted. The data from the Abbreviated Applications Report for year 2022, revealed that, on average, 7.46% of total denial cases were attributed to excess liquid property, vehicle countable value exceeded limit, and real property. When we include denials for Failure to Provide Property, the total denials for the four categories increase to 20.26%. In 2023, there was a notable increase of 2.12% in the monthly average total denials. Specifically, average monthly denials for excess liquid property increased by 11.8% from year 2022 to 2023, while vehicle countable value exceeded the limit and increased by 13.44%. Denials for real property decreased by 7.14% during the same period. Denials for Failure to Provide Property increased 28.77% from 2022 to 2023. These trends indicate a rise across property limit denials except for real property.

Year	Monthly Average Denials for Excess Liquid Property	Monthly Average Denials for Vehicle Countable Value Exceeded Limit	Monthly Average Denials for Real Property	Monthly Average Denials for Failure to Provide Property	Percentage of Denials of Categories listed from Total Denials	Monthly Average Total Denial Cases
2022	493	161	15	1147	20.26%	8,963
2023	559	186	14	1477	19.65%	11,379

In addition, when reviewing the Discontinued Report, discontinuances for excess liquid property, vehicle countable value exceeded limit, and real property is less than 1% of the total monthly average discontinued cases.

Conclusion

After review of the WIC, property and asset limits in County Code, and departmental data, it's evident that the number of customers denied or discontinued due to excess property or assets or failure to provide property verification, represents a moderate proportion when compared to the total number of applications received and overall discontinuances, respectively. However, the following conclusions can be drawn implicitly by looking at the same set of data:

- Customers who were denied may have been impacted by an unreasonable property and asset limit that does not consider the Fair Market Value of property in today's economy.
- The number of customers who fail to submit asset verification may be because it exceeds the low threshold limits.

Discussion

- Is a policy change needed?
- If yes, what types of policy changes are necessary to better serve the best interests of our customers?