



## WI BOS CoC Shared Housing Guide

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This shared housing guide was created to help those agencies wanting to implement a shared housing model into their RRH or PSH projects. Shared housing is often overlooked as a solution to affordable housing issues. ESG and CoC funds do allow for shared housing and it is a good strategy for communities where Fair Market Rent is unreasonable, or there is a lack of one-bedroom units. Most of the projects that use shared housing nationally target single individuals, but shared housing can be done with a family of any size. It should not be forced on any household seeking housing, as it will not work for everyone, but it can be an effective tool for getting people housed quickly and reducing their time homeless.

For shared housing to be successful, an agency must advertise to participants in their programs that shared housing is an option. Most people, at some point in their lives, live with a roommate. Having a roommate helps people share living costs so they can live in a nicer unit or neighborhood, save money, have a sense of belonging and community, and get prepared to live on their own. Shared housing is natural and normal and is a viable situation for many people, regardless of homeless, mental health, substance use, disability or financial status.

## What is Shared Housing

While there is no standardized definition of shared housing, it is broadly defined as a living situation where two or more individual or family units share a single housing unit.<sup>1</sup> This includes sharing housing costs like rent and utilities. Each individual or family unit has their own personal space, but there are common spaces that are shared such as bathrooms, kitchen and living room. Housing units can be any unit with multiple bedrooms. It can be an apartment or an entire building. The homeowner can live on the premises or not, but if the homeowner is related to the tenants, CoC and ESG dollars cannot pay rent.<sup>2</sup> A one-bedroom unit cannot be used for shared housing. Shared housing is not the same as doubled up. Each individual or family unit has their own space, holds their own lease and resides in housing that is permanent.

Shared housing can be the answer for areas with unaffordable rent and FMR or areas where there is a lack of one-bedroom units. Most of the research done on shared housing has focused on single youth and adults. Using shared housing with families can work with additional considerations in terms of age and gender of children, size of unit and safety concerns. Research indicates that this type of housing can work very well for those households experiencing chronic homelessness, veteran households, older adults and people with disabilities.<sup>3</sup>

Shared housing is eligible under CoC and ESG funding, but there are some things to consider when deciding whether shared housing will work for your agency. The goal of this guide is to assist agencies in creating and implementing a shared housing model. In doing so, the hope is that shared

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<sup>1</sup> Amanda Benton, *Creating a Shared Homes: Promising Approaches for Using Shared Housing to Prevent and End Homelessness in Massachusetts*. (Massachusetts: Harvard Kennedy School, 2014).

<sup>2</sup> Caroline Fernandez and Jamie Taylor, *Shared Housing-Alternative Housing Review*. (SAMHSA, 2018)

<sup>3</sup> Jean-Michel Giraud, Cathy Zall, and Meghann Cotter, *Shared Housing*. (NAEH, 2016).  
*Shared Housing: Challenges, Best Practices, and Outcomes*. (Homelessness Policy Research Institute, 2019).  
Kris Freed, *Share is Now a Must!* (NAEH, 2020)

housing can ease the burden of lack of affordable units or one-bedroom units and can help those who are experiencing homelessness transition into stable housing faster.

## Benefits of Shared Housing

There are many benefits of shared housing. Some of these benefits include:

- Increases affordability for each roommate
- Built in support and community
- Solves the housing issue for several people at a time
- Decreases shelter stays
- Helps with issue of finding affordable one-bedroom units
- Allows people to live with their family of choice
- It is a step towards living independently
- It is more sustainable<sup>4</sup>

## Challenges of Shared Housing

While there are many benefits, there are also challenges in having roommates, both for the participants but for the agency as well. Some of these challenges include:

- Community Perception-the community may think you are running a group home and will be upset or overly watchful of their neighbors.
- Tenant Disagreements-Please refer to the sections on matching people and Tenant Mediation.
- Confidentiality and differing service cycles-it may be difficult to maintain confidentiality when participants in programming have roommates who may or may not be receiving services. Also, the level of service may not be the same between each participant, even if they are enrolled in the same project type and that could be cause for conflict.
- Landlord resistance-landlords could be resistance to serving several people who are lower income or have higher barriers in one unit.
- Evictions and Relocations-the agency should expect that there will be disagreements so severe that people need to either be evicted or relocated and that should be planned for in the agency's budget.<sup>5</sup>

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<sup>4</sup>Benton, *Creating a Shared Homes: Promising Approaches for Using Shared Housing to Prevent and End Homelessness in Massachusetts*.

Iain DeJong, *Shared Housing Key Points*. (Connecticut: Connecticut Coalition to End Homelessness).

Giraud, Hall and Cotter, *Shared Housing*.

Kris Freed, *Share is Now a Must!* (NAEH, 2020)

<sup>5</sup> *Rapid Re-Housing for Youth*. (NAEH, 2017.)

Giraud, Hall and Cotter, *Shared Housing*.

## Community Perception

It is important to get ahead of the community perception about shared housing. There may be concern from neighborhood residents and others due to misconceptions about the housing being a group home, or about homelessness or the program in general. There is often a stigma relating to homelessness, mental illness or substance use that the agency may need to address and overcome before being able to safely place participants in shared housing.

Providers may need to be prepared to address zoning issues, societal stigma and NIMBY-ism, and misunderstanding of what the program does and does not do. Landlords who are interested in shared housing should check the local zoning of their unit to make sure they are able to do shared housing in that unit.<sup>6</sup>

## 4 Key Steps to Implement Shared Housing

There are 4 Key steps to Implementing successful Shared Housing.<sup>7</sup>

### 1. Determine how to target the program

How is the system/agency going to determine who wants to live in a shared housing arrangement? How will you advertise the option for shared housing? Shared housing is not necessarily the answer for everyone and those that are interested must clearly understand what shared housing is and how it will work.

### 2. Determine how to match people

It is important to develop a process that matches appropriate people together. This can include several things to help people determine who will be the best fit to cohabitate with such as having meet and greets, compatibility tools, discussing who the participant might already know who would be interested in living together and creating a trial period before signing legal documents . It is important to take the needs and preferences of each person and match them together thoughtfully to eliminate disagreements as much as possible.

### 3. Finding Housing-Engaging landlords

Having a successful landlord engagement strategy is critical to implementing shared housing. Many communities find attending Landlord Association meetings to be a helpful strategy, as questions and concerns can be addressed on the spot. Developing partnerships and streamlining the process as much as possible for landlords is crucial. It has also proven successful to develop agreements with landlords and participants regarding recruitment of roommates and expectations of everyone. Having a flexible pot of money for double security deposits, damages, or other incentives for the landlord has also proven a successful strategy. It is also a good idea to educate landlords about Fair Housing Laws, especially relating to shared housing.

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<sup>6</sup> Giraud, Hall and Cotter, *Shared Housing*.

<sup>7</sup> *Rapid Re-Housing for Youth*. (NAEH, 2017.)

Also, if possible, a community should have a Landlord Liaison so there is one person the landlord can contact and can foster that relationship directly with local landlords. For the programs that have been doing shared housing successfully, they have had the most success with private landlords, rather than large complexes, so having a Landlord Liaison to find and create relationships with smaller landlords is key.

#### 4. Clarifying how the shared housing arrangement will work

Everyone involved should be clear on the expectations of what can and cannot happen in a shared housing arrangement. Defining the roles and responsibilities for the roommates is very important. Having a Roommate Agreement helps everyone to be clear and sign on agreed upon rules. These agreements can cover anything from house rules, visitor expectations, sharing of bills (food, utilities, etc.), to a chore chart and much more. The more communication and agreement that happens on the front end, the more successful the experience for both individuals.

### Client Choice

Client choice is one of the key principles of shared housing. Participants must be allowed to decline shared housing and they cannot be forced to live in a particular unit or with particular people, even if they do want to try shared housing. They must be allowed to choose the unit they move into, as well as their roommates. An agency cannot force a household(s) to move into a unit, just because the landlord is willing to do shared housing. It can be encouraged, and the agency can have a discussion about longer length of time homeless for the household, other housing options and the benefits of the choosing the unit that is available, but they cannot force a participant to live in a particular housing unit.

There is no one-fits-all approach to shared housing. Household makeup can look very different depending on what the participants want. Here are some acceptable shared housing scenarios.<sup>8</sup>

Unit Makeup	Unit Type
Multiple single adults/youths	Homeowners renting a room
Single adults and small families	Large or small landlords renting an entire house
Single adults and large families	Large or small landlords renting an entire apartment
Multiple small families	
Large and small families	
Program participants with non-program participants	

<sup>8</sup> Iain DeJong, *Shared Housing Key Points*. (Connecticut: Connecticut Coalition to End Homelessness).

If the homeowner is living in the unit, there must be more than one bedroom and the owner cannot be related to the participant.

What the makeup of the unit looks like is completely up to the participants. This is where client choice becomes so important. An agency cannot force a specific configuration of family sizes or unit types on participants.

## Matching Roommates Best Practices

Each agency must create a person-centered process for matching roommates that occurs before participants are moving into the unit. There are resources in the appendices regarding tools that can be used to match people for shared housing, but it is imperative there is a process in place to match people for compatibility.<sup>9</sup> Some areas to match for compatibility are same or similar cleanliness standards, smoker v non-smoker, pets v no pets, sobriety, and socialization preferences. It is wise to use a compatibility tool with every person who is interested in shared housing, even if they have already chosen their roommate. Here is a list of things an agency might want to include in a compatibility tool:

- Guest preferences
- Cleanliness habits/least/worst favorite chore
- Household temperature preferences
- Pet preferences
- Socialization preferences
- Daily living routines
- Work routines (day shift or night shift)
- Sobriety preferences
- Allergies
- What things irritate you about others/what things might you do that irritate others
- Groceries/cooking
- Utilities
- Smoking
- Nighttime routines (early morning/late night person)
- Significant other
- Hobbies
- What are you looking for in a roommate situation?
- Pet peeves
- Non-negotiables
- What do you use your home space for (ex: relaxing, working, sleeping, etc.)?

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<sup>9</sup> Iain DeJong, *Shared Housing Key Points*. (Connecticut: Connecticut Coalition to End Homelessness).

Giraud, Hall and Cotter, *Shared Housing*.

Benton, *Creating a Shared Homes: Promising Approaches for Using Shared Housing to Prevent and End Homelessness in Massachusetts*.

*Roommates, Housing First and Landlord Engagement: Three Things we Learned From Maryland's Housing Challenge*. (NAEH, 2018)

Caroline Fernandez and Jamie Taylor, *Shared Housing-Alternative Housing Review*. (SAMHSA, 2018)

Kris Freed, *Share is Now a Must!* (NAEH, 2020)

- What's your style of communicating? How best do you deal with conflict?
- How do you spend Saturday nights?
- How often do you travel/how often will you be home?
- Introvert/extrovert
- Like to share or prefer people not to touch your things
- Personal Hygiene habits
- What can you offer as a roommate?

Not all need to be included and there may be other things you think of that aren't on this list, but the takeaway is that the more detailed you can be up front with compatibility, the less stress there will be for the agency, the participants and the landlord.

Even when the participant knows the person they are thinking they want to move in with, using a compatibility tool, they may find there are compatibility issues they weren't aware of that could be worked out before moving in, or alternatively it could give them a chance to find a different roommate they may be more compatible with. Remember even if the agency is assisting in the matching process, the ultimate decision of who to live with is up to the client. An agency cannot force a person to live with someone else. The participant should also be empowered to look for roommates if they haven't already selected someone. This can include things like posting roommate wanted ads, looking on Craigslist or other roommate matching websites like Roommates.com. Staff should assist participants when calling those on Craigslist to avoid scams and false claims. Finding potential roommates should be a combined effort for the client and agency.

Along with questionnaires and compatibility tools for matching, including in person interviews and site visits, meet and greets prior to formal agreements, references and facilitated introductions are key to making a good match. The agency may also want to create a policy for potential roommates to try the arrangement out before signing a lease agreement. It could be a short trial period where participants can test if they would make good roommates. At the very least, people should meet beforehand and be aware not to rush a match. Making sure the match is appropriate may take a little time and is key to having a harmonious experience.<sup>10</sup>

The matching process needs to be person-centered and focusing on each individual's needs, preferences and non-negotiables. This may mean there are people in the housing units that are not a participant of the program and that is okay. You may also have situations where people are participants of different types of programs and this is also okay. Building upon the established relationships the participant has is a positive thing. Appendix A has examples of compatibility tools or roommate matching surveys that can be used.

## Roommate Agreements

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<sup>10</sup> Caroline Fernandez and Jamie Taylor, *Shared Housing-Alternative Housing Review*. (SAMHSA, 2018)  
Giraud, Hall and Cotter, *Shared Housing*.  
Kris Freed, *Share is Now a Must!* (NAEH, 2020)

Once people have been matched, the next step is to establish a formal agreement between roommates. This should be a comprehensive look at preferences, non-negotiables and needs. It is designed as a living document and can be modified in the future. The agreement should be written, signed and all family units given a copy.<sup>11</sup> The agreement should be created by the household members, not the agency. Every agreement may be different and while it is helpful to have a template, there must be flexibility to the document to allow for decisions the household has determined are important. Along with the creation of rules and expectations for the household and each family unit, it is also an important tool for creating an equal power dynamic where everyone feels respected and knows their voice is equal. According to DeJong and Freed, 2017, these things should be included in a Roommate agreement<sup>12</sup>:

Roommate Agreements should include the following components (DeJong & Freed, 2017):	
<ul style="list-style-type: none"> <li>• Emergency contact numbers for the intermediary organization</li> <li>• Conflict mediation processes</li> <li>• Responsibility for damages</li> <li>• Responsibility for household supplies (cleaning products, garbage bags, light bulbs, dish/laundry detergents, etc.)</li> <li>• Kitchen use time limitations</li> <li>• Food storage space and use</li> <li>• Definition of private and common spaces and use limitations</li> </ul>	<ul style="list-style-type: none"> <li>• Definition of shared and private items (pots and pans, dishes, etc.) and use limitations</li> <li>• Bathroom use and limitations</li> <li>• Privacy and guest rules, including overnight guests</li> <li>• House rules: smoking, alcohol, pets, noise and quiet times</li> <li>• Roles and responsibilities for chores, cleaning, dishes, garbage</li> <li>• Specifics (frequency, duration) of service exchange if applicable</li> <li>• Any other deal breakers of either party</li> </ul>

Some roommate agreements also include a section in which participants agree to a specific mechanism for resolving the disputes that inevitably arise between parties upon move-in. For example, household consensus, majority vote, decision by homeowner/landlord, or mediation by an impartial third party.<sup>13</sup> There should also be a section laid out about how to end the living situation if it gets to a point where the roommates cannot live together.

Roommate agreements allow all participants to acknowledge their rights and responsibilities and if there are issues in the unit, they can refer to that agreement as a starting point for mediation. Again, flexibility is important, and the document should be able to be changed if need be. There are examples or roommate agreements in Appendix B.

<sup>11</sup> Iain DeJong, *Shared Housing Key Points*. (Connecticut: Connecticut Coalition to End Homelessness).  
 Kris Freed, *Share is Now a Must!* (NAEH, 2020)  
 Caroline Fernandez and Jamie Taylor, *Shared Housing-Alternative Housing Review*. (SAMHSA, 2018)  
 Giraud, Hall and Cotter, *Shared Housing*.

<sup>12</sup> Iain DeJong, *Shared Housing Key Points*. (Connecticut: Connecticut Coalition to End Homelessness).  
 Kris Freed, *Share is Now a Must!* (NAEH, 2020)

<sup>13</sup> Benton, *Creating a Shared Homes: Promising Approaches for Using Shared Housing to Prevent and End Homelessness in Massachusetts*.



## Coordinated Entry

There are implications for Coordinated Entry when it comes to determining households for shared housing. Please look to the WI BOS Coordinated Entry Policies and Procedures Manual for information about Coordinated Entry relating to Shared Housing practices. The Coordinated Entry Committee is currently, at time of this document being written, looking to create policies and procedures relating to shared housing.

## Landlord Recruitment

While you may still be working with landlords your agency currently has partnerships with, shared housing may also open up a yet untapped market of homeowners looking to rent instead of sell their homes and older homeowners who are looking for companionship or assistance with their housing costs. If the expectations are clear and all involved understand and agree to the arrangement, the above situations are within the realm of shared housing.

Similar to your landlord recruitment strategies for non-shared housing units, agencies need to be creative when it comes to assuaging landlords concerns about shared housing. Being very clear and honest about what your program can and cannot do is important. Having a process for filling units quickly if a tenant leaves, having a damages mitigation fund and selling the case management piece of your program are all key strategies to calming landlord fears.<sup>14</sup>

## Case Management

There may be situations where participants are in a shared housing unit and have different program types (RRH or PSH), or even if they are in the same program type, they may have a different level of need and request for services. Regardless of the program type, case management should be client driven and person focused. Each participant will have their own individualized service plan. Privacy concerns are increased when working with households in shared housing and it is up to the case manager and the participant to determine what will work best. Flexibility is key and some meetings might need to be outside the home.

Staff should be trained in trauma informed care, housing first, harm reduction, cultural competency, creating and upholding boundaries and crisis intervention. These skills are imperative to providing good case management and effectively working with what might come up in a shared housing unit.<sup>15</sup>

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<sup>14</sup> *Roommates, Housing First and Landlord Engagement: Three Things we Learned From Maryland's Housing Challenge.* (NAEH, 2018)

*Rapid Re-Housing Tips for High Cost, Low Vacancy Communities,* (NAEH, 2016).

*Rapid Re-Housing for Youth.* (NAEH, 2017.)

Benton, *Creating a Shared Homes: Promising Approaches for Using Shared Housing to Prevent and End Homelessness in Massachusetts.*

<sup>15</sup> *Rapid Re-Housing Tips for High Cost, Low Vacancy Communities,* (NAEH, 2016).

## Tenant Mediation

Even with compatibility tools to help match people and roommate agreements with agreed upon rules, there will still be conflicts and disagreements. Your program should offer mediation and conflict resolution assistance. This can be as simple as staff listening to all parties and helping them reach a resolution. The issue might be able to be solved through a phone call or may require a sit-down discussion with all parties included. See the roommate agreement section on what to include for conflict resolution in the roommate agreement. Having staff trained in conflict resolution is encouraged.<sup>16</sup> The key to conflict resolution is active listening, empathy and problem solving, which case managers should have as skills. Also, all parties should be aware that a case manager's role is to be part of the problem-solving process, NOT the problem solver.

## Relocating Roommates

A shared housing model still must follow the rules of Housing First. This means that if there is a situation where the living arrangement is untenable, the participant(s) should be rehoused, not terminated from the program. This should be clearly laid out for the participants, so everyone knows their rights. The agency should be up front about the possibility for relocating people with no negative consequences to their program and have a process for doing so as quickly as possible.

Having good boundaries will be important so it does not appear that one side is being taken over another. Separation should be a last resort, but an agency cannot force participants to live in an unsustainable living situation. Again, having a process for separation or relocation that is laid out and transparent will help diffuse issues.<sup>17</sup>

## Eligibility

All HUD requirements still apply for RRH and CoC Projects, regardless of the participant choosing shared housing or not. This table outlines some of the basic eligibility criteria.<sup>18</sup>

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Giraud, Hall and Cotter, *Shared Housing*.

Iain DeJong, *Shared Housing Key Points*. (Connecticut: Connecticut Coalition to End Homelessness).

Caroline Fernandez and Jamie Taylor, *Shared Housing-Alternative Housing Review*. (SAMHSA, 2018)

<sup>16</sup> Giraud, Hall and Cotter, *Shared Housing*.

Iain DeJong, *Shared Housing Key Points*. (Connecticut: Connecticut Coalition to End Homelessness).

Caroline Fernandez and Jamie Taylor, *Shared Housing-Alternative Housing Review*. (SAMHSA, 2018)

<sup>17</sup> Giraud, Hall and Cotter, *Shared Housing*.

Iain DeJong, *Shared Housing Key Points*. (Connecticut: Connecticut Coalition to End Homelessness).

<sup>18</sup> *Rapid Re-Housing: ESG vs. CoC Guide*. (HUD, 2013)

*Rapid Re-Housing for Youth*. (NAEH, 2017.)



ESG	CoC
Literally Homeless and/or fleeing DV	Literally Homeless and/or fleeing DV
Must be at 30% CMI at entry and annual recertification	Must show Need-there is no income limit for CoC projects.
Unit must meet Rent Reasonableness	Unit must meet FMR
Must pass a Habitability inspection	Unit must pass HQS inspection
Must have a 12 month lease	Must have a 12 month lease

Remember that you can always apply for a waiver from HUD for ways to increase occupancy potential for a family unit, for example, month to month leases.

## HQS

Every unit for shared housing must pass an HQS inspection if using CoC funds and a habitability Standards inspection for ESG funds. The entire unit must pass the inspection, not just the spaces occupied by the family unit. For specific instructions regarding HQS requirements, see CFR 982.618 Shared Housing and 578.75(b) in the CoC Interim Rule.<sup>19</sup>

Please note that a one-bedroom or SRO unit may not be used for shared housing.

## Fair Market Rent and Rent Reasonableness

Rent Reasonableness and Fair Market Rent (FMR) must be determined for each housing type. Rent Reasonableness should be determined by considering the reasonableness of rent in relation to other units of comparable size. You should take location, quality, size, type, age of unit, amenities, maintenance and utilities into account when finding a comparable unit to determine rent reasonableness.<sup>20</sup>

## Leasing Dollars

Per HUD, for projects with leasing dollars, the FMR used is the FMR for the full unit size being leased by the recipient or sub-recipient. For example, a two-bedroom unit would use the published FMR for a two-bedroom unit. In projects using Leasing, CoC program funds may not cover costs exceeding FMR, even if the unit's Rent Reasonableness is above FMR. In situation where a unit is found to be Rent Reasonable but the rent is above FMR, the recipient must use other fund, such as

<sup>19</sup> *Housing Choice Voucher Guidebook Chapter 10: Housing Quality Standards and Chapter 17: Special Housing Types.*

*CoC Interim Rule.* (HUD, 2012).

*HUD AAQ* (HUD, 2020).

<sup>20</sup> *Housing Choice Voucher Guidebook Chapter 10: Housing Quality Standards and Chapter 17: Special Housing Types.*

*CoC Interim Rule.* (HUD, 2012).



leverage (not Match), to cover these costs. You also cannot use program income to cover costs above FMR, even if it is reasonable.<sup>21</sup>

### *Utility Allowance*

Utility allowance is also determined by using the full unit size utility allowance being leased by the recipient or sub-recipient. In the above example, the agency would use the published utility allowance for a two-bedroom unit along with the two-bedroom FMR.

### Rental Assistance Dollars

For projects using Rental Assistance, FMR should be determined by choosing the lower of the FMR for the family unit size or the pro-rata share of FMR 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. For example, if one person is occupying one room but it is a 4-bedroom house, the FMR would be the lower of a one-bedroom FMR or the pro rate share (1/4 of the 4-bedroom house). Both calculations (FMR v Pro-Rata share) must be calculated and compared.<sup>22</sup>

#### **EXAMPLE 1: Single Adult occupies one bedroom in a 4-bedroom home**

In your area the FMR for a 1-bedroom unit is \$550

The rent for the 4-bedroom unit is \$1200. If the household is using one bedroom, you would divide  $1200/4=\$300$ . \$300 is less than \$550 so the FMR would be \$300.

#### **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:**

- o The pro-rate share  $3/5$  of \$1,500 = \$ 900
- o The three-bedroom FMR/payment standard = \$1200

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<sup>21</sup> *Housing Choice Voucher Guidebook Chapter 10: Housing Quality Standards and Chapter 17: Special Housing Types.*

*CoC Interim Rule.* (HUD, 2012).

*HUD AAQ* (HUD, 2020).

<sup>22</sup> *Housing Choice Voucher Guidebook Chapter 10: Housing Quality Standards and Chapter 17: Special Housing Types.*

*CoC Interim Rule.* (HUD, 2012).

*HUD AAQ* (HUD, 2020).

*HOPWA Shared Housing Rent Calculation.* (HUD, 2008)



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.<sup>23</sup>

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

ABC organization rents an 8-bedroom house. One single adult 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 single individual's total maximum allowable rent would be **the lesser of:**

- o The pro-rate share of 1/8 of \$3,000 = \$375
- o 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 HUD guidelines, each resident would pay the higher of 10% gross income or 30% of their adjusted gross income and HUD funds would pay the balance, up to \$375.

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

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

Remember that rent reasonableness and FMR must be demonstrated in each household's file. If you have a 3-bedroom unit and have filled them with 3 different program participants, rent reasonableness and FMR must be documented in each file separately.

#### *Utility Allowance*

The utility allowance is the pro-rata share of the utility allowance for the shared housing unit. For example, if the utility allowance is \$100 for a 4 bedroom and the household is using 1 bedroom, the utility allowance would be  $100/4=25$  or \$25 for the utility allowance.

When possible, utilities should be included in the rent. This will make payment much easier and could dispel arguments about how much each person owes. If utilities are not included in the rent, the roommate agreement must lay out the agreement for paying the utilities between all members of the unit.<sup>24</sup>

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<sup>23</sup> HOPWA Shared Housing Rent Calculation. (HUD, 2008)

<sup>24</sup> Housing Choice Voucher Guidebook Chapter 10: Housing Quality Standards and Chapter 17: Special Housing Types.

CoC Interim Rule. (HUD, 2012).

HUD AAQ (HUD, 2020).

HOPWA Shared Housing Rent Calculation. (HUD, 2008)

## Rent Calculations

Rent Calculations are separate by household, meaning each family unit would have their own rent calculation. Rent obligation cannot go above the higher of 10% gross income or 30% of gross adjusted income. Appendix C has examples of the HUD HOPWA rent calculation form. Once FMR and rent reasonableness have been determined, and rent and utility allowance have been negotiated, then you will do a rent calculation like you normally would for HUD funded programs. Each family unit will not pay more than the higher of 10% gross income or 30% adjusted income towards rent. Rent will be calculated for each family unit separately and the family unit will only be responsible for their portion of the rent and utilities.<sup>25</sup>

### EXAMPLE 1:

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.

For Leasing, John's total maximum allowable rent would be

- The One-bedroom FMR/payment standard = \$525

For Rental Assistance, 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-rate share/is below one-bedroom FMR.

Based on HUD guidelines John would pay the higher of 10% of his gross income or 30% of his adjusted gross income. HUD funds would pay the balance, up to the pro-rata share of \$400.

John gets **\$900** a month in SSI. His annual income is **\$10,800**.

He gets a **\$400** allowance for being disabled which brings his annual income down to **\$10,400**.

This makes John's adjusted monthly income **\$867**. 30% of 867 is **\$260.00**. 10% of 900 is 90, so the agency would use 30%.

John will pay **\$260** towards rent and the agency will pay **\$140** in assistance.

You do not need to use a special rent calculation form for shared housing. If your agency is already using a rent calculation form, you can continue to use that form, keeping in mind the way to determine rent and utilities, FMR and Rent reasonableness needs to follow the guidelines above.

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<sup>25</sup> CoC Interim Rule. (HUD, 2012).

## Leases

### RRH

For both CoC and ESH RRH funds, for the initial lease each participant must have their own 12-month lease with the landlord, unless a waiver with HUD is approved. Each participant having their own lease is not only a HUD requirement but also protects the tenants if one decides to leave. They will not have to take on the rent obligation of the other tenant and will not be in jeopardy of losing their housing because a roommate situation does not work out.

It is best if the landlord includes the utilities in the rent. As described above, the unit must meet FMR and rent reasonableness and pass the required Housing inspection-HQS for CoC funding and Habitability for ESG funds.

Since the tenant holds the lease with the landlord, you will also need an agreement with the landlord and agency. If your agency already has a form you currently use with ESG or CoC RRH clients, you can use that same form, there does not need to be a special agency/landlord agreement for shared housing.<sup>26</sup>

### PSH

For PSH, each participant must have their own sub-lease agreement with the agency. The agency may lease the entire building and sub-lease to each family unit separately. The sub-lease needs to be a 12-month lease, unless a waiver with HUD is approved. According to HUD, an agency may lease some but not all of the units in a building for PSH tenants.<sup>27</sup> This allows for situations where you may have PSH and RRH tenants in the same building. For example, let's say it is a three-bedroom unit. Two of the bedrooms could be leased by the agency for subleasing to PSH tenants, and the third could be a RRH tenant who is renting directly from the landlord with assistance from the agency. This is allowed by HUD.

HUD also allows for having PSH and non-program tenants in the same dwelling as well. It would be the same situation as above, except that third bedroom would be leased by the non-program person and the agency would not be involved in their lease or provide any services.<sup>28</sup>

With these options above, the agency needs to be cognizant of leasing issues. For PSH projects, the agency holds the lease with the landlord and sub-leases to the participant, but for RRH projects, the participant holds to lease directly with the Landlord. This will have to be negotiated between the

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<sup>26</sup>CoC Interim Rule. (HUD, 2012).  
HUD AAQ (HUD, 2020).

<sup>27</sup> HUD AAQ (HUD, 2020).

<sup>28</sup> HUD AAQ (HUD, 2020).

agency and the landlord and explained clearly so that all parties-tenants, landlord and agency staff- are all clear on the what the agency will and will not be providing to whom. <sup>29</sup>

## Conclusion

Though there are many pieces to think about and offering shared housing as an option to participants will take some planning and policy updates, it can be a very effective strategy to help people move out of homelessness and into permanent housing quickly. Remember to make sure all policies are reflected in your agency's policy and procedure manuals for your projects. It is important that any strategy used to implement shared housing is applied consistently with every client interested in this type of housing situation, and you will want to update any documents necessary for the sake of transparency and uniformity. Shared housing is an excellent option households in many circumstances and hopefully this guide has given you the necessary information to implement a successful shared housing model for your PSH and/or RRH project.

## Resources

- Amanda Benton, *Creating a Shared Home: Promising Approaches for Using Shared Housing to Prevent and End Homelessness in Massachusetts*. (Massachusetts: Harvard Kennedy School of Government, 2014).
- Caroline Fernandez and Jamie Taylor, *Shared Housing-Alternative Housing Review* (SAMHSA, 2018).
- *CoC Interim Rule HQS Requirements CFR 982.605-618*:  
<https://www.hudexchange.info/resource/2033/hearth-coc-program-interim-rule/>
- Connecticut Coalition to end homelessness: <https://www.cceh.org/provider-resources/shared-housing/>
- *Shared Housing-ESG*. (DEHCR , 2020).
- *Housing Choice Voucher Program Guidebook, Chapter 10, 17*.
- *HOPWA Shared Housing Rent Calculation*, (HUD Exchange, 2008)
- *HUD AAQ* (HUD, March 2020)
- Iain DeJong, *Shared Housing Key Points*. (Connecticut: Connecticut Coalition to End Homelessness).
- Jean-Michel Giraud, Cathy Zall and Meghann Cotter, *Shared Housing*. (NAEH, 2016).  
<https://endhomelessness.org/resource/shared-housing-as-a-solution-for-single-adults/>
- Kris Freed, *Share is now a must!* (NAEH, 2020).
- *Rapid Re-Housing: ESG V CoC*, (HUD, 2013).
- *Rapid Re-Housing for Youth*. (NAEH, 2017)

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<sup>29</sup>CoC Interim Rule. (HUD, 2012).  
HUD AAQ (HUD, 2020).





- *Roommates, Housing First, Landlord Engagement: Three Things we Learned from Maryland's Housing Challenge.* (NAEH, 2018). <https://endhomelessness.org/roommates-housing-first-landlord-engagement-three-things-learned-marylands-housing-challenge/>
- *Rapid Re-Housing Tips for High Cost, Low Vacancy Communities.* (NAEH, 2015). <https://endhomelessness.org/rapid-re-housing-tips-for-high-cost-low-vacancy-communities/>
- *Shared Housing: Challenges, Best Practices and Outcome.* (Homeless Policy Research Institute, 2019).
- Jean-Michel Giraud, Cathy Zall and Meghann Cotter, *Shared Housing.* (NAEH, 2016). <https://endhomelessness.org/resource/shared-housing-as-a-solution-for-single-adults/>

## Appendix A

Appendix A has resources for roommate compatibility tools and questions.



## Appendix B

Appendix B has resources for roommate agreements.



## Appendix C

Appendix C has a rent calculation form for Shared Housing.