



To: Gatekeepers
From: Homeless Services Section Staff
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Please distribute to: Executive Directors Fiscal Staff Homeless Services Program Staff
 Rental Assistance Program Staff

Category: Program Informational

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Message:

With the low number of permanent housing units available, your program participants may want to move into a shared housing situation. I've received guidelines from HUD for using ESG rent assistance with shared housing. I don't have guidance yet for HOME TBA.

Here's what HUD says about using ESG:

The ESG Program interim rule does not prescribe the type of housing that would qualify as permanent housing. Shared housing or roommate situations could be eligible under both the rapid-rehousing and homelessness prevention components to help program participants who are not part of the same household rent a shared unit.

Lease Requirements

Each household being assisted with ESG rental assistance must have its own separate lease with the property owner and the service provider must enter into a rental assistance agreement with the owner.

Meeting FMR Requirements

The FMR for shared housing is the lower of 1) the FMR for a family unit size (i.e.: FMR for a three bedroom apartment) or 2) the pro-rata share of the FMR for the shared housing unit size. Pro-rata is calculated by dividing the number of bedrooms available for occupancy by the participant household by the total number of bedrooms in the unit. For example, in the case of a single person household renting one room in a 4 bedroom house, the FMR would be the lower of a one bedroom FMR or the pro-rata share of the 4 bedroom FMR. (E.g: A one bedroom FMR is \$500. A 4 BR FMR is \$1,120. \$1,120 divided by 4 bedrooms equals a \$280 FMR for each bedroom. The pro-rata FMR is lowest.)

Meeting Rent Reasonableness Requirements

Rent Reasonableness (RR) for shared housing can be established by calculating the pro-rata share of rent in a comparable unit that is not shared housing but has similar amenities. Determine the pro-rata RR of the comparable unit by dividing the total rent by the number of bedrooms in the unit. An eligible bedroom must meet both RR and FMR limitations. Divide the utility allowance for the unit by the



number of bedrooms in the unit and add that to your calculations.

Minimum Habitability Standards

To meet minimum habitability standards, the tenant must have access to sanitary facilities that are private and adequate for personal cleanliness. Any food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner. Complete habitability standards guidelines are provided at 24 CFR 576.403(c).

NOTE: Remember the purpose of ESG is to help program participants achieve stability in permanent housing. ESG funds may not be used to move an individual or family into a situation you know will not be stable.

If you have any questions about ESG and shared housing, please contact Roserria at Roserria.roberts@oregon.gov or Vicki at Vicki.r.massey@Oregon.gov.

Thank you.