



HUD Rules and Regulations on Shared Housing

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Agenda

Why is this discussion important?

Shared Housing rules and regulations

- Public Housing HCV program
- Emergency Solutions Grant (ESG) program
- Continuum of Care (CoC) program & Youth Homelessness Demonstration Program (YHDP)
- Housing Opportunities with Persons with AIDS (HOPWA) program
- HOME program

Additional Information

Question & Answer

Living Arrangements in 2021

Percentage of Adults Age 18 and Older



2021

Source: [U.S. Census Bureau](https://www.census.gov)



Shared Housing in HUD Programs

Explicitly Allowed

- Public Housing- Housing Choice Voucher Program (HCV)
- Youth Homeless Demonstration Program (YHDP)
 - Housing Opportunities for Persons with AIDS (HOPWA)

Allowed Due to Silence in the Current Rule

- Emergency Solutions Grant (ESG)
- Continuum of Care (CoC) Program
 - HOME Program

Not Allowed

- Public Housing- Project-Based Voucher Program (PBV)

Pro-rata share

- Pro-rata share= the proportionate allocation or distribution of costs or responsibilities among the multiple residents of a unit or house.





Shared Housing in Housing Choice Voucher (HCV) Program

Shared Housing in HCV- Lease & Utilities



Each assisted household must have a separate Housing Assistance Payments (HAP) contract AND lease with the landlord



Utility allowance is the pro-rata portion of the utility allowance for the unit

Sources: 24 CFR § 982.616, 24 CFR § 982.617(d)

Shared Housing in HCV- Rent



- Payment standard is the lower of the PHA's payment standard for the family unit size or the pro-rata share of the PHA's payment standard for the shared housing family size.
- Pro-rata rent =
$$\frac{\text{Number of bedrooms household is entitled to occupy}}{\text{Total number of bedrooms in unit}}$$
- Rent may not exceed the pro-rata portion of the reasonable rent. PHA should consider what areas are private or shared in determining reasonable rent.

Source: 24 CFR § 982.617

Shared Housing in HCV- Rent Example



*Assisted household moves into 2 bedrooms in a 3 bedroom house=
.667 pro-rata share.*

2 bdrm payment standard= \$1200

3 bdrm payment standard= \$1695

\$1695 x .667 (pro-rata share)= \$1131

***\$1131 is the payment standard used to calculate the HAP contract
(note that this is lower than the 2 bdrm payment standard)***

Shared Housing in HCV- Occupancy Standards

- Unit may be a house or an apartment
- Housing may be shared with:
 - A live-in aide to care for a person with disabilities (must be approved by the PHA)
 - Other persons assisted with a housing choice voucher
 - Other persons NOT assisted with a housing choice voucher
 - Owner of the shared housing unit
 - However, owner may not get housing assistance through HCV as well
 - Owner can't be related by blood or marriage to the assisted household



Sources: 24 CFR § 982.615, PIH Notice 2021-05

Shared Housing in HCV- Inspections



- Entire unit must meet HQS (Housing Quality Standards)
- Entire unit must provide adequate space and security for all its residents
- Common space must be appropriate for shared use by the residents
- Private space for each assisted household must contain at least one bedroom for each two persons in the household. The number of bedrooms may not be less than the family unit size. Shared housing may not be used in a zero or one bedroom unit
- Assisted household must be able to use:
 - Living Room
 - Bathroom
 - Kitchen and Garbage facilities

Source: 24 CFR § 982.618

Shared Housing- Project-Based Vouchers

Shared housing is NOT allowed in the Public Housing Project-Based Voucher (PBV) program



Source: 24 CFR § 983.9(a)(2)

Public Housing Notice 2021-05

Use of Shared Housing in the HCV Program



OFFICE OF PUBLIC AND INDIAN HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

Special Attention of:

Office Directors of Public Housing;
Regional Directors; Public Housing
Agencies.

Notice PIH 2021-05

Issued: January 15, 2021

Expires: This notice remains in effect until
amended, superseded or rescinded

PIH Notice 2021-05

Subject: Use of Shared Housing in the Housing Choice Voucher (HCV) Program

1. **Applicability.** This notice applies to public housing agencies (PHAs) that administer Housing Choice Voucher (HCV) programs.¹
2. **Purpose.** The Office of Public and Indian Housing (PIH) is issuing this notice in order to:
 - Remind PHAs that Shared Housing remains a permissible and viable option that may be made available to HCV participants.
 - Remind PHAs of the specific programmatic requirements related to Shared Housing for the HCV program.





Shared Housing in Emergency Solutions Grant (ESG)

Shared Housing in ESG- Lease & Utilities



Each assisted household must have a separate legally binding lease with the property owner



- If utilities are included in the rent, the utility allowance does not need to be considered when comparing rent to the FMR
- If the participant is responsible for making some or all utility payments, the utility allowance is the pro-rata share of the utility allowance for the shared housing unit. The utility allowance calculation is ONLY used to determine whether the unit meets FMR. Once the unit is approved for use by the participant, ESG funds can pay for the actual utility costs

Sources: 24 CFR § 576.106(g), 24 CFR § 576.105(a)(5)

Shared Housing in ESG- Rent



- Rent must meet FMR and rent reasonableness standards (only when rental assistance payments are made)
 - Use the usual rent reasonableness worksheet to determine comparable unassisted units
 - The PHA-established utility allowance does not have to be used when assessing rent reasonableness. However, document any differences in utilities between the evaluated unit and comparable units
 - FMR is the lower of the FMR for the family unit size or the pro-rata share of the FMR for the shared housing unit size
 - Rent reasonableness is the pro-rata share of rent reasonableness of the entire unit

Source: 24 CFR § 576.106(d)

Shared Housing in ESG- Rent Example



*Household moves into 1 bedroom in a 3 bedroom house= .333
pro-rata share.*

1 bdrm FMR= \$900

3 bdrm FMR= \$1500

3 bdrm rent reasonableness= \$1600

\$1500 FMR x .333 (pro-rata share)= \$500

\$1600 RR x .333 (pro-rata share)= \$533

\$500 would be the rent ceiling to the owner as the pro-rata share is lower than the 1 bdrm FMR. It is also meets rent reasonableness as it is less than the \$533 pro-rata reasonable rent.

Shared Housing in ESG- Inspections



- Shared housing unit must meet habitability standards
- ESG Interim Rule does NOT prohibit sharing a bedroom, but also requires that each resident must have adequate space and security

Source: 24 CFR § 576.403(c)





**Shared Housing in
Continuum of Care
(CoC) Program & Youth
Homeless Demonstration
Program (YHDP)**

Shared Housing in CoC Leasing- Lease & Utilities



Each assisted household must have their own sublease with the recipient or subrecipient



- Utility allowance is the published utility allowance for the full unit that is leased by the recipient or subrecipient.
 - Example: If participant is housed in one bedroom of a two bedroom unit, use the utility allowance for a two bedroom unit

Sources: 24 CFR § 578.77(a), 24 CFR § 578.49(b)

Shared Housing in CoC Leasing- Rent



- Units must meet Fair Market Rent (FMR) and rent reasonableness standards
- FMR is for the full unit size being leased by the recipient or subrecipient
 - Example: If participant is housed in one bedroom of a two bedroom unit, use the published FMR for a two bedroom unit

Source: 24 CFR § 578.49(b)(2)

Shared Housing in CoC Rental Assistance & YHDP- Lease & Utilities



Each assisted household must have their own lease with the property owner



Utility allowance is the pro-rata portion for the unit

Sources: 24 CFR § 578.51(I), FY23 YHDP NOFO

Shared Housing in CoC Rental Assistance & YHDP- Rent



- Units must meet Fair Market Rent (FMR) and rent reasonableness standards
- FMR is the lower of the FMR for the family unit size OR the pro rata share of the FMR for the shared housing unit size
- Recipients may use CoC Program Funds to pay above FMR as long as the unit is found to be rent reasonable

Sources: 24 CFR § 578.51(g), FY23 YHDP NOFO

Shared Housing in CoC Rental Assistance & YHDP- Rent Example

Household moves into 1 bedroom in a 4 bedroom house= .25 pro-rata share.

1 bdrm FMR= \$750

4 bdrm FMR= \$2200

4 bdrm rent reasonableness= \$2400

\$2200 FMR x .25 (pro-rata share)= \$550

\$2400 RR x .25 (pro-rata share)= \$600



\$600 would be the rent ceiling as the pro-rata reasonable rent could be paid even though it is higher than the pro-rata FMR.

Shared Housing in CoC & YHDP- Inspections



- Units must meet Housing Quality Standards (HQS)
 - YHDP recipients MAY use habitability standards rather than HQS for rental assistance up to 24 months
- Unit must have at least one bedroom or living/sleeping room for every two persons in the household

Sources: 24 CFR § 578.75(b), 24 CFR § 578.75(c), FY23 YHDP NOFO





Shared Housing in Housing Opportunities for Persons with AIDS (HOPWA) Program

Shared Housing in HOPWA- Lease & Utilities



Each assisted household must have some form of a locally valid lease in place



Utility allowance is the pro-rata portion for the unit

Sources: 24 CFR § 574.320(a)(2) and (3), 24 CFR § 574.320(b)

Shared Housing in HOPWA- Rent



- Unit must meet FMR and rent reasonable standards
- Rent is based on the pro rata share of the private space in comparison to other private space in the shared unit, excluding common space

Sources: 24 CFR § 574.320(a)(2) and (3), 24 CFR § 574.320(b)



Shared Housing in HOPWA- Inspections



- All housing must be safe, sanitary, and meet all applicable State and local housing codes
- HOPWA grantee should have a policy stipulating which inspection method they currently use- HQS or habitability
- Must meet HOPWA Carbon Monoxide Requirements

Source: 24 CFR § 574.310(b), HUD Notice CPD-22-15

HOPWA Shared Housing Rent Calculation Worksheet

SHARED HOUSING RENT CALCULATION

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

STEP 1. Determine who lives in the dwelling and who can be assisted

A. Does the owner live in dwelling? _____ Yes _____ No

If yes, is this a one-bedroom unit? _____ Yes _____ No

- If **yes to both questions**, the household cannot be assisted under shared housing

If the owner lives in the dwelling, is owner related to the client? _____ Yes _____ No

- If **yes**, the participant cannot be assisted with HOPWA funds in the following calculations:

24CFR 982.306 (d) states: "The Public Housing Authority (PHA) must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family,

Source: HUD Exchange





Shared Housing in HOME Program

Shared Housing in HOME- Lease & Utilities



Each assisted household must have at least a year long written lease with the owner



Utility allowance is the pro-rata portion for the unit

Sources: 24 CFR § 92.253(a)

Shared Housing in HOME- Rent



- Unit must meet rent reasonable standards
- Pro-rata formula?

Sources: 24 CFR § 92.209(f)



Shared Housing in HOME- Inspections



- Units must meet Housing Quality Standards (HQS)

Source: 24 CFR § 92.251 (f)





**Additional
Information**

Future Rule Change



Shared Housing and the Fair Housing Act

- The Fair Housing Act prohibits discrimination in housing because of:
 - Race
 - Sex
 - Color
 - Familial Status
 - National Origin
 - Disability
 - Religion
 - Executive Order 13988 (January 20, 2021) added sexual orientation and gender identity

Note that although Sex is a protected class under the Fair Housing Act, an advertisement which includes the phrase such as “*female roommate wanted*” is allowable ONLY in shared housing situations as HUD understands that a roommate may not want to share a bathroom with someone of the opposite sex.

Summary

- Separate leases!
- Programs generally use their normal rules & regulations with shared housing (ex: CoC uses HQS inspections, rent can't exceed FMR, etc.)
- Generally, the rent and utility allowances are calculated using the pro-rata formula

Resources

- [Public Housing Notice 2021-15](#)
- [HOPWA Shared Housing Rent Calculation Worksheet](#)
- [Housing Choice Voucher Program Guidebook Special Housing Types](#)
- [NSPIRE website](#)

Congratulations! You made it!





Questions?

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