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The RAP Agent will use the following guidance when the displacement property is occupied by multiple persons not in the same household, such as:

- Unrelated persons sharing an apartment.
- Adult children living with their mother and father, who are owners of the property.
- Two or more separate households sharing a house.

49 CFR 24.403(a)(5) states “If two or more occupants of the displacement dwelling move to separate replacement dwellings, each occupant is entitled to a reasonable share, as determined by the Agency, of any relocation payments that would have been made if the occupants moved together to a comparable replacement dwelling. However, if the Agency determines that two or more occupants maintained separate households within the same dwelling, such occupants have separate entitlements to relocation payments.” The RHP will either be a single calculation that will be split between the occupants or it will be multiple calculations specific to each identifiable household.

The RAP Agent must determine if the persons are one household or separate households by obtaining the following information:

1. Separate rental agreements for each household. Or if owner occupied, a separate rental agreement for the secondary households. The agreements should document who pays for utilities and if there is a proration of the utility bill. The agreement should also note the secondary household’s right to use the displacement property’s facilities.
  2. Proof of separate rental payments (cashier’s checks, rental receipts) and utilities. A separate household might have certain utilities in their own name (e.g., cable TV, satellite dish, phone service).
  3. Each household maintains separate checking and savings accounts.
  4. The displacement property is the primary residence of each household as noted on DMV records, voter registration, credit card bills, etc.
  5. Separate arrangements for purchasing, preparing and serving food (e.g., separate shelves for food, multiple refrigerators, designated times for cooking). Additionally, the other household activities are separate (e.g., laundry, housekeeping, yard maintenance, entertainment).
  6. Type of relationship (e.g., blood, marriage, and cohabitation) between the various members of the households. A landlord that is the parent or grandparent of the tenant usually supports the premise of “one household.”
  7. Previous rental agreements by the owner of the property. If the rental agreement with their child is the first time they have rented a bedroom on their own, then they are probably one household.
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8. Tax records that indicate the owner claims the rent as income, and the secondary household claims a renter's credit.
9. Separate vehicles for each household.
10. Certain areas designated for the sole use of each household, or do they share areas commonly (e.g., kitchen, bathrooms, living room)?
11. Maintain separate memberships in health, social, or recreational organizations.

Situations:

- 1) A 90-day owner-occupant rents a bedroom in their house. In this instance, the tenant may be entitled to a Rent Differential separate from any Replacement Housing Payments the owner may be entitled to receive.
- 2) A brother and sister share an apartment with their ailing father. In this instance, the siblings are probably caring for their father and may be assisting with the bills by paying a share of the expenses. In this case, the three persons would be entitled to one Rent Differential.

It should be noted that in all cases the burden of proof is on the displacee that they are clearly maintaining separate households. The RAP Agent must determine how interdependent or not is the living arrangement. In determining whether two or more displacees constitute a single household, all pertinent factors should be considered, including the extent to which the same areas in the dwelling are shared, and the extent to which the financial affairs are commingled. The RAP Agent must apply the same criteria to each situation and use good judgment in that the relocation benefits should be calculated as separate households.

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