

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, **unless** the PHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities."*

Because PWAs often rent from family when they need care and support for their illness, and because low-income families may need the rental income to help support the additional household member, a waiver of this rule may be requested through the local HUD Field Office. In this case a written rental agreement from the family must be obtained and maintained in the client file for documentation purposes.

B. Does the client have additional family members living in the dwelling? _____ Yes _____ No

If yes, how many family members, including the client, reside there? _____

C. How many total persons reside in the dwelling? _____

STEP 2. Determine whether the housing is suitable for the family to be assisted

A. Are there sufficient bedrooms/sleeping areas for the individual/family members, based on your local public housing authority/HUD guidelines? _____ Yes _____ No

B. If there are disabled persons residing in the dwelling, do the private and common spaces accommodate the disability? _____ Yes _____ No

- If **no to either question**, the individual/family cannot be supported in this shared housing arrangement.

When calculating tenant rental portion keep the following in mind:

- The Fair Market Rent (FMR) or Rent Standard for a family in shared housing is **the lower of** the FMR/Payment Standard for the family unit size or the pro-rata share of the FMR/Payment Standard for the shared housing unit size. The pro-rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit. Both amounts must be calculated and compared.
- The utility allowance for an assisted family living in shared housing is the pro-rata share of the utility allowance for the shared housing unit.
- HUD FMRs/Payment Standards include utilities. If HOPWA recipients pay separately for utilities, they must be credited their pro-rata share of the local HUD-approved utility allowance.

STEP 3. Calculate the rental portion for the individual/family. Determine both the FMR/Payment Standard for the family unit size (the number of bedrooms allowed) AND the family's pro-rata share based on the number of bedrooms occupied in the shared space. The allowable rent is capped at the lesser of FMR/Payment Standard or pro-rata share.

EXAMPLE 1: An individual occupies one bedroom of a 3-bedroom dwelling.

- John rents one room in Steve's 3-bedroom house, and shares common areas (living room, kitchen, bath). Steve charges John \$400 per month including utilities.
- The FMR/Payment Standard in the area for a 3-bedroom unit is \$1200 per month. The FMR/Payment Standard for a 1-bedroom unit is \$525.
- John's total maximum allowable rent would be **the lesser of:**
 - The pro-rata share of 1/3 of \$1200 = \$400
 - The one-bedroom FMR/payment standard = \$525
- John is able to rent this unit because he is being charged \$400 for rent and utilities which, in this example, is the same as the pro-rata share.
- Based on HOPWA guidelines John would pay the higher of 10% of his gross income or 30% of his adjusted gross income. HOPWA funds would pay the balance, up to the pro-rata share of \$400.

EXAMPLE 2: A family occupies three bedrooms of a 5-bedroom dwelling.

- The Sanders family occupies three bedrooms of a 5-bedroom house. The Sanders are charged \$950 for rent and utilities.
- The FMR/Payment Standard in the Sander's community for a 5-bedroom unit is \$1,500 per month; the 3-bedroom FMR is \$1,200 per month.
- The Sanders' total maximum allowable rent would be **the lesser of:**
 - The pro-rata share 3/5 of \$1,500 = \$ 900
 - The three-bedroom FMR/payment standard = \$1200
- In this case the pro-rata share is \$900, \$50 less than the FMR/Payment Standard. The Sanders would need to negotiate the rent downward to \$900 or find another unit.

For Group Homes

- Unless there is a live-in aide, the family unit size for an assisted occupant of a group home is 0- or 1-bedroom, depending on the PHA's subsidy standard. If there is a live-in aide, the aide must be counted in determining the household's unit size. If there is more than one occupant per bedroom the 0-bedroom FMR/Payment Standard must be used.
- The payment standard used to calculate the tenant rent is the lower of the payment standard for the family unit size or the pro-rata share of the payment standard for the group home size. The pro-rata share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.

Example #3: Calculating rent in a community residence with multiple occupants.

- ABC organization rents an 8-bedroom house. One PWA occupies each bedroom. All the residents share two bathrooms, living room, kitchen, and the other common areas. Each PWA is charge \$375 per month.
- The FMR/Payment Standard for an 8-bedroom house in this community is \$3,000; the 1-bedroom FMR is \$500.
- Each PWAs' total maximum allowable rent would be **the lesser of:**
 - The pro-rate share of 1/8 of \$3,000 = \$375
 - The 1-bedroom FMR/payment standard = \$500
- In this case the rent being charged is \$375, the same as the pro-rata share of \$375. Based on HOPWA guidelines, each resident would pay the higher of 10% gross income or 30% of their adjusted gross income and HOPWA funds would pay the balance, up to \$375.

Note: If this community residence placed 2 people in each bedroom, each PWAs' total maximum allowable rent would be **the lesser of:**

- The pro-rate share of 1/16 of \$3,000 = \$188
- The 0-bedroom FMR because the room is shared.