



CITY OF CLAREMONT

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UTILITY USERS TAX EXEMPTION APPLICATION GUIDELINES

June 4, 1993

PURPOSE OF GUIDELINES

The purpose of this document is to provide general guidelines for the qualification of applicants for the low income household exemption to Utility Users Tax Ordinance No. 93-4. (Attachment A)

CRITERIA FOR ELIGIBILITY

Guidelines established for Los Angeles County by the United States Department of Housing and Urban Development for Section 8 Housing Programs are used to determine qualification for the low income household exemption to the utility users tax.

The following documents are used as references to determine eligibility as a low income household. These documents use two criteria: the total number of persons residing in the household and the total amount of household income:

- "Documentation of Applicant Eligibility," CDBG Bulletin No. 83-0032 dated May 23, 1983. (Attachment B)
- "Guidelines for Documentation of Eligibility for CDBG," Funded Residential Rehabilitation Programs," CDBG Bulletin No. 89-0061 dated November 3, 1989. (Attachment C)
- "1993 Income Limits," CDBG Bulletin No. 93-0020 dated April 30, 1993. (Attachment D)

All conditions of qualification must be demonstrated to the Tax Administrator's satisfaction in order to qualify for this exemption.

APPLICATION PROCESS

Utility Users Tax Exemption Application forms are available at City Hall or Joslyn Senior Center or can be mailed by the Tax Exemption Technician. (Attachments E & F.1)

The applicant must submit a completed Application (Attachment E) to the Financial Services Department that includes the following household and financial information.

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Members of the Household -

The application should include the full names, ages, and social security numbers of all members of the household (both family members and unrelated persons living in the residence).

The applicant is the person responsible for making the determination as to whether or not an individual is considered a member of the household. In cases where a room(s) of a house or apartment are rented, the renter is not considered a member of the household if rental income is claimed for income tax purposes.

Gross Annual Income -

Income includes: Salaries, wages, dividends, interest, pension payments, social security, public assistance, disability payments, alimony, child support, and any other recurring source of income including businesses conducted within the home.

Income exclusions: Insurance proceeds, gains from sale of real estate or stock, or any other income resulting from non-recurring or one-time only transactions. Non-cash benefits such as food stamps, MediCal, etc. are not considered as income.

Proof of Income -

The applicant is responsible for providing copies of their most recent federal income tax return including applicable schedules for proof of self-employment and rental income and any supporting documentation requested. Such proof of income include the following types of documents:

- . **Wage and salary income**
 - Federal income tax return not older than one year
 - W-2 forms
 - Copies of three most recent paycheck stubs establishing monthly income

- . **Personal interest from savings accounts**
 - Federal income tax return not older than one year
 - Form 1099, bank statements or investment statements indicating amount of interest earned or dividends earned

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- . **Dividends from financial investments**
 - Federal income tax return not older than one year
 - Form 1099, bank statements or investment statements indicating amount of interest earned or dividends earned

- . **Social Security/Welfare Income**
 - Award letter or other written certification from the awarding agency verifying the applicant's eligibility and the amount of monthly benefits
 - Copy of applicant's check
 - Bank statement showing the direct deposit of Social Security or SSI

- . **Income from disability or social aid programs**
 - Award letter or other written certification from the awarding agency verifying the applicant's eligibility and the amount of monthly benefits
 - Copy of applicant's monthly, weekly, bi-weekly, or semi-monthly check
 - Bank statement showing the direct deposit of an applicant's award check

- . **Income from retirement programs**
 - Pension award letter or other written certification from the awarding agency.
 - Copy of applicant's check
 - Bank statement showing the direct deposit of an applicant's award check
 - Form 1099

- . **Income from disability or social aid programs**
 - Award letter or other written certification from the awarding agency verifying the applicant's eligibility and the amount of monthly benefits
 - Copy of applicant's check
 - Bank statement showing the direct deposit of an applicant's award check

- . **Rental income**
 - Schedule E of Federal Tax Return
 - Copy of a recent rent check
 - Receipt for rent payment
 - Property rental agreement

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NOTE: Many of the front page items on the federal tax return are of a "net value" and do not show gross income. Specific documentation in the form of schedules and attachments must be submitted for verification of income from self-employment, rental property, etc.

State tax returns which list only a total taxable income from the federal income tax return do not show sources of income and should not be used for verification of income.

Utility Account Numbers -

The application is to include the full account number for all utilities for which the applicant is claiming an exemption.

Exemptions for telephone bills will apply to one telephone per person in the household. In cases where there is a residential phone and a business phone, the exemption will apply to the residential phone.

Type of Residence -

The application specifies that the applicant must live in a house or apartment (not a dormitory) in order to qualify for the exemption.

QUALIFICATION PROCESS

1. The Tax Exemption Technician reviews the completed application and calculates the total annual income for the household. The income calculation process includes examining supporting documentation submitted with the application. No deductions in income will be allowed for non-cash expenses such as depreciation and use of home for a business.
2. If additional information is required to make a decision regarding qualification, the Tax Exemption Technician will notify the applicant either by phone or letter. This provides the applicant the opportunity to submit the requested information/documentation. (Attachments F.2, F.3 & F.4)

If the requested information/documentation has not been received within two weeks, the Tax Exemption Technician is to send the applicant a letter advising them that their application is incomplete and that processing will be suspended until the requested information is provided. (Attachment F.5)

The application is filed in the Incomplete File. If the applicant fails to respond after the written notice, the application will be denied.

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3. Qualified applicants who already have proof of income on file with the city may be considered to be pre-qualified for the exemption based on recent documentation of income for another city program. Such pre-qualified programs include CBDG and LLD. This pre-qualification is to be noted on the application.
4. Each processed application which includes a recommendation for approval/denial and all supporting documentation is forwarded by the Tax Exemption Technician to the Tax Administrator. The Tax Administrator reviews the application and makes the final determination of approval or denial.
 - A. Denial:

The Tax Exemption Technician sends a letter to the applicant notifying them of the determination that they do not qualify for the exemption. The application is filed in the "Denied" file. (Attachment F.6)
 - B. Approval:

The Tax Exemption Technician sends a letter to the applicant notifying them of their exemption from the tax. The application is filed in the "Approved" file. (Attachment F.7 & F.8)
5. The Tax administrator has final authority for determinations of approval/denial of applications, termination of exemptions, refunds, and legal remedies for actions resulting from misdemeanor charges.

UTILITY COMPANY NOTIFICATION

Utility service suppliers need to be notified of those households qualified for the exemption from the utility users tax. The following should be performed by the Tax Exemption Technician.

- . Pertinent information from the application needs to be entered into the utility user tax exemption database. (Attachment G.1 & G.2)
- . Sort the database and generate separate reports for each utility company. The reports should include the name of the applicant, the address to which exempt service is being supplied and the utility account number. (Attachment G.3)
- . Prepare a transmittal letter for signature by the Tax Administrator. Mail the transmittal letter and report to the designated individual at each utility company for exemption processing. (Attachments G.4 & G.5)

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NOTE: Reports should be sent as frequently as possible but not less than once a month to ensure timely processing by the utility companies. Since approved exemptions shall not apply retroactively, the applicant must pay the tax until they are removed from the tax billing procedure. The utility service supplier must remove the exempt service user from its tax billing procedure no later than 60 days after receipt of the notice from the tax administrator.

ANNUAL REVIEW OF EXEMPTION FILES

An annual review of applications will be conducted based on a schedule determined by the Tax Administrator. This review should coincide with timing of the receipt of the annual update of income limits which the Housing and Business Coordinator receives from L.A. County in May or June of each year.

CHANGES IN APPLICANT'S INCOME/HOUSEHOLD

Notification of changes in circumstance of qualified households will be reviewed by the Tax Exemption Technician and processed as follows:

Change in residence or the number of household members -

A new application must be filed and processed.

Change in utility bill account numbers -

The utility user tax exemption database will be updated with the new account information, an addendum will be made to the original application and the utility company will be notified.

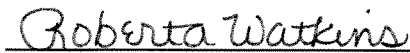
Change in income -

The applicant must provide documentation of the new income. The approval/denial process is performed and the applicant notified. If the new income exceeds the income level for the household, the utility company will also be notified.

Prepared by:




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Approved by:



John Stark, Financial Services Director

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LIST OF ATTACHMENTS

- Attachment A Utility Users Tax Ordinance No. 93-4
- Attachment B "Documentation of Applicant Eligibility" CDBG Bulletin No. 83-0032 dated May 23, 1983.
- Attachment C "Guidelines for Documentation of Eligibility for CDBG-Funded Residential Rehabilitation Programs" CDBG Bulletin No. 89-0061 dated Nov. 3, 1989.
- Attachment D "1993 Income Limits" CDBG Bulletin No. 93-0020 dated April 30, 1993. (Income limits updated annually, obtain new limits from Housing & Business Coordinator in May of each year).
- Attachment E Utility Users Tax Exemption Application
- Attachment F Sample Form Letters to Exemption Applicants
- F.1 Cover Letter for Mailing Application
 - F.2 Request for Additional Information (to call us)
 - F.3 Request for Additional Information-Income (mail in)
 - F.4 Request for Additional Information-Account Numbers (mail in)
 - F.5 Denial Letter-Incomplete
 - F.6 Denial Letter-Not Qualified
 - F.7 Approval Letter
 - F.8 Approval Letter-One Telephone Only

ORDINANCE NO. 93-4

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, AMENDING THE CLAREMONT MUNICIPAL CODE BY ADDING CHAPTER 3.29 "UTILITY USERS TAX" TO TITLE 3, "REVENUE AND FINANCE".

WHEREAS, the State of California has the authority to collect local taxes and fees and to distribute such revenues back to local governments for local services; and

WHEREAS, the State Legislature has for the fourth straight year voted to reduce the amount of locally collected tax and fee revenues distributed back to local governments as a means of balancing the state budget while, at the same time, continuing to mandate that local governments provide new programs and complete new projects without additional funding; and

WHEREAS, the State Legislature's actions combined with the impacts of a recessionary economy have caused the City of Claremont's General Fund revenues to decrease significantly below the level of General Fund expenditures required to provide an acceptable level of local public services, thereby creating a financial crisis; and

WHEREAS, it is recognized that the financial crisis will exist for more than one year, and therefore must be addressed by revenue and expenditure adjustments which are on-going rather than one-time; and

WHEREAS, the City of Claremont has responded to the crisis by raising fees, restructuring services, reducing the number of city employees in all departments, utilizing reserves, and deferring capital projects in order to balance its General Fund budget; and

WHEREAS, the Claremont City Council, upon conclusion of seven neighborhood budget workshops followed by a Town Hall meeting held December 12, 1992, has determined that residents do not support further reductions in local public services as the only means of resolving the financial crisis, and that there is support within the community for the establishment of an additional General Fund revenue source in order to maintain an acceptable level of local public services; and

WHEREAS, the Claremont City Council has authority under California law to adopt a general utility users tax as a means of generating additional General Fund revenues.

NOW, THEREFORE, the City Council of the City of Claremont does ordain as follows:

SECTION 1: Chapter 3.29 shall be added to the Claremont Municipal Code to read as follows:

Chapter 3.29

UTILITY USERS TAX

Sections:

- 3.29.010 Definitions.
 - 3.29.020 Constitutional exemptions.
 - 3.29.030 Exemption for low income households.
 - 3.29.040 Application for exemption.
 - 3.29.050 Telephone users tax.
 - 3.29.060 Electricity users tax.
 - 3.29.070 Fuel users tax.
 - 3.29.080 Service users receiving direct purchase of fuel or electricity.
 - 3.29.090 Water users tax.
 - 3.29.100 Cable television users tax.
 - 3.29.110 Remittance of tax.
 - 3.29.120 Actions to collect.
 - 3.29.130 Duty to collect - procedures.
 - 3.29.140 Additional power and duties of Tax Administrator.
 - 3.29.150 Service User Assessment - administrative remedy.
 - 3.29.160 Records.
 - 3.29.170 Refunds.
 - 3.29.180 Notice of termination or suspension of utility users tax.
 - 3.29.190 Operative date.
 - 3.29.200 Review.
- 3.29.010 DEFINITIONS

The following words and phrases whenever used in this chapter shall be construed as defined in this section.

(a) "Person" shall mean any domestic or foreign corporation, firm, association, syndicate, joint stock company, partnership of any kind, joint venture, club, Massachusetts business or common law trust, society, or individual. "Person" shall include both nonprofit and for profit organizations, and without regard to exemption from real property or income taxes.

(b) "Fuel" shall mean natural or manufactured gas or any alternate hydrocarbon fuel which may be substituted therefore. It shall not include fuel intended for use in motor vehicles and subject to taxation under the State of California motor vehicles fuels tax.

(c) "Telephone corporation", "electrical corporation", "gas corporation", "water corporation", and "cable television corporation" shall have the same meanings as defined in Sections 234, 218, 222, 241 and 215-5, respectively, of the California Public Utilities Code except "electrical corporation", "gas corporation", and "water corporation" shall also be construed to include any municipality, public agency or person engaged in the

selling or supplying of electrical power or gas or water to a service user.

(d) "Tax administrator" shall mean the city manager, or his designee.

(f) "Service supplier" shall mean any entity required to collect or self-impose and remit a tax as imposed by this chapter.

(g) "Service user" shall mean a person required to pay a tax imposed by this chapter.

(h) "Residence", for the purpose of section 3.29.030, shall mean an individual dwelling unit, and not group quarters such as a dormitory or health care facility.

(i) "Cogenerator" shall mean any corporation or person employing cogeneration technology for producing power from other than a conventional power source for the generation of electricity for self use or sale to others.

(j) "Month" shall mean a calendar month.

(k) "Non-utility supplier" shall mean a service supplier, other than an electrical corporation franchised to serve the city, which generates electrical energy in capacities of at least 50 kilowatts for its own use or for sale to others; or, a gas supplier other than a gas corporation, that sells or supplies gas to users within the city.

3.29.020 CONSTITUTIONAL AND STATUTORY EXEMPTIONS

(a) Nothing in this chapter shall be construed as imposing a tax upon any person when imposition of such tax upon that person would be in violation of the Constitution of the United States or that of the State of California, or of any applicable state or federal law.

(b) The tax administrator shall prepare a list of the persons exempt from the provisions of this chapter by virtue of this Section and furnish a copy thereof to each service supplier.

3.29.030 EXEMPTION FOR LOW INCOME HOUSEHOLDS

(a) The tax imposed by this chapter shall not apply to utilities supplied to the separately metered or billed residence of a service user if: (1) the combined gross income of all members of the service user's residence is less than the amount established for Los Angeles County by the United States Department of Housing and Urban Development for very low-income families for the applicable household size; and (2) such condition is demonstrated to the tax administrator's satisfaction.

(b) The income exemption limit provided herein shall be revised annually by the tax administrator to conform to the most current very low-income limits for Los Angeles County for applicable household sizes, as determined by the United States Department of Housing and Urban Development (HUD) with regard to the Public Housing and Section 8 Program.

(c) The exemption granted by this section shall not eliminate the duty of the service supplier, non-utility supplier, or person to collect and remit utility users' taxes for exempt persons, or the duty of exempt persons to pay such taxes unless an exemption is applied for and granted in accordance with Section 3.29.040.

3.29.040 APPLICATION FOR EXEMPTION

(a) Any service user meeting the exemption qualifications of section 3.29.030 may file an application with the tax administrator for an exemption. Such application shall be made on forms supplied by the tax administrator and shall recite under oath facts which qualify the applicant for an exemption.

(b) The tax administrator shall review all such applications, certify qualified applicants as exempt, and notify all affected service suppliers when an exemption is approved, stating the name of the applicant, the address to which exempt service is being supplied, the account number, if any, and such other information as may be necessary for the service supplier to remove the exempt service user from its tax billing procedure. The service supplier shall remove the exempt service user from its tax billing procedure no later than 60 days after receipt of such notice from the tax administrator.

(c) Approved exemptions under this section shall not apply retroactively.

(d) Except as provided hereinafter, exemptions shall be renewed by the tax administrator as long as the facts supporting the application for exemption continue. An exemption granted shall automatically terminate with any change in the residence of the person exempted, but such person may apply for a new exemption with each change of residence.

(e) Any person exempt from the tax shall notify the tax administrator within ten days of any change in fact or circumstance which might cause the person to become ineligible for exemption.

(f) Any person knowingly receiving the benefits of this exemption when the basis for such exemption does not exist or ceases to exist, shall be guilty of a misdemeanor.

(g) Any service supplier who determines that a new or nonexempt service user is receiving exempt service through a meter or connection previously used by an exempt service user shall immediately notify the tax administrator of such fact; and, the tax administrator shall ascertain whether or not the provisions of this article have been complied with and, where appropriate, order the service supplier to commence collecting the tax from the non-exempt service user.

3.29.050 TELEPHONE USERS TAX

(a) There is hereby imposed a tax on the amounts paid for any intrastate telephone services by every person in the city using such services other than a gas, electric, cable television, water, or telephone corporation collecting such tax. The tax imposed by this section shall be at the rate of five and one-half percent (5.5%) of the charges made for such services, and shall be paid by the person paying for such services.

(b) As used in this section, the term "charges" shall not include charges for advertising, nor state or federal taxes separately billed to and payable by the service user; nor shall the term "charges" include charges for services paid for by inserting coins in coin-operated telephones except that where such coin-operated service is furnished for a guaranteed amount, the amounts paid under such guarantee plus any fixed monthly or other periodic charge shall be included in the base for computing the amount of tax due; nor shall the term "charges" include charges for any type of service or equipment furnished by a service supplier subject to Public Utility regulations during any period in which the same or similar services or equipment are also available for sale or lease from persons other than a service supplier subject to Public Utility regulation; nor shall the words "telephone communications services" include land mobile service or maritime mobile services as defined in Section 2.1 or Title 47 of the Code of Federal Regulations, as said section existed on January 1, 1970. The term "telephone communication services" refers to that service which provides access to a telephone system and the privilege of telephone quality communication with substantially all persons having telephone stations which are part of such telephone system. The Telephone Users Tax is intended to, and does, apply to all charges billed to a telephone account having a situs in the city, irrespective of whether a particular communication service originates and/or terminates within the city.

(c) The tax imposed by this section shall be collected from the service user by the person providing the intrastate telephone communication services, or the person receiving payment for such services. The amount of the tax collected in one (1) month shall be remitted to the tax administrator on or before the last day of the following month; or, at the option of the person required to collect and remit the tax, an estimated amount of tax collected,

measured by the tax bill in the previous month, shall be remitted to the tax administrator on or before the last day of each month with a reconciliation of estimate amount to the actual amount submitted the following month.

(d) Notwithstanding the provisions of subsection (a), the tax imposed under this section shall not be imposed upon any person for using intrastate telephone communication services to the extent that the amounts paid for such services are exempt from or not subject to the tax imposed under Division 2, Part 20 of the California Revenue and Taxation Code, or the tax imposed under Section 4251 of the Internal Revenue Code.

3.29.060 ELECTRICITY USERS TAX

(a) There is hereby imposed a tax upon every person in the city using electrical energy in the city other than a gas, electrical, cable television, water, or telephone corporation collecting such tax. The tax imposed by this section shall be at the rate of five and one-half percent (5.5%) of the charges made for such energy by an electrical corporation franchised to serve the city and shall be paid by the person using the energy. The tax applicable to electrical energy provided by a non-utility supplier shall be determined by applying the tax rate to the equivalent charges the service user would have incurred if the energy used had been provided by the electrical corporation franchised by the city. Rate schedules for this purpose shall be available from the city. Non-utility suppliers shall install and maintain an appropriate utility-type metering system which will enable compliance with this Section. "Charges," as used in this section, shall include charges made for: (1) metered energy and (2) minimum charges for service, including customer charges, service charges, demand charges, standby charges, and all other annual and monthly charges, fuel or other cost adjustments authorized by the California Public Utilities Commission or the Federal Energy Regulatory Commission. "Charges" shall not include state or federal taxes separately billed to and payable by the service user.

(b) As used in this section, the term "using electrical energy" shall not be construed to mean the storage of such energy by a person in a battery owned or possessed by him for use in an automobile or other mechanical device apart from the premises upon which the energy was received, provided, however, that the term shall include the receiving of such energy for the purpose of using it in the charging of batteries; nor shall the term include electricity used and consumed by an electric utility supplier in the conduct of its business as an electric public utility; nor shall the term include the mere receiving of such energy by an electric public utility or governmental agency at a point within the City of Claremont for resale; nor shall the term include the use of such energy in the production or distribution of water by a public utility or a government agency; nor shall the term include

the use of electricity generated by a cogenerator or a fuel cell for its own use.

(c) The tax imposed in this section shall be collected from the service user by the service supplier or non-utility supplier. The tax imposed in this section on use supplied by self-generation or from a non-utility supplier not subject to the jurisdiction of this chapter, shall be collected and remitted to the tax administrator in the manner set forth in section 3.29.070. The amount of tax collected by a service supplier or a non-utility supplier in one (1) month shall be remitted by United States mail, to the tax administrator, postmarked on or before the last day of the following month; or, at the option of the person required to collect and remit the tax, an estimated amount of tax measured by the tax billed in the previous month or upon the payment pattern of the customers of the service supplier, shall be remitted by United States mail to the tax administrator, postmarked on or before the last day of each month, with a reconciliation of estimate amount to the actual amount submitted the following month. Remittance of tax may be predicated on a formula based upon the payment pattern of the supplier's customers.

3.29.070 FUEL USERS TAX

(a) There is hereby imposed a tax upon every person in the city using natural gas and other hydrocarbon fuels, which is transported through the gas pipeline distribution system or by mobile transport, other than a gas, electrical, cable television, water, or telephone corporation collecting such tax. The tax imposed by this section shall be at the rate of five and one-half percent (5.5%) of the amount that will be paid by the person using the fuel. The tax applicable to fuel provided by non-utility suppliers shall be determined by applying the tax rate to the actual charges the service user incurred.

"Charges" as used in this Section shall include that billed for: (1) fuel which is delivered through a gas pipeline distribution system or mobile transport; (2) fuel transportation charges; (3) demand charges, service charges, customer charges, annual and monthly charges, and any other charge authorized by the California Public Utilities Commission or Federal Energy Regulatory Commission.

(b) There shall be excluded from the base on which the tax imposed in this Section is computed: (1) charges for gas which is to be resold and delivered through mains and pipes; (2) charges made for gas sold for use in the generation of electrical energy or for the production or distribution of water by a public utility or governmental agency; (3) charges made by a gas public utility for gas used and consumed in the conduct of the business of gas public utilities; (4) charges made for gas used in the propulsion of a motor vehicle, as that phrase is defined in the Vehicle Code of the

State of California, utilizing natural gas; (5) charges related to late payments and returned checks; (6) charges made for gas used by a non-utility supplier to generate electrical energy for its own use or for sale to others provided the electricity so generated is subject to the tax in accordance with Section 3.29.060 of this chapter; (7) and, state or federal taxes separately billed to and payable by the service user.

(c) The tax imposed in this section shall be collected from the person using the fuel by the person selling or transporting the fuel. A person selling or providing transportation services of natural gas to a user for delivery through mains or pipes shall collect the tax from the user based upon the cost of transporting the fuel. The person selling or transporting the fuel shall, on or before the 20th of each calendar month, commencing on the 20th day of the calendar month after the effective date of this chapter, make a return to the tax administrator stating the amount of taxes billed during the preceding calendar month. At the time such returns are filed, the person selling or transporting the gas shall remit tax payments to the tax administrator in accordance with schedules established or approved by the tax administrator. The tax imposed in this Section on use supplied by self-production or a non-utility supplier not subject to the jurisdiction of this chapter, shall be collected and remitted to the tax administrator in the manner set for in section 3.29.080.

3.29.080 SERVICE USERS RECEIVING DIRECT PURCHASE OF FUEL OR ELECTRICITY

(a) Notwithstanding any other provision of this chapter, a service user receiving fuel or electricity directly from a non-utility supplier not under the jurisdiction of this chapter, or otherwise not having the full tax due on the use of fuel or electricity within the incorporated limits of the City of Claremont directly billed and collected by the service supplier, shall report said fact to the tax administrator within thirty days of said use and shall directly remit to the city the amount of tax due.

(b) The tax administrator may require said service user to provide, subject to audit, filed tax returns or other satisfactory evidence documenting the quantity of fuel or electricity used and the actual price thereof.

3.29.090 WATER USERS TAX

(a) There is hereby imposed a tax upon every person in the city using water, which is delivered through mains or pipes, other than a gas, electric, cable television, water, or telephone corporations collecting such tax. The tax imposed by this section shall be at the rate of five and one-half percent (5.5%) of the charges made for such water and shall be paid by the person paying for such water.

(b) There shall be excluded from the base on which the tax imposed in this section is computed, charges made for water which is to be resold and delivered through mains or pipes; charges made by a municipal water department, public utility or a city or water district for water used and consumed by such department, utility, or district; state regulatory fees separately billed to and payable by the service user; and, city sewer maintenance fees billed by the water corporation.

(c) The tax imposed in this section shall be collected from the service user by the person supplying the water. The amount collected in one (1) month shall be remitted to the tax administrator on or before the last day of the following month.

3.29.100 CABLE TELEVISION USERS TAX

(a) There is hereby imposed a tax upon every person in the city using cable television service. The tax imposed by this section shall be at the rate of five and one-half percent (5.5%) of the charges made for such service and shall be paid by the person paying for such service. For purposes of this section, a cable television service shall mean any television signal delivered by cable, microwave or other method of telecommunication for a fee or charge.

(b) There shall be excluded from the base of which the tax imposed in this section is computed charges for unreturned equipment, any amount separately billed equal to the franchise fee paid by the cable television corporation to the city, if any, and state or federal taxes separately billed to and payable by the service user.

(c) The tax imposed in this section shall be collected from the service user by the person furnishing the cable television service. The amount collected in one (1) month shall be remitted to the tax administrator on or before the last day of the following month.

3.29.110 REMITTANCE OF TAX

Taxes collected from a service user which are not remitted by the service supplier to the tax administrator on or before the due dates provided in this chapter are delinquent. Should the due date occur on a weekend or legal holiday, taxes collected shall not be delinquent if the tax return is postmarked on the first regular working day following a Saturday/Sunday or legal holiday.

3.29.120 ACTIONS TO COLLECT

Any tax required to be paid by a service user under the provisions of this chapter shall be deemed a debt owed by the service user to the city. Any such tax collected from a service user, and not remitted to the tax administrator, shall be deemed a debt owed to the city by the person required to collect and remit. Any person owing money to the city under the provisions of this chapter shall be liable to an action brought in the name of the city for the recovery of such amount.

3.29.130 DUTY TO COLLECT - PROCEDURES

The duty to collect and remit the taxes imposed by this chapter shall be performed as follows:

(a) Notwithstanding the provisions of section 3.29.080, the tax shall be collected insofar as practicable at the same time as and along with the charges made in accordance with the regular billing practices of the service supplier. Where the amount paid by a service user to a service supplier is less than the full amount of the utility charge and tax which has accrued for the billing period, such amount and any subsequent payments by a service user shall be applied to the utility charge first until such charge has been fully satisfied. Any remaining balance shall be applied to taxes due. In those cases where a service user has notified the service supplier of his refusal to pay the tax imposed on said utility charges, section 3.29.150(d) will apply.

(b) The duty to collect tax from a service user shall commence with the beginning of the first full regular billing period applicable to the service user where all charges normally included in such regular billing are subject to the provisions of this chapter. Where a person receives more than one billing, one or more being for different periods than another, the duty to collect shall arise separately for each billing.

3.29.140 ADDITIONAL POWER AND DUTIES OF TAX ADMINISTRATOR

(a) The tax administrator shall have the power and duty, and is hereby directed to enforce each and all of the provisions of this chapter.

(b) The tax administrator shall have the power to adopt rules and regulations not inconsistent with provisions of this chapter for the purpose of carrying out and enforcing the payment, collection, and remittance of the taxes herein imposed.

A copy of such rules and regulation shall be on file in the tax administrator's office.

(c) The tax administrator may make administrative agreements to vary the requirements of this chapter so that collection of any tax imposed here may be made in conformance with the billing procedures of the particular service supplier so long as said agreements result in collection of the tax in conformance with the general purpose and scope of this chapter. A copy of each such agreement shall be on file in the tax administrator's office.

(d) The tax administrator shall determine the eligibility of any person who asserts a right to exemption from the tax imposed by this chapter. The tax administrator shall notify the service supplier of termination of any person's right to exemption hereunder, or the change of any address to which service is supplied to any exempt person.

3.29.150 SERVICE USER ASSESSMENT - ADMINISTRATIVE REMEDY

(a) The tax administrator may make an assessment for taxes not remitted by a person required to remit.

(b) Whenever the tax administrator determines that a service user has deliberately withheld the amount of the tax owed from the amounts remitted to a person required to collect the tax, or that a service user has refused to pay the amount of tax to such person, or whenever the tax administrator deems it in the best interest of the city, such person may be relieved of the obligation to collect taxes due under this chapter from certain named service users for specified billing periods.

(c) The service supplier shall provide the city with amounts refused and/or unpaid along with the names and addresses of service users neglecting to pay the tax imposed under provision of this chapter. Whenever the service user has failed to pay the amount of tax for a period to two or more billing periods, the service supplier shall be relieved of the obligation to collect the past due taxes, except that the service supplier shall forthwith notify the tax administrator if any payment of the past due tax amount is made by the service user.

(d) The tax administrator shall notify the service user that he assumed responsibility to collect the taxes due for the stated periods and demand payment of such taxes. The notice shall be served on the service user by handing it to him personally or by deposit of the notice in the United States mail, postage prepaid thereon, addressed to the service user at the address to which billing was made by the person required to collect the tax; or, should the service user have changed his address, to his last known address. If a service user fails to remit the tax to the tax administrator within fifteen (15) days from the date of the service of the notice upon him, which shall be the date of mailing if service is not accomplished in person, a penalty of twenty-five

percent (25%) of the amount of the tax set forth in the notice shall be imposed, but not less than \$20.00. The penalty shall become part of the tax herein required to be paid.

(e) If the tax administrator determines that failure to pay the required tax was due to reasonable error, or that the tax due is a minimal amount, the tax administrator may waive all or part of the penalty.

3.29.160 RECORDS

It shall be the duty of every person required to collect and remit to the city the tax imposed by this chapter to keep and preserve, for a period of three (3) years, all records as may be necessary to determine the amount of tax as such person may have been liable for remittance to the tax administrator, which records the tax administrator shall have the right to inspect at all reasonable times.

3.29.170 REFUNDS

(a) Whenever the amount of any tax has been overpaid or paid more than once or has been erroneously or illegally collected or received by the tax administrator under this chapter, it may be refunded by the city as provided in this section.

(b) Notwithstanding the provisions of subsection (a) of this section, a service supplier may claim a refund; or take as credit against taxes remitted the amount overpaid, paid more than once, or erroneously or illegally collected or received when it is established that the service user from whom the tax has been collected did not owe the tax; provided, however, that neither a refund nor a credit shall be allowed unless the amount of the tax erroneously or illegally collected has either been refunded to the service user or credited to charges subsequently payable by the service user to the person required to collect and remit. A service supplier that has collected any amount of tax in excess of the amount of tax imposed by this chapter and actually due from a service user, may refund such amount to the service user and claim credit for such overpayment against the amount of tax which is due upon any other monthly returns, provided such credit is claimed in a return dated no later than three (3) years from the date of overpayment.

(c) No refund shall be paid under the provisions of this section unless the claimant establishes his right thereto by written records showing entitlement thereto.

(d) Notwithstanding other provisions of this section, whenever a service supplier, pursuant to an order of the California Public Utilities Commission or a court of competent jurisdiction, makes a refund to service users of charges for past utility

services, the taxes paid pursuant to this chapter on the amount of such refunded charges shall also be refunded to service users, and the service supplier shall be entitled to claim a credit for such refunded taxes against the amount of tax which is due upon the next monthly returns. In the event this chapter is repealed, the amounts of any refundable taxes will be borne by the city.

(e) A service supplier may refund the taxes collected to the service user in accordance with this section or by the service supplier's customary practice.

(f) If the tax administrator requires the service supplier to prepare additional records or information not otherwise included with the monthly tax remittance, the city shall reimburse the service supplier for all reasonable costs incurred by the service supplier in preparing and providing the additional records or information.

3.29.180 NOTICE OF TERMINATION OR SUSPENSION OF UTILITY USERS TAX

The service supplier shall, upon written notification by the tax administrator, terminate or suspend any billing or collection of utility users tax commencing with the first full billing period which occurs after the effective date of such notice.

3.29.190 OPERATIVE DATES

The utility users tax imposed by this chapter shall be applied to all covered telephone, electricity, fuel, water and cable television charges billed on or after May 1, 1993, or as soon thereafter as the respective utilities are physically and mechanically able to implement the charges but not more than thirty (30) additional days.

3.29.200 REVIEW

The utility users tax rate shall be reviewed by the City Council in conjunction with development of the city's budget; and, a separate public hearing shall be held to receive public comment on the need to continue the tax and the amount of the tax.

SECTION 2: If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this chapter or any part thereof is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portion of this chapter or any part thereof. The city council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrases be declared unconstitutional.

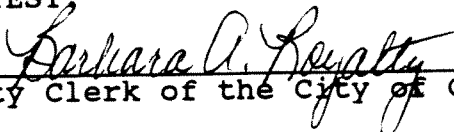
SECTION 3: The Mayor shall sign this ordinance and the City Clerk shall attest and certify to the passage and adoption of it and pursuant to Government Code Section 36937 it shall immediately take effect and be in force. The City Clerk cause it to be published in the Claremont Courier, a semi-weekly newspaper of general circulation, printed, published, and circulated in the City of Claremont, within fifteen (15) days of its passage.

PASSED, APPROVED AND ADOPTED this 3rd day of MARCH, 1993.



Mayor of the City of Claremont

ATTEST:



City Clerk of the City of Claremont

APPROVED AS TO FORM:



City Attorney of the City of Claremont

Brs/Utility/Ord

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STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF CLAREMONT)

I, BARBARA A. ROYALTY, City Clerk of the City of Claremont,
County of Los Angeles, State of California, hereby certify that the
foregoing Ordinance No. 93-4 was introduced at a _____ regular
meeting of said council held on the 23rd day of February, 1993,
that it was regularly passed and adopted by said city council, signed
by the mayor, and attested by the city clerk of said city, all at an
adjourned _____ regular meeting of said council held on the 3rd day of
March, 1993, and that the same was passed and adopted by the
following vote:

AYES: Councilmembers Leiga, Presecan, Smith, Wright, Mayor Ring
NOES: Councilmembers None
ABSENT: Councilmembers None

Barbara A. Royalty

City Clerk, City of Claremont

Attachment B



LOS ANGELES COUNTY CDBG BULLETIN

Community Development Commission 1436 Goodrich Boulevard Los Angeles, California 90022

NUMBER: 83-0032

SUBJECT: DOCUMENTATION OF APPLICANT ELIGIBILITY

DATE: 5-23-83

EFFECTIVE DATE: Immedly. CHANGE: N/A

PAGE 1 OF 1

To: Participating Cities

The purpose of this bulletin is to emphasize the importance of proper determination of applicant eligibility and maintenance of adequate files to support granting or refusal of a loan or Handyman services. Recent Monitoring Unit reviews of City Residential Rehabilitation Programs have, in a number of instances, contained findings of incomplete documentation of applicant eligibility.

Enclosed is a listing of the most frequently used means of verifying property ownership, applicant residency and applicant income. There may be other means which would also be acceptable. These guidelines are provided for your use in reviewing your existing rehabilitation programs and/or setting up new programs. HUD has agreed that the proof of income, ownership and residency is adequate.

If you have any questions, please call your Program Representative.

Very truly yours,

VIRGINIA A. COLLINS, Director
Community Development Block Grant Division

VAC:bjh
Enclosure

Verification of Ownership

1. Grant Deed
2. File Report
3. Reconveyance
4. Property tax bill
5. Property tax rolls

Verification of Residency

1. Utility bills, with applicants name
2. Property tax rolls
3. Property tax bill
4. On-site inspection and documentation

Verification of Income

(All persons on title and household members 18 and over unless students)

1. Most recent check stubs listing deductions
2. Federal Income tax returns (last two years)
3. Other income
 - a. Rentals
 - b. Stocks, bonds, annuities etc.
 - c. Interest on savings
4. Social Security or SSI or AFCD
5. Any of the above submitted by applicant should be no more than six months old.

VERIFICATION OF OWNERSHIP

GOAL: The purpose to be served by the verification of the ownership is to reduce Fraud, Waste or Mismanagement by the verification of the statement of ownership/tenancy made on the application.

Cautions: Many verifications that have been noted by the monitors only verify that the applicant is a owner. Since others may also be of record as owners, it is recommended that the ownership be reviewed with the use of other validating instruments to ascertain that the loans/grants/rebates are to the record owners.
All verification and validations must be documented in the file.

Common Methods:

1. Property Title Report or Insurance:

The most reliable form of the documentation. Most property owners have a policy of title insurance, but it is valid only as of the date in the policy declarations. HUD requires that this be not over six months old. The same applies to Title Reports.

2. Patent/Deeds:

A patent (US Government transfer of pure title) or one of the various deeds (Grant, Quitclaim, Reconveyance) may be used to record a transfer of title (or a portion of title) on a specific date/time. There is nothing to prevent a retransfer of title immediately thereafter, or later. This document should not be the sole one relied upon to establish ownership. This document does not establish sole ownership of the property in question either.

3. Property Tax Bill:

This may establish their ownership (depending upon symbol used in the address block), however you may request by a letter that a tax bill be sent to any address etc. thus you should not rely solely on this document to prove/verify ownership of a property.

4. Property Tax Rolls:

This listing establishes the "assessed owner etc." of a property as of the preceeding March 31. It is usually printed and indexed, then distributed in mid-summer. It may serve to validate information noted in one of the above cited dicuments, but should not be solely relied upon.

Recommendation:

Staff should be aware of the frailties of the above cited documents, and should utilize a combination of two or more documents to verify and validate the verification of the ownership. An On Site visit can not verify the ownership, ~~of a parcel~~, but can establish a residence. It is important to document the verification and the validation of the verification in your files.

VERIFICATION OF INCOME:

Goal: To minimize the possibility of issuance of assistance to non qualified individuals/households, verification and a validation of the income figures given by an applicant is a necessity. A prudent program will utilize several of the following common sources of income verification to validate the eligibility of an applicant for assistance.

Cautions: Your program may have to impute values of undervalued services rendered by an applicant (for example: value of rent for a over 18 non-student resident) in the qualification. USE IRS guidelines on these matters. Assistance should be given to most needy Low income first, and only to over income or higher level of income persons after the low income applications have been funded first. Code Violations MUST be corrected before elective items are funded by the program. (a room addition may address a code violation if the residence is overcrowded, document this). Note: income is for the household/residents on site. All such must be included in the calculations for eligibility.

Common methods:1. Credit Bureau, Credit Check, Bank Check:

These are generally the most complete for an individual resident. Concern must be given that all residents are verified and that all sources of the income are reported. If reports show underreported income on applicants file, then a resolution of the differences should appear in the applicants file.

2. Federal Tax Returns:

The whole return, including all attachments and schedules must be considered in the verification of the income shown on the Form 1040 etc. Many of the front page items are of a "net value", and conceal a higher gross income. Care should be taken in reviewing the total set presented for the effect of non-cash deductions taken (depreciations etc.). For unusual case items (self-employed etc.) secure specific case guidance from your Program Representative, and then document it.

3. Social Security Documents, AFDC, SSI:

A written verification of the benefits and their basis (widow, disabled etc) is suggested from the issuing agency. Most are cooperative. Does the documents you are accepting report all other incomes, persons receiving regular (type A) Social Security do not have income limits after age 72 etc. This may best be used to support applicants statements that he is aged, received SSI etc., but can be faulty for other sources of income's verifications.

4. Pay Stub, W-2 etc:

While these may account for individual's wages etc., it does not verify the household income. Many pay checks etc. do not reflect items paid on separate checks - overtime, bonus, or reimbursals or allowances. These document a portion of the income of the applicant only

HUD REQUIRES: Income documentation may not be over six months of age. Tax forms etc. may support or verify the income, but should not be the sole reliance of a staff as the support documents for verification of eligibility.

VERIFICATION OF THE RESIDENCY:

Goal: The purpose served by the verification of residency is to reduce the possibility of Waste, Fraud or Mismanagement by the verification of the applicant's statements that residency is within/without an approved target area, that residency is in the City (not an unincorporated area with same postal zip etc.). Also, this serves to validate the number of persons in residence, and residential units decency, safety, and sanitary conditions.

Cautions: Adequate staff work in this crucial area will provide the City with the GPR statistics, and with the proper records for a correct assertion that the residents income (household income) is within HUD allowed rates. Records kept should include the number of persons, ages, sex, and ethnicity. This is an opportunity to establish the basis for residency; lease, rental, squatter etc. Documentation is important here. If the property is multiple unit (i.e. duplex or more) and it is not in an approved target area, all (100%) of the residents MUST be Low/Moderate income for work other than painting, carpets, or drapes to be done in the single qualified unit. (Items serving other units-plumbing, electric etc. can not be done.) IF the unit is in Target area, then such work may be done. WORK DOES NOT HAVE TO BE DONE, if the City has other qualified Low/Moderate applicants waiting etc.

Common Methods:

1. Unannounced Site Visit:
It is important to document this very fully. This is not an appointment visit, but a visit when the property owner/tenant is not expecting to be visited. Your time/date of visit etc., and all findings should be documented by a memorandum to the loan file involved. A listing of persons and their GPR reportable items (race, sex, age etc.) should be included in this report.
2. Lease Agreement/Right to Posses Permit:
If the tenancy is to be verified by use of these documents (rent receipts etc.) staff should be aware that the agreements etc. may limit household size or rights (does it grant tenant specific rights to remodel, incur debt for landlord?). The term is also important, and must allow for reasonable period to amortize the improvements.
3. Affadavit from Landlord:
These are used to verify the applicant as a resident. Does the landlord certify to you that there are no other residents of the same unit....i.e. do you have all of the authorized residents on the affadavit? or does he have others who are non-related but do have incomes etc?
4. City Billing Record:
These are usually utility bills etc. These usually do not preclude residency by others also. These may be used to validate other sources of information.
5. Tax Returns:
The US Tax Form 1040, 1040A, or 1040EZ, list the official residence of the filer, list the tax claimed dependents etc. This is a source for verification of individual's residence and might verify/validate the household residents; note schooling etc. often includes seniors not in residence but supported by tax payer.



LOS ANGELES COUNTY

CDBG BULLETIN

Community Development Commission 2525 Corporate Place, Monterey Park, California 91754

NUMBER: 89-0061

SUBJECT: GUIDELINES FOR DOCUMENTATION OF ELIGIBILITY
FOR CDBG-FUNDED RESIDENTIAL REHABILITATION
PROGRAMS

DATE: 11/03/89

EFFECTIVE DATE: IMMEDIATELY

PAGE 1 OF 3

TO: PARTICIPATING CITIES

The purpose of this bulletin is to provide general guidelines for determining and documenting the eligibility status of individuals participating in Community Development Block Grant (CDBG) funded Residential Rehabilitation Programs.

The guidelines highlight the most frequently used methods of establishing applicant income and the types of verification used to document it. These guidelines are provided for your use in reviewing your existing rehabilitation programs and/or setting up new programs.

Primary Eligibility

Participation in CDBG residential rehabilitation programs is limited primarily to applicants whose household income does not exceed the HUD-established Section 8 income limits. These income limits provide a criterion for eligibility based on two factors: the total number of persons residing in the household, and the total amount of household income. Both of these factors must be correctly documented in the project file to demonstrate eligibility.

Documentation of Household Members

Documentation of household members should be provided on an agency's program application. The information should include the full names and ages of all family members and unrelated persons living in the residence. The program recipient should be required to certify, by signature, that the information provided regarding household members is correct.

Documentation of Household Income

To ensure that households qualify to receive Federally-funded assistance, it is also necessary to identify all sources of household income, verifying for each household member the exact amounts earned from each income source. The program recipient should also be required to certify, by signature, that the information provided regarding household income is correct. The following is a list of the types of household income most commonly encountered, as well as the kinds of documentation required for verification.

Participating Cities
November 3, 1989
Page 2

- a. Salary Income: The documentation of salary income must be obtained from no less than two sources. The documentation may not be older than six months, except for Federal and state income tax returns which may not be older than one year. Documentation must be properly labeled, and compiled in the case file in a readable format. Acceptable sources of income documentation include:
 - Federal or state income tax returns, or W2 forms.
 - Copies of the applicant's three most recent paycheck stubs, establishing the applicant's monthly income.
 - Written certification from the applicant's employer notifying the agency of the applicant's monthly and annual income. A sample form is attached which may be adapted to your program.
- b. Social Security/Welfare Income: Income from Federal or state retirement programs, and disability or social aid programs, must also be verified from at least two different sources and may not be older than six months. Acceptable sources of documentation include:
 - A copy of the applicant's monthly award check.
 - Written certification from the awarding agency verifying the applicant's eligibility and the amount of the monthly benefits. A sample form is attached which may be adapted to your program.
 - A bank statement showing the direct deposit of an applicant's award check.
- c. Pension Income: Pension income must be verified from at least one of the following sources:
 - A copy of the pension award letter.
 - A copy of the most recent award check.
 - A copy of the applicant's bank statement demonstrating that the award check was directly deposited.
- d. Personal Interest: Personal interest from savings accounts or dividends from financial investments must be identified and documented as earned income. Adequate verification may include the Federal income tax return, or copies of bank statements or investment statements indicating the amount of interest or dividends earned.

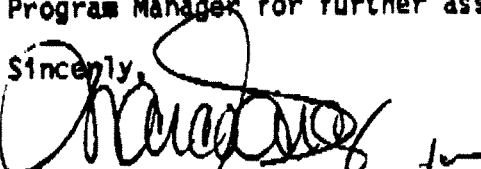
Participating Cities
November 3, 1989
Page 3

- e. Rental Income: Income received from rental property must also be documented as earned income, and must be verified from at least two of the following sources:
- A copy of the property rental agreement.
 - A copy of a recent rent check.
 - A copy of the applicant's income tax return declaring earned rental income.

These guidelines are not intended to provide an exhaustive list of possible income sources, but only those sources most commonly encountered. It should be noted, however, that all sources of applicant income must be clearly identified and documented.

If there are any questions regarding the determination or documentation of eligibility for residential rehabilitation programs, please contact your Program Manager for further assistance.

Sincerely,


BOBBETTE A. GLOVER, Director
Community Development Block Grant Division

RB:dfg/bl1

Enclosure

REQUEST FOR VERIFICATION OF EMPLOYMENT

To Employer:

Date:

RE:

(Name of Applicant)

(Address)

I have applied to the _____ Housing Rehabilitation Program for a housing rehabilitation loan. I have authorized the program to obtain a verification of my income from you. In order for my eligibility to be determined, the rehab program must verify all of my income. The requested information is for the confidential use of the program and the U. S. Department of Housing and Urban Development only. Please furnish the information being requested below and return this form, using the stamped, addressed envelope provided. If you have any questions about this request, please call the Housing Rehab Program Assistant, _____ at _____.

Sincerely

(Signature of Applicant)

EMPLOYER'S VERIFICATION

Re: _____ Position Held: _____
Dates of Employment: From _____ To _____
Type of Employment: _____ Permanent _____ Temporary _____ Seasonal _____ Intermittent _____
Probability of Continued Employment: _____

RATE OF PAY (estimated, if not actually paid on hourly, monthly or annual basis):

\$ _____ hourly \$ _____ monthly \$ _____ annually
Additional Compensation: (actual amounts received in past 12 months)

Overtime: _____

Tips, Commissions, Bonuses: _____

COMPULSORY PAYROLL DEDUCTIONS:

_____ \$ _____ per _____ or _____ %
_____ \$ _____ per _____ or _____ %
_____ \$ _____ per _____ or _____ %
_____ \$ _____ per _____ or _____ %

OTHER REMARKS:

(Date)

(Signature and Title of Person Supplying Information)

REQUEST FOR VERIFICATION OF BENEFIT PAYMENTS

TO:

DATE: _____

RE:

(Name of Applicant) _____

(Address) _____

(Type of Benefits Being Received) _____

(Agency Providing the Benefit Payment to Applicant)

(Account Number for Benefits) _____

I have applied to the _____ Housing Rehabilitation Program for a housing rehabilitation loan, and I have authorized this program to obtain verification of the benefit payments that I receive from you. In order for my eligibility to be determined, the rehab program must verify the amount of all of my income. The requested information is for the confidential use of this program and the U.S. Department of Housing and Urban Development only. Please furnish the information requested below and return this form, using the stamped, addressed envelope provided. If you have any questions about this request, please call the Housing Rehab Program Assistant _____ at _____.

Sincerely,

(Signature of Applicant) _____

.....
VERIFICATION OF BENEFITS

Name of person on whose record the benefit is paid: _____

Account Number: _____ Type of Benefit: _____

Currently Monthly Benefit: _____

Maximum which could be paid in next 12 months: _____

Date of original entitlement: _____

Probability of continued entitlement: _____

Other Remarks: _____

(Date)

(Signature and Title of Person Supplying Information)



LOS ANGELES COUNTY CDBG BULLETIN

Community Development Commission 2525 Corporate Place, Monterey Park, California 91754

NUMBER 93-0020

SUBJECT 1993 Income Limits

ECONOMIC DEVELOPMENT
DEPARTMENT

DATE 4/30/93

EFFECTIVE DATE: IMMEDIATELY

MAY 03 1993

PAGE 1 OF 2

**TO: PARTICIPATING CITIES
COUNTY DEPARTMENTS
COMMUNITY-BASED ORGANIZATIONS**

The 1993 revised income guidelines for use in determining Community Development Block Grant (CDBG) Program compliance with the National Objective of low- and moderate-income levels for Los Angeles County is listed below. These guidelines are used in determining Public Housing and Section 8 Program's eligibility and will become effective May 5, 1993.

INCOME LIMITS

FAMILY SIZE	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
LOW-INCOME	27,050	30,900	34,800	38,650	41,750	44,800	47,900	51,000
VERY LOW-INCOME	16,900	19,300	21,750	24,150	26,100	28,000	29,950	31,900

These guidelines refer to low-income and very low-income. In order to clarify any misunderstandings resulting from the difference in nomenclature between the Public Housing/Section 8 Programs and the CDBG Program, the following is provided for your information:

COMPARISON OF TERMS IN DETERMINING INCOME LEVELS		
CDBG	SECTION 8	PERCENT OF MEDIAN
Low-Income	Very Low-Income	Equal to or less than 30%
Low-Moderate	Low- or Lower-Income	Equal to or less than 80%

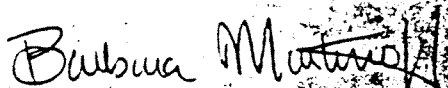
NOTE: Los Angeles County Median Family Income = \$43,000. California Median Family Income = \$44,600. National Median Family Income = \$39,700.

To All Recipients
Page Two

Questions related to how these income limits apply to tax code provisions and how these figures were computed should be referred to the U. S. Department of the Treasury (202) 377-4336. Requests for national or regional income limits may be made to the HUD User Group at (800) 245-2691.

Should you have any other questions please contact your Program Manager or Sandi Hurwitz at (213) 260-2221.

Sincerely,



BARBARA MARTINOFF, Director
Community Development Block Grant Division

SH:gm/92incmle.vel

Los Angeles, California 90015-3801

News Release

FOR IMMEDIATE RELEASE

March 30, 1993

Los Angeles HUD Office

Revised Income Limits for Public Housing and Section 8 Programs
and Median Family Incomes for Fiscal Year 1993

HUD has revised the income limits for the Public Housing and the Section 8 Programs in accordance with the U.S. Housing Act of 1937. Charles Ming, Manager of the Los Angeles Office, announces that the Low and Very Low-income limits for the Southern California Metropolitan Statistical Areas (MSA), Primary Metropolitan Statistical Areas (PMSA), and non-metropolitan counties are as listed on the reverse side of this page.

These revised income limits are based on the HUD estimates of median family income for Fiscal Year 1993. As required by the statute, the definition of Low-income family is based on 80 percent of the median income for the area, with adjustments for family size. A 1987 Housing and Community Development amendment of the U.S. Housing Act of 1937 established a minimum income limit standard based on the State non-metropolitan median family income level. As authorized by legislation and has been done in previous years, income limits have also been adjusted for areas with unusually high or low housing costs in relation to income. As in the past, a maximum income limit for low-income four-person families has been established. As required by the 1987 HUD Act, this limit is set at the higher of the national median family income level of \$39,700 or 80 percent of the State non-metropolitan median family income level.

Questions related to how these income limits apply to tax code provisions should be referred to the Department of the Treasure (202) 377-4336. Requests for national or regional income limits may be made to HUD USER at 1-800-245-2691.

EFFECTIVE May 5, 1993



Utility Users Tax Exemption Application

Name, Social Security No., Address, Telephone, City, State, ZIP

To qualify for the Utility Users Tax Exemption, you must: 1) live in a house or apartment (not a dormitory); 2) receive a utility bill; and, 3) meet the low income criteria of the United States Department of Housing and Urban Development (HUD). The current limits are as follows:

Annual Gross Income Limits for Los Angeles County "Very Low Income" Households (effective May 1993)

PERSONS IN HOUSEHOLD, INCLUDING APPLICANT

Table with 4 columns: NAME, RELATIONSHIP (self, spouse, child), SOCIAL SECURITY NUMBER, ANNUAL INCOME. Rows 1-5.

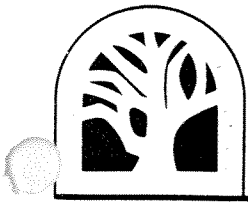
TOTAL NUMBER OF PERSONS IN HOUSEHOLD _____ GROSS ANNUAL INCOME \$ _____

Proof of income of each household member must be attached to this application. If you need help determining what types of documents are acceptable for proof of income, you may contact the Financial Services Department at (909) 399-5451.

Income includes: salaries; wages; dividends; interest; pension payments; social security; public assistance; disability payments; alimony, child support; and any other recurring source of income including businesses conducted within the home.

Not included: insurance proceeds; gains from sale of real estate or stock; or any other income resulting from non-recurring or one-time only transactions. Non-cash benefits such as food stamps, MediCal, etc. are not considered as income.

PLEASE SEE OTHER SIDE



CITY OF CLAREMONT

Financial Services Department

City Hall
207 Harvard Avenue
P.O. Box 880
Claremont, CA 91711-0880
FAX (909) 399-5492

General Accounting • (909) 399-5456
Business License • (909) 399-5451
Purchasing • (909) 399-5438
Sanitation Billing • (909) 399-5453

June 1, 1993

Dear Claremont Resident,

Enclosed is an application for exemption from the utility users tax which was adopted by the City Council on March 3, 1993, setting a 5.5% City tax on all utility bills.

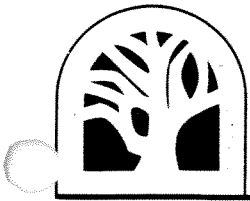
The completed application should be returned to City Hall as soon as possible.

If you have any questions, please call me at 399-5448.

Sincerely,

Roberta Watkins, Intern
City Manager's Office

encl.



CITY OF CLAREMONT

Financial Services Department

City Hall
207 Harvard Avenue
P.O. Box 880
Claremont, CA 91711-0880
FAX (909) 399-5492

General Accounting • (909) 399-5456
Business License • (909) 399-5451
Purchasing • (909) 399-5438
Sanitation Billing • (909) 399-5453

June 1, 1993

Dear Claremont Resident,

I received your application for exemption from the utility users tax and need additional information in order to complete the processing of your application.

Please call me at (909) 399-5448 between the hours of 8:00 A.M. and 3:00 P.M. Monday through Friday.

Thank you for your prompt response.

Sincerely,

Roberta Watkins, Intern
City Manager's Office



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June 1, 1993

Name
Address
Claremont, CA 91711

Dear Claremont Resident,

We received your application for exemption from the utility users tax. In order to complete the processing, however, you must provide proof of income for each household member.

Please provide copies of documents showing your gross household income from all sources according to the following guidelines:

Income includes salaries, wages, dividends, interest, pension payments, social security, public assistance, disability payments, alimony, child support, and any other recurring source of income including businesses conducted within the home.

Income exclusions are insurance proceeds, gains from sale of real estate or stock, or any other income resulting from non-recurring or one-time only transactions. Non-cash benefits such as food stamps, MediCal, etc. are not considered as income.

Unless we receive the additional information, we cannot make a determination of whether or not your household meets the income qualifications for exemption as specified in Section 3.29.030 of the Utility Users Tax Ordinance No. 93-4 for the City of Claremont.

If you have any questions or need additional information, you may contact Roberta Watkins at (909) 399-5448.

Sincerely,

John Stark



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June 1, 1993

Name
Street Address
Claremont, CA 91711

Dear Claremont Resident,

We received your application for exemption from the utility users tax and need additional information in order to complete the processing.

Please provide the account number shown on your most recent bills for the following utilities:

___ Electricity (Southern California Edison Company)
 ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___

___ Gas (Southern California Gas Company)
 ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___

___ Water (Southern California Water Company)
 ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___

___ Cable Television
 ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___ - ___

___ Long Distance Telephone _____

Unless we receive the additional information, we cannot notify the utility service company that your household is exempt from the utility users tax.

If you have any questions or need additional information, you may contact Roberta Watkins at (909) 399-5448.

Sincerely,

John Stark
Director of Financial Services



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June 1, 1993

Name
Address
Claremont, CA 91711

Dear Claremont Resident,

We received your application for the utility users tax exemption and the documents which you provided to establish your eligibility. In order to complete the processing, however, we previously requested that you provide proof of income for each household member.

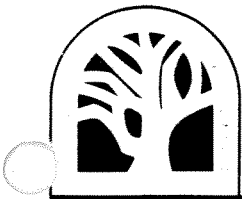
Since we have not received this information at this time, your application is considered to be incomplete and we must make a determination that your household does not meet the qualifications for exemption as specified in Section 3.29.030 of the Utility Users Tax Ordinance No. 93-4 for the City of Claremont.

If there are any changes in the future which affect your eligibility, you may submit a new application with documentation for a new determination at that time.

You may contact Susan Hartman, Accounting and Data Processing Manager, at (909) 399-5443 if you have any questions or need additional information.

Sincerely,

John Stark
Director of Financial Services



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June 1, 1993

Name
Address
Claremont, CA 91711

Dear Claremont Resident,

We received your application for the utility users tax exemption and the documents which you provided to establish your eligibility.

However, after careful consideration of your application and the documents you submitted, we have determined that your household does not meet the qualifications for exemption as specified in Section 3.29.030 of the Utility Users Tax Ordinance No. 93-4 for the City of Claremont.

If there are any changes in the future which affect your eligibility, you may submit a new application with documentation for a new determination at that time.

You may contact Susan Hartman, Accounting and Data Processing Manager, at (909) 399-5443 if you have any questions or need additional information.

Sincerely,

John Stark
Director of Financial Services



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June 1, 1993

Name
Address
Claremont, CA 91711

Dear Claremont Resident,

Based upon the application which you filed, your household is qualified for exemption from the City of Claremont utility users tax at this time.

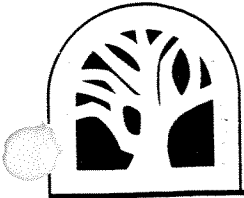
We have notified the utility service suppliers of your exemption.

This determination is based upon the information which you provided with your application. This information must be updated annually to continue the exemption. If, in the meantime, there are any changes which may affect your eligibility, you are required to notify the city within ten days of the change.

You may contact Betty Stolte at (909) 399-5451 if you have any questions or need additional information.

Sincerely,

John Stark
Director of Financial Services



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June 1, 1993

Name
Address
Claremont, CA 91711

Dear Claremont Resident,

Based upon the application which you filed, your household is qualified for exemption from the City of Claremont utility users tax at this time.

We have notified the utility service suppliers of your exemption. However, the exemption applies to only one telephone per residence so the tax will be billed on any additional telephones you have.

This determination is based upon the information which you provided with your application. If there are any changes in the future which may affect your eligibility, you are required to notify us within ten days of the change.

You may contact Roberta Watkins at (909) 399-5448 if you have any questions or need additional information.

Sincerely,

John Stark
Director of Financial Services