

Introduction to Sober Living Homes

A Vital Step in Sustained Recovery



Structured Recovery Environment

Sober living homes provide a stable, alcohol- and drug-free space that supports residents' ongoing recovery journeys.



Peer Accountability

Residents foster a communal support system, holding each other accountable and reinforcing sober habits.



Non-Clinical Support Model

These homes do not offer clinical services but focus on structured routines, personal responsibility, and community.

Legal and Zoning Considerations

Operating Sober Homes within Legal Frameworks

- **Fair Housing Act Protections:** FHA prohibits discrimination against individuals in recovery, enabling equal housing opportunities through 'reasonable accommodations.'
- **Atlanta Zoning Flexibility:** Operators can bypass occupancy limits by applying for Special Use Permits or Group Residence classification.
- **No State License Needed:** Georgia does not require a license for non-clinical sober living homes, simplifying the startup process.



Photo by Sadiq Awosanmi on Unsplash

Business Model for Property Owners

Hands-Free Income and Impact



Ownership Retained

Property owners keep full ownership while partnering for management and operations.



Monthly Expenses Covered

All utilities, upkeep, and mortgage payments handled by the sober living manager.



50/50 Profit Sharing

Net profits split equally, with transparent reconciliation and guaranteed payments.

Setup and Operational Requirements

Creating a Safe, Structured Recovery Space

- **Space and Layout:** Shared bedrooms should offer 60+ sq ft per resident; homes typically support 8–10 residents comfortably.
- **Safety Compliance:** Smoke detectors, fire extinguishers, and clear emergency exits are mandatory.
- **Daily Routines and Management:** House managers oversee chores, drug testing, and conflict resolution, promoting consistency and accountability.



Photo by Francesca Tosolini on Unsplash

Financial Overview and Profitability

Sustainable Revenue Through Structured Operations

- **Revenue Per Bed:** Average rates range from \$150 to \$250/week per resident, generating \$7,200/month for 8 beds.
- **Expense Management:** Costs for utilities, supplies, and maintenance typically range from \$3,500–\$4,500/month.
- **Profit Potential:** With efficient operations, monthly profits can exceed \$3,000 per property.



Photo by Tierra Mallorca on Unsplash

Expansion and Scaling Strategy

Growing Your Sober Living Portfolio

- **Replicable Model:** Once a home is stable, operators can replicate systems across multiple properties for predictable growth.
- **Strategic Staffing:** One house manager per 6–8 residents is ideal; larger models may require coordinators and weekend staff.
- **Legal Structure and Funding:** Form LLCs or nonprofits to access grants, ensure governance, and scale operations effectively.



Photo by Tierra Mallorca on Unsplash

Marketing and Community Integration

Building Awareness and Referral Networks

- **Referral Partnerships:** Collaborate with treatment centers, drug courts, and case managers to ensure consistent intake.
- **Accreditation Adds Credibility:** Certification by GARR enhances trust and eligibility for referrals and funding.
- **Local Engagement:** Attend coalitions, offer tours, and maintain visibility within the recovery ecosystem.



Photo by Clark Tibbs on Unsplash

Call to Action for Property Owners

Turn Vacant Rentals into Impact-Driven Income

- **Guaranteed Bill Coverage:** All operational costs — utilities, upkeep, mortgage — fully managed and paid by the operator.
- **50% Profit Share:** Owners receive half of net income monthly with transparent financial reconciliation.
- **Community Impact:** Each home helps individuals in recovery find stability and hope — creating real social value.



Photo by Precondo CA on Unsplash

Strategic Entity Structure: LLC, Shelf Company & Nonprofit Hybrid

Anonymity, Credit Building, and Social Impact Combined

- **LLC-Manages-Aged LLC:** Your primary LLC is listed as the manager of a New Mexico shelf LLC, preserving anonymity and control.
- **Nonprofit Hybrid Structure:** Create a 501(c)(3) to access grants and donations, while the LLC offers fee-based services or back-end operations.
- **Best State for Nonprofits:** California or Delaware offer strong nonprofit laws and grant access. Delaware is preferred for hybrid legal clarity.



Photo by Slidebean on Unsplash

Chronological Setup Guide: Anonymous, Credit-Ready Hybrid Entity

Step-by-Step Instructions with Pro Tips

- **Step 1: Acquire NM Shelf LLC:** Purchase a clean, aged New Mexico LLC from a reputable vendor like Primera Inc. Ensure no EIN exists yet to preserve a clean credit slate.
- **Step 2: Assign Your LLC as Manager:** Form a fresh LLC in a state like Wyoming or Delaware and list it as the manager of the NM shelf LLC. This gives control while preserving anonymity.
- **Step 3: File for EIN with IRS:** Use your NM shelf LLC to apply for a new EIN via IRS.gov. Do not list personal SSN; use your new managing LLC's responsible party where possible.
- **Step 4: Register with Business Credit Agencies:** Set up a DUNS number via Dun & Bradstreet and register with Experian Business and Equifax. Use a business address and phone, not personal info.
- **Step 5: Form 501(c)(3) Nonprofit:** In Delaware or California, file Articles of Incorporation for a nonprofit. Draft bylaws with hybrid intent (service-based funding + grants).
- **Step 6: File DBA for Public Branding:** Register a Doing-Business-As name for your NM LLC that matches your nonprofit's mission or service goals — preserving the aged identity.
- **Step 7: Build Business Credit and Bank Relationships:** Open a business bank account, apply for net-30 vendor accounts, and report on-time payments to build tradelines quickly.
- **Step 8: Market and Fund:** Use your nonprofit status to apply for grants and community funding, while your LLC provides services or consulting under contract.

Funding Sober Living Home Ownership

Loans, Grants, and Creative Financing Strategies

- **DSCR Loans (Group Housing):** Property income-based loans with fast approvals. Avoid 'sober living' label; use 'group rental housing' for underwriting success.
- **Grants for Nonprofits:** SAMHSA, HUD, and state programs offer non-repayable funding for mission-aligned homes. Structure as nonprofit or hybrid.
- **Creative & Rural Financing:** CDFIs, USDA Section 523, and seller financing offer tailored options for rural or community-based properties.



Photo by Tierra Mallorca on Unsplash

Georgia Sober Living Supply vs Demand

Critical Shortage Amid High Recovery Needs

- **Severe Undersupply:** Only 0.79 recovery residences per 100k residents; Georgia ranks 48th in national availability.
- **High Unmet Need:** 137 of 159 counties lack even one sober home, despite addiction mortality rates averaging 11.9/100k.
- **Policy Momentum:** Recent legislation like HB 1073 may ease zoning restrictions and stigma, improving growth opportunities.



Photo by Tierra Mallorca on Unsplash

Financial Model: Sober Living vs PadSplit/Spare Room

3-Bedroom Property in Pittsburgh Neighborhood, Atlanta

- **Sober Living Home:** Revenue: 10–12 beds x \$250/week = \$10,000–\$12,000/month Expenses: \$1,000 (utilities/insurance) + \$2,400 (house manager) = \$3,400 **Net Income: \$6,600–\$8,600/month**
- **PadSplit Model:** Revenue: 6–7 renters x ~\$160/week = \$3,840–\$4,480/month Expenses: Similar utilities/insurance; no manager. **Net Income: ~\$2,800–\$3,400/month (with self-management)**
- **Strategic Edge:** Sober living model generates ~2.5x the income, supports social mission, and qualifies for grants or nonprofit incentives.



Photo by Tierra Mallorca on Unsplash

Financial Model: Sober Living vs PadSplit (3 Renters)

Targeting 3 Tenants at Market Rates

- **Sober Living Model:** 10–12 residents @ \$250/week
= \$10,000–\$12,000/month Expenses: \$700
(utilities/insurance) + \$2,400 (manager) + \$1,800
(mortgage/rent) **Net Income:
\$5,100–\$7,100/month**

- **PadSplit Model (3 Tenants Only):** 3 tenants @
\$900–\$1,100 = \$2,700–\$3,300/month Expenses:
\$700 (utilities/insurance) + \$1,800 (mortgage/rent)
Net Income: \$200–\$800/month

- **Profit Contrast:** Sober living outperforms PadSplit
6x–10x with more stability and access to funding
opportunities.



Photo by Tierra Mallorca on Unsplash

Why Partner on a Sober Living Home?

Guaranteed Income + Community Impact



Guaranteed Rent Match

Receive fixed monthly rent equivalent to 3 PadSplit tenants (~\$2,800), regardless of occupancy.



Profit Share Bonus

Earn 10% of all monthly revenue generated at your property — on top of guaranteed rent.



Limited Maintenance Responsibility

We cover all wear-and-tear and minor repairs under \$200. Owners handle structure, HVAC, and major systems.