

Special Housing Types

Contents

1	Chapter Overview.....	3
2	Single Room Occupancy Facilities.....	4
2.1	Occupancy.....	4
2.2	Housing Quality Standards.....	4
2.3	Payment Standard and HAP Calculation.....	5
2.4	Utility Allowance.....	6
3	Congregate Housing.....	6
3.1	Occupancy.....	6
3.2	Housing Quality Standards.....	6
3.3	Payment Standard and HAP Calculation.....	7
4	Group Homes.....	8
4.1	Occupancy.....	8
4.2	Housing Quality Standards.....	8
4.3	Payment Standard and HAP Calculation.....	9
4.4	Utility Allowance.....	10
4.5	Rent Reasonableness.....	11
5	Shared Housing.....	11
5.1	Occupancy.....	11
5.2	Housing Quality Standards.....	12
5.3	Payment Standard and HAP Calculation.....	12
5.4	Utility Allowance.....	13
5.5	Rent Reasonableness.....	13
6	Cooperative Housing.....	14
6.1	Occupancy.....	14

6.2	Housing Quality Standards.....	14
6.3	Payment Standard and HAP Calculation.....	14
6.4	Rent Reasonableness	15
7	Manufactured Homes	15
7.1	Occupancy.....	15
7.2	Housing Quality Standards.....	16
7.3	Payment Standard and HAP Calculation.....	16
8	Manufactured Home Space Rental.....	16
8.1	Occupancy.....	17
8.2	Payment Standard and HAP Calculation.....	17
8.3	Utility Allowance.....	18
8.4	Rent Reasonableness	18
9	Glossary.....	18

Changes from Previous Version

Page	Description of Change	Date Change Made
13	Corrected text changing “\$92” to “\$29.”	July 2020
13	Corrected text changing “\$3380” to “\$380”	July 2020
13	Corrected section numbering in section 5.	July 2020
12	Corrected text changing “congregate” to “shared”	November 2020
12	Corrected text changing “8-bedroom” to “3-bedroom” and payment standard from “\$570” to “\$565”	November 2020
12	Removed extraneous reference	November 2020
18	Corrected text changing “shared housing unit” to “manufactured home space rental”	November 2020

1 Chapter Overview

At their discretion, PHAs may permit participating households to use Housing Choice Voucher (HCV) assistance in a variety of special housing types. A PHA's decision to allow households to use HCV assistance in these housing types should be based on the PHA's assessment of the difficulties encountered by households currently looking for housing, applicant and participant demographics suggesting a need for specialized housing, and the availability of suitable housing of the various types in the local market.

A PHA must¹ always allow the use of a special housing type if needed as a reasonable accommodation for persons with disabilities so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8, even if the PHA does not normally allow the use of special housing types or limits the number of families using these special housing types.

Each of the special housing types described below is targeted to households with particular needs. Housing quality standards (HQS) apply to all units in these special housing types, but each special type of housing may have additional unique HQS standards that are identified in this chapter.

Additionally, the payment standard used for each special housing type, and any unique requirements for determining the utility allowance, calculating the HAP payment, or determining the reasonableness of the rent, are included in the program descriptions.

Special housing types include:

- Single room occupancy (SRO) housing;
- Congregate housing;
- Group home;
- Shared housing;
- Manufactured home (when the family owns the manufactured home and leases the space);
- Cooperative housing (excluding families that are not cooperative members).

A single unit cannot be designated as more than one type of special housing. With the exception of leasing both a manufactured home and space, which the PHA must allow families to lease under the HCV program, PHAs must decide whether or not to approve the use of these special housing types. The PHA may also limit the number of families who use special housing types unless needed as a reasonable accommodation.

HUD does not provide any additional funding for these special housing types. The PHA must pay for these special housing types from budget authority received for their tenant-based program and may not set aside funding or program slots for any special housing types. The PHA cannot give preference to households that wish to live in any of these types of housing and cannot require households to select any of these types of housing.

For each household that elects to lease a unit in one of these special housing types, there is a separate lease and HAP contract. The PHA has no obligation to help owners of these special types of housing fill

¹ 24 CFR § 982.601(b)(3)

units vacated by HCV program participants. The PHA's administrative plan must² include policies regarding the use of special housing types.

2 Single Room Occupancy Facilities

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant, but requires that the occupant share sanitary and/or food preparation facilities with others. There is no federal limitation on the number of SRO units in an SRO facility. There is a separate lease and HAP contract for each assisted person in an SRO unit. The standard HAP contract is used.

2.1 Occupancy

An SRO unit may not be occupied by more than one person. Program regulations do not place a limit on the number of units in an SRO facility, although the size of a facility may be limited by local laws.

2.2 Housing Quality Standards

Housing quality standards found in 24 CFR 982.401 apply to SRO housing with the exceptions described below.

The regulations, 24 CFR 982.401(b) (sanitary facilities) and 982.401(d) (space and security) do not apply to SRO units. Instead, sanitary facilities and space and security features must³ meet local code standards for SRO housing. In the absence of local code standards, the following requirements apply:

- Sanitary Facilities⁴. At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. There must, however, be at least one flush toilet in the SRO facility. Every lavatory basin and bathtub or shower must always have an adequate supply of hot and cold running water. All sanitary facilities must be in proper operating condition, and must be adequate for the personal cleanliness and the disposal of human waste. In addition, the SRO facility must utilize an approvable public or private disposal system. Sanitary facilities must be reasonably accessible from a common hall or passageway to all persons sharing them, and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
- Space and Security⁵. An SRO unit must contain at least 110 square feet of floor space, and at least four square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must⁶ be increased by the amount of the deficiency. Exterior doors and windows

² 24 CFR § 982.54(d)(16)

³ 24 CFR § 982.605(b)(2)

⁴ 24 CFR § 982.605(b)(2)(i)

⁵ 24 CFR § 982.605(b)(2)(ii)

⁶ 24 CFR § 982.605(b)(2)(ii)(C)

accessible from outside the SRO unit must⁷ be lockable.

Federal regulations for SRO units include special provisions for access and fire safety as follows:

- **Access.** Access doors to the SRO unit must⁸ have working locks for privacy. The occupant must⁹ be able to access the unit without going through any other unit. Each unit must¹⁰ have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have all other means of exit required by state or local law.
- **Fire Safety.** All SRO facilities must¹¹ have a sprinkler system that protects major spaces. “Major spaces” are defined as hallways, large common areas, and any other areas specified in local fire, building, or safety codes. SROs must¹² also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.

The HQS applicable to food preparation and refuse disposal do not apply to SRO units. The HQS applicable to lead-based paint do not apply since SRO units will not house children.

2.3 Payment Standard and HAP Calculation

The payment standard for SRO housing is 75 percent of the PHA’s 0-bedroom payment standard amount, or the HUD-approved area exception payment standard amount, on the PHA’s payment standard schedule. The Housing Assistance Payment (HAP) for an assisted occupant in an SRO facility is the *lower* of the SRO payment standard amount minus the Total Tenant Payment (TTP) or the gross rent for the unit minus the TTP. Example 1 shows how to calculate the payment standard for a sample SRO unit. Example 2 shows how to calculate the HAP for the same sample unit.

Example 1: Calculating Payment Standards for an SRO Unit

The payment standard is 75% of the PHA’s 0-bedroom payment standard amount, or HUD-approved exception payment standard amount (listed on the PHA’s payment standard schedule).	
PHA 0-bedroom payment standard (listed on PHA’s payment standard schedule)	\$500
SRO payment standard to be used	$\$500 \times .75 = \375

⁷ 24 CFR § 982.605(b)(2)(ii)(D)

⁸ 24 CFR § 982.605(b)(3)(i)

⁹ 24 CFR § 982.605(b)(3)(iii)

¹⁰ 24 CFR § 982.605(b)(3)(ii)

¹¹ 24 CFR § 982.605(b)(4)

¹² 24 CFR § 982.605(b)(4)

Example 2: Determining HAP for an SRO Unit

Total tenant payment	\$205
SRO payment standard	\$375
Gross rent	\$315
HAP is the lower of	
SRO payment standard (\$375) <i>minus</i> TTP (\$110)	= \$170
Gross rent (\$315) <i>minus</i> TTP (\$205)	= 110
HAP	\$110

2.4 Utility Allowance

The utility allowance¹³ for an SRO unit is 75 percent of the PHA's 0-bedroom utility allowance.

3 Congregate Housing

Congregate housing is intended for use by elderly persons or persons with disabilities. Congregate housing contains a shared central kitchen and dining area and a private living area for the individual household of at least a living room, bedroom and bathroom. Food service for residents must¹⁴ be provided. There is a separate lease and HAP contract for each assisted family in congregate housing. The standard HAP contract is used.

3.1 Occupancy

Elderly persons and/or persons with disabilities may live in congregate facilities. With PHA approval a live-in aide may live in the congregate unit with an elderly person and/or a person with disabilities. The PHA must¹⁵ approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. PHA approval of a live-in aide is subject to HCV program regulation.¹⁶

3.2 Housing Quality Standards

Housing quality standards found in 24 CFR 982.401 for the HCV program apply to congregate housing, with the following standards below applying in place of HQS standards for food preparation and refuse disposal. Additionally, the 24 CFR 982.401(d)(2)(i) HQS requirement that each dwelling unit have a kitchen does not apply to congregate housing.

Food Preparation and Refuse Disposal

Congregate housing requires:¹⁷

- A refrigerator of appropriate size in the private living area of each resident;
- Central kitchen and dining facilities located within the premises and accessible to the residents.

¹³ 24 CFR § 982.604(b)

¹⁴ 24 CFR § 982.609(b)((2)(iii)

¹⁵ 24 CFR § 982.606(b)(2)

¹⁶ 24 CFR § 982.316

¹⁷ 24 CFR § 982.609(b)

These facilities must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner; must be used to provide a food service that is provided for the residents, and that is not provided by the residents; and must be for the primary use of residents on the congregate units and be sufficient in size to accommodate the residents;

- The congregate housing must contain adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

The housing quality standards applicable to lead-based paint do not apply, unless a child under the age of 6 is expected to reside in the unit.

3.3 Payment Standard and HAP Calculation

The payment standard for an individual unit in a congregate housing facility is based on the number of bedrooms in the private living area for the assisted family. If there is only one bedroom in the unit (not including the bathroom or the kitchen, if a kitchen is provided), the PHA's payment standard for a 0-bedroom unit, or HUD-approved exception area payment standard, is used. If the unit has two or more bedrooms (other than the bathroom and the kitchen), the PHA should use the PHA's 1-bedroom payment standard, or HUD-approved area exception payment standard. Note that a PHA-approved live-in aide must be counted when determining the family unit size.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

Example 3 shows how to calculate the payment standard for a sample congregate housing unit. Example 4 shows how to calculate the HAP for the same sample unit.

Example 3: Calculating Payment Standards for a Congregate Housing Unit

Number of bedrooms in living area for assisted household	1
PHA's 0-bedroom payment standard amount or the HUD-approved exception payment standard amount (listed on the PHA's payment standard schedule)	\$500
Congregate housing payment standard to be used	\$500

Example 4: Calculating HAP for a Congregate Housing Unit

Total tenant payment	\$265
Congregate housing payment standard	\$500
Gross rent	\$425
HAP is the lower of	
Congregate housing payment standard (\$500) <i>minus</i> TTP (\$265) =	\$235
Gross rent (\$425) <i>minus</i> TTP (\$265) =	\$160
HAP	\$160

HCV program assistance should be calculated on the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

4 Group Homes

A group home is a state-licensed, certified, or otherwise state-approved facility intended for occupancy by elderly persons and/or persons with disabilities. The group home consists of residents' bedrooms, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.

For purposes of this program, a group home is for the exclusive residential use of 2 to 12 persons who are elderly and/or are persons with a disability.¹⁸ This includes assisted and unassisted residents, and any live-in aides. There is a separate lease and HAP contract for each assisted person.

4.1 Occupancy

Elderly persons and/or persons with disabilities may live in group homes. If approved by the PHA, a live-in aide may live in the group home with an elderly person and/or person with disabilities. The PHA must¹⁹ approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons and/or persons with disabilities. PHA approval of a live-in aide is subject to HCV program regulation 24 CFR 982.316.

Persons living in a group home must not require continual medical or nursing care.

4.2 Housing Quality Standards

Housing quality standards found in 24 CFR § 982.401 for the HCV program apply to group homes, with the following standards below applying in place of HQS standards for sanitary facilities, food preparation and refuse disposal, space and security, structure and materials, and site and neighborhood. The entire unit must comply with HQS standards.

- **Sanitary Facilities.** Group homes must²⁰ have at least one bathroom in the unit, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom. All sanitary facilities must be readily accessible to and usable by residents, including persons with disabilities. All sanitary facilities must be in proper operating condition, and must²¹ be adequate for the personal cleanliness and the disposal of human waste. In addition, the group home must utilize an approvable public or private disposal system.
- **Food Preparation and Service.** Group home units must²² contain a kitchen and dining area with adequate space to store, prepare, and serve food in a sanitary manner. Food preparation and service equipment must²³ be in proper operating condition and be adequate for the number of

¹⁸ 24 CFR § 982.4

¹⁹ 24 CFR § 982.610(b)(2)

²⁰ 24 CFR § 982.614(c)(1)(i) and (ii)

²¹ 24 CFR § 982.614(c)(1)(ii)

²² 24 CFR § 982.614(c)(2)(i)

²³ 24 CFR § 982.614(c)(2)(ii)

residents in the group home. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must²⁴ contain a stove or range, and oven, a refrigerator, and a sink with hot and cold running water. The sink must²⁵ drain into an approvable public or private disposal system. Group homes must²⁶ contain adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

- Space and Security. Group homes must²⁷ contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. Each unit must²⁸ provide adequate space and security for the assisted person. Doors and windows that are accessible from outside the unit must be lockable.²⁹
- Structure and Material. To avoid any threat to the health and safety of the residents, group homes must³⁰ be structurally sound. Elevators must³¹ be in good condition. Group homes must be accessible to and usable by residents with disabilities.³²
- Site and Neighborhood. Group homes must³³ be located in a residential setting. The site and neighborhood should be reasonably free from hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:
 - Dangerous walks or steps;
 - Instability;
 - Flooding, poor drainage;
 - Septic tank back-ups;
 - Sewage hazards;
 - Mud slides;
 - Abnormal air pollution;
 - Smoke or dust;
 - Excessive noise;
 - Vibrations or vehicular traffic;
 - Excessive accumulations of trash;
 - Vermin or rodent infestation;
 - Fire hazards.

The housing quality standards applicable to lead-based paint do not apply, unless a child under the age of 6 is expected to reside in the unit.

4.3 Payment Standard and HAP Calculation

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 must³⁴ be counted in determining the family unit size.

²⁴ 24 CFR § 982.614(c)(2)(ii)(A)(B)(C)

²⁵ 24 CFR § 982.614(c)(2)(ii)(C)

²⁶ 24 CFR § 982.614(c)(iii)

²⁷ 24 CFR § 982.614(c)(3) (ii)

²⁸ 24 CFR § 982.614(c)(3)(i)

²⁹ 24 CFR § 982.614(c)(3)(iii)

³⁰ 24 CFR § 982.614(c)(4)(i)

³¹ 24 CFR § 982.614(c)(4)(ii)

³² 24 CFR § 982.614(c)(4)(iii)

³³ 24 CFR § 982.614(c)(5)

³⁴ 24 CFR § 982.613(c)(1)(ii)

The payment standard used to calculate the HAP 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 total number of persons (assisted and unassisted) living in the group home. The number of persons in the assisted family equals one assisted person plus any PHA-approved live-in aide.

Example 5: Calculating Payment Standards for a Group Home Unit

Household includes a person with disabilities plus a live-in aide	Family unit size is 2
Total persons in group home (assisted and unassisted)	8
Group home size	8 bedrooms
2-bedroom payment standard	\$400
8-bedroom payment standard	\$1500
Pro-rata share	2 persons in assisted household/8 persons in group home = .25
Pro-rata share of payment standard for group home	$\$1500 \times .25 = \375
Payment standard for group home unit	\$375

Example 6: Calculating HAP for a Group Home Unit

Total tenant payment	\$135
Group home payment standard	\$375
Gross rent	\$370
HAP is the lower of	
Group home payment standard (\$375) <i>minus</i> TTP (\$135) = \$240	
<i>OR</i>	
Group home gross rent (\$370) <i>minus</i> TTP (\$135) = \$235	
HAP	\$235

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

4.4 Utility Allowance

The utility allowance for an assisted occupant in a group home is the pro-rata share of the utility allowance for the group home unit size.

4.5 Rent Reasonableness

The rents paid by participating families residing in group homes are generally subject to applicable standards for determining rent reasonableness. The rent to the owner for an assisted family must³⁵not exceed the pro-rata portion of the reasonable rent for the group home. In determining reasonable rent, the PHA must³⁶ consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities. When these facilities are private versus common, the PHA's rent reasonableness determination may provide additional consideration when determining the reasonable rent.

Example 7: Determining Rent Reasonableness for a Group Home Unit

Household includes a person with disabilities plus a live-in aide	Family unit size is 2
Total persons in group home (assisted and unassisted)	8
Group home size	8 bedrooms
Comparable 8 bedroom unit rent	\$1525
8-bedroom payment standard	\$1500
Pro-rata share	2 persons in assisted household/8 persons in group home = .25
Pro-rata share of payment standard for group home	$\$1500 \times .25 = \375
Pro-rata share gross rent	\$375
Pro-rata share of reasonable rent	\$381
Rent is reasonable	\$375

5 Shared Housing

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family. The unit may be a house or an apartment. There is a separate HAP contract and lease for each assisted family.

5.1 Occupancy

An assisted family may share a unit with other persons assisted under the HCV program, or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

³⁵ 24 CFR § 983.613(b)(1)

³⁶ 24 CFR § 982.613(b)(2)

If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must ³⁷approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. PHA approval of a live-in aide is subject to HCV program regulation 24 CFR § 982.316.

5.2 Housing Quality Standards

The PHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets HQS. HQS found in 24 CFR 982.401 for the HCV program apply to shared housing, with additional requirements for facility standards, as well as the following standards for space and security in place of HQS.

- **Facilities.** Facilities available to the assisted family, whether shared or private, must³⁸ include a living room, a bathroom, and food preparation and refuse disposal facilities.
- **Space and Security.** The entire unit must³⁹ provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must⁴⁰ contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must⁴¹ not be less than the family unit size. A 0-bedroom or 1-bedroom unit may not be used for shared housing.

5.3 Payment Standard and HAP Calculation

The payment standard for a family in shared housing 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 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. The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

Example 8: Calculating Payment Standards for a Shared Housing Unit

Household includes mother and 8 year old daughter	PHA policy would issue family 2-bedroom voucher
Bedrooms for assisted family	2
Number of bedrooms in unit	3
Pro-rated share of unit	$2/3 = .667$
2-bedroom payment standard (family unit size)	\$400
3-bedroom payment standard (shared housing unit size)	\$565
Pro-rata share of payment standard for shared housing unit size ($\$565 * .667$)	\$377
Lesser of family unit size or pro-rata share of payment standard for shared unit size	\$377
Shared housing unit payment standard to be used	\$377

³⁷ 24 CFR § 982.615((b)(1)

³⁸ 24 CFR § 982.618(c)

³⁹ 24 CFR § 982.618(d)(1)

⁴⁰ 24 CFR § 982.618(d)(2)(ii)

⁴¹ 24 CFR § 982.618(d)(2)(ii)

Example 9: Calculating HAP and Utility Allowance for a Shared Housing Unit

Total tenant payment		\$275
Contract rent		\$250
Payment standard		\$377
Applicable 3 bedroom utility allowance		\$175
Utility Allowance calculation (\$175 * pro-rata share of .667)		\$117
Gross rent (utility allowance+ contract rent)		\$367
HAP is the lower of		
Payment standard (\$377)	<i>minus</i>	TTP (\$275) = \$102
	OR	
Gross rent (\$367)	<i>minus</i>	TTP (\$275) = \$92
HAP		\$92

5.4 Utility Allowance

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.

5.5 Rent Reasonableness

The rents paid by participating families residing in shared housing are generally subject to applicable standards for determining rent reasonableness. The rent paid to the owner for the assisted family must ⁴²not exceed the pro-rata portion of the reasonable rent for the shared unit. For reasonable rent determination, the PHA may consider whether sanitary and food preparation areas are private or shared. When these facilities are private versus shared, the PHA may provide additional consideration when determining the reasonable rent.

Example 10: Determining Rent Reasonableness for a Shared Housing Unit

Household includes mother and 8 year old daughter	PHA policy would issue family 2-bedroom voucher
Shared home unit size	3 bedrooms
Comparable 3 bedroom unit rent	\$570
3-bedroom payment standard	\$565
Pro-rata share	2 persons in assisted household/3 persons in shared housing = .667
Pro-rata share of payment standard for group home	\$565 x .667 = \$377
Pro-rata share gross rent	\$367
Pro-rata share of reasonable rent	\$381
Rent is reasonable	\$367

⁴² 24 CFR § 982.617(b)

6 Cooperative Housing

Cooperative housing is housing owned by a nonprofit corporation or association, where a member of the corporation or association has the right to reside in a particular apartment and to participate in management of the housing. Residents purchase memberships in the ownership entity. Rather than being charged rent, a cooperative member is charged a carrying charge.

This section applies to rental assistance for a cooperative member residing in cooperative housing. The section does not apply to assistance for a cooperative member who has purchased membership using HUD's HCV homeownership option, or to rental assistance for a family that is not a cooperative member, and simply leases a cooperative housing unit from a cooperative member.

6.1 Occupancy

There are no program restrictions on who may occupy a cooperative housing unit. The occupancy agreement/lease and other appropriate documents must⁴³ provide that the monthly carrying charge is subject to Section 8 limitations on rent to owner.

6.2 Housing Quality Standards

Housing quality standards found in 24 CFR 982.401 for the HCV program apply to cooperative housing. There are no additional HQS requirements. The PHA remedies described in 24 CFR 982.404 do not apply. Rather, if the unit and premises are not maintained in accordance with HQS, the PHA may exercise all available remedies regardless of whether the family or the cooperative is responsible for the breach of HQS. No housing assistance payment can be made unless the contract unit meets HQS and the defect is corrected within the period as specified by the PHA. All HQS defects must⁴⁴ be corrected within the period of time as specified by the PHA and the PHA verifies correction. Life-threatening defects must⁴⁵ be corrected within 24 hours. All other defects must⁴⁶ be corrected within a reasonable period of time, as determined by the PHA.

In addition to breaches of HQS caused by the cooperative as addressed in 24 CFR 982.401, breaches of HQS by the family include any of the following:

- Failure to perform any maintenance for which the family is responsible in accordance with the terms of the cooperative occupancy agreement between the cooperative member and the cooperative;
- Failure to pay rent for any utilities that the cooperative is not required to pay for, but which are to be paid for by the cooperative member;
- Failure to provide and maintain any appliances that the cooperative is not required to provide, but which are to be provided by the cooperative member; or
- Any damages to the dwelling unit or premises (beyond ordinary wear and tear) by any member of the household or guests.

6.3 Payment Standard and HAP Calculation

The payment standard for a cooperative housing unit is the payment standard for units of the same bedroom size on the PHA's payment standard schedule.

⁴³ 24 CFR § 982.619(b)(1)

⁴⁴ 24 CFR § 982.619(d)(2)

⁴⁵ 24 CFR § 982.619(d)(2)

⁴⁶ 24 CFR § 982.619(d)(2)

The HAP for a cooperative housing unit is the *lower* of the PHA's payment standard minus the TTP or the gross rent (carrying charge plus any utility allowance), minus the TTP. In cooperative housing, the rent to owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative. The monthly carrying charge includes the member's share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down-payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

6.4 Rent Reasonableness

The rent for a cooperative housing unit must⁴⁷ be reasonable based on rents for comparable unassisted units.

7 Manufactured Homes

A manufactured home is a manufactured structure, transportable in one or more parts, that is built on a permanent chassis, is designed for use as a principal place of residence, and meets HCV program HQS requirements.

A manufactured home may be an assisted unit under the HCV program in one of three ways:

- 1) *Regular rental assistance:* The family rents a manufactured home under the regular voucher program. There is no separate charge to the family for the home space. Rent for the unit covers both the manufactured housing unit and the space. PHAs must permit a family to lease a manufactured home and space with assistance under the program – this is not a special housing type where PHAs has discretion over whether to provide this type of assistance.
- 2) *Homeownership voucher assistance:* The family purchases the manufactured home under the homeownership voucher program and the program assists the family with their monthly homeownership expenses. This is a special housing type under the HCV program, meaning that the PHA is not required to provide this type of assistance as part of its HCV program, except if needed as a reasonable accommodation.
- 3) *Manufactured home space rental assistance:* The family owns the manufactured home but is renting the space on which the home resides. This is also a special housing type under the HCV program.

Is A Recreational Vehicle (RV) Eligible For Assistance Under The HCV Program?

A manufactured home must meet all HQS requirements and also the requirements under 24 CFR 982.621 in order to be eligible for assistance, whether for leasing the space or the home. In accordance with 24 CFR 982.621 (b), the home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding. If the RV is not appropriately tied and anchored, it is not eligible for HCV assistance.

7.1 Occupancy

There are no program restrictions on who may occupy a manufactured home.

⁴⁷ 24 CFR § 982.619(b)

7.2 Housing Quality Standards

Housing quality standards found in 24 CFR 982.401 for the HCV program apply to manufactured homes. In addition, the following requirements⁴⁸ apply:

- *Performance requirement.* A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.
- *Acceptability criteria.* A manufactured home must be securely anchored by a tie-down device that distribute and transfers the loads imposed by the unit to appropriate ground anchors resist wind overturning and sliding.

7.3 Payment Standard and HAP Calculation

If a family rents a manufactured home under the regular HCV program, the payment standard for a manufactured housing unit and space is the payment standard for units of the same size on the PHA's payment standard schedule.

The HAP for a manufactured home is the lower of the PHA's payment standard minus the TTP or the gross rent minus the TTP. The rent paid to the owner includes the rent for the unit, for the manufactured home space, and maintenance, services, and utilities that the owner provides under the lease.

The PHA must⁴⁹ determine that the rent paid to the owner for a manufactured home is reasonable based on rents for comparable unassisted units.

8 Manufactured Home Space Rental

The family owns the manufactured home but is renting the space on which the home resides. This is a special housing type under the HCV program.

At the PHA's discretion, a PHA may provide HAP on behalf of an eligible family for the space rent when the family owns a manufactured home but leases the space on which the manufactured home resides. Through the Housing Opportunity Through Modernization Act of 2016 (HOTMA), the definition of space rent, for manufactured home space rental assistance, was amended to include the monthly payments made by the family to amortize the loan for the purchase of the home. The rent of the manufactured home space is the total of:

- the rent charged for the manufactured home space;
- owner maintenance and management charges for the space the owner must provide under the lease;
- monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- the applicable PHA utility allowances for tenant-paid utilities.

The rent to the owner does not include the cost of utilities and trash collection, but if these are provided by the owner, the owner may charge the family a separate fee. Otherwise, the tenant receives a utility allowance for any tenant-paid utilities.

⁴⁸ 24 CFR § 982.621

⁴⁹ 24 CFR § 982.507

8.1 Occupancy

There are no program restrictions on who may occupy a manufactured home and receive assistance for the rental of a manufactured home space. In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

8.2 Payment Standard and HAP Calculation

As a result of the Housing Opportunities and Modernization Act of 2016 (HOTMA), the PHA must⁵⁰ revise the payment standards for manufactured home space rental assistance, effective April 18, 2017.

The payment standard amount used for a unit assisted under the manufactured home space rental must be the same payment standard amount used for regular rental units under the PHA's HCV program.

As well, separate FMRs for manufactured home space rentals are no longer applicable. Because the family's housing costs subsidized by the HCV program now include the family's monthly payments to amortize the purchase of the home, the rationale for establishing a separate FMR (and by extension a reduced payment standard) no longer exists.

The program regulation at 24 CFR § 982.503(a)(3) that provides the PHA voucher payment standard schedule shall establish a "single" payment standard amount for each unit size covers the manufactured home space rental special housing type as well as all other rental units under the PHA HCV program.

The monthly HAP for a manufactured home space rental is the lower of:

- The PHA payment standard minus the family's total tenant payment; or
- The rent of the manufactured home space (including other eligible housing expenses) minus the family total tenant payment.

The space rent is the sum of the rent to the owner for the manufactured home space, any charges for maintenance and management provided by the owner, the utility allowance for tenant-paid utilities and monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes.

By law, whenever a family moves to a new unit where the rent exceeds the payment standard, the family must⁵¹ not pay more than 40 percent of its adjusted monthly income for rent. The 40% limit would be applicable to the new calculation of space rent when families are first assisted in the space (not to families that are already assisted and the PHA is revising their subsidy calculation in accordance with PIH Notice 2017-18).

Can a PHA Approve an Exception Payment Standard for a Lot Rent for a Manufactured Home?

Yes, a PHA may approve an exception payment standard for a lot rent for a manufactured home if the amount falls within the basic range. Provided there is justification for an exception payment standard, and based on how much over the FMR for lot space the exception is, an exception payment standard can be approved by the PHA.

⁵⁰ Housing Opportunity Through Modernization Act of 2016

⁵¹ 24 CFR § 982.508

8.3 Utility Allowance

The PHA must⁵² establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowance must⁵³ include an amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must⁵⁴ not include the costs of digging a well or installing a septic system.

Example 11: Determining Rent Reasonableness for a Manufactured Home Space Rental

Heating	\$68
Cooking (gas)	\$11
Water heating (gas)	\$25
Other electric	\$32
Refrigerator	\$10
Range	\$10
Utility hook-up charge (\$60/12 months = \$5)	\$5
Utility allowance for first 12 months of initial lease term (the utility allowance must be recalculated after the first 12 months of the initial lease term to remove the utility hook- up charge)	\$161
Total utility hook-up charge	\$60

8.4 Rent Reasonableness

Prior to initially executing the HAP contract and at least annually thereafter the PHA must⁵⁵ determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The PHA must⁵⁶ consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly HAP check, the owner certifies that the space rent does not exceed rents charged by the owner for comparable unassisted spaces in the same manufactured home park or elsewhere. If requested by the PHA, the owner must⁵⁷ give the PHA information on rents charged by the owner for other manufactured home spaces.

9 Glossary

The following terms are used in this Chapter:

Congregate Housing is the housing for elderly persons and/or persons with disabilities that meets the HQS for congregate housing.

Cooperative is the housing owned by a corporation or association, and where a member of the corporation or association has the right to reside in a particular unit, and to participate in management of the housing.

Disability (for purposes of HUD's program definition) is defined as:

⁵² 24 CFR § 982.624

⁵³ 24 CFR § 982.624

⁵⁴ 24 CFR § 982.624

⁵⁵ 24 CFR § 982.622(b)(3)

⁵⁶ 24 CFR § 982.622(b)(3)

⁵⁷ 24 CFR § 982.622(b)(4)

- Having a disability as defined in 42 U.S.C. § 423(d)(1);
 - 42 U.S.C. Section 423(d)(1)(A) defines disability as:
 - Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
 - In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
- Having a physical, mental or emotional impairment that is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that ability to live independently could be improved by more suitable housing conditions; or
- Having a developmental disability as defined in 42 U.S.C. § 15002(8) (formerly codified in 42 U.S.C. § 6001. The Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. § 6001(8)) defines developmental disability in functional terms as: A severe, chronic disability of a person 5 years of age or older which:
 - (A) is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - (B) is manifested before the person attains age twenty-two;
 - (C) is likely to continue indefinitely;
 - (D) results in substantial functional limitations in three or more of the following areas of major life activity:
 - (i) self-care,
 - (ii) receptive and responsive language,
 - (iii) learning,
 - (iv) mobility,
 - (v) self-direction,
 - (vi) capacity for independent living, and
 - (vii) economic self-sufficiency; and
 - (E) reflects the person’s need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated; except that such term, when applied to infants and young children, means individuals from birth to age 5, inclusive, who have substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided. See also 24 CFR § 5.403 (Definitions).

A person with a disability to include (1) individuals with a physical or mental impairment that substantially limits one or more major life activities; (2) individuals who are regarded as having such an impairment; and (3) individuals with a record of such an impairment. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, developmental disabilities, emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.

The term "substantially limits" suggests that the limitation is "significant" or "to a large degree." The term “major life activity” means those activities that are of central importance to daily life, such as seeing, hearing, walking, breathing, performing manual tasks, caring for one’s self, learning, working, and speaking.

Elderly Person means an individual who is at least 62 years of age.

Fair Market Rent (FMR) is the rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities.

Family Share is the portion of rent and utilities paid by the family.

Gross Rent is the sum of the rent to owner plus any utility allowance.

Group Home is a dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide).

Housing Assistance Payment is the monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing Quality Standards (HQS) are the HUD minimum quality standards for housing assisted under the tenant-based programs.

Manufactured Home is a manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS.

Manufactured Home Space is a space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space.

Payment Standard is the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

Reasonable Rent is a rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

Rent to Owner is the total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

Shared Housing is a unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family.

Single Room Occupancy Housing (SRO) is a unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities.