

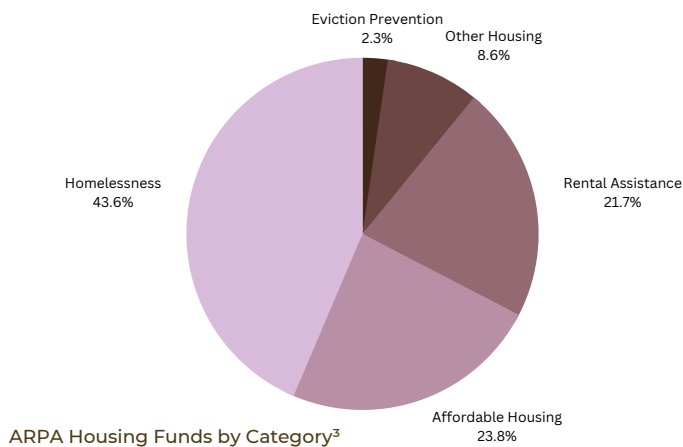
ARPA FUNDS & AFFORDABLE HOUSING

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The Housing Affordability Crisis



- Home prices and rents are rising in towns and cities across the US
- The US faces a shortage of 3.8 million housing units¹
- The COVID-19 pandemic exacerbated the affordable housing crisis and increased the need for non-congregate housing options
- With federal rental assistance and eviction moratorium programs ending, homelessness has increased across the country²

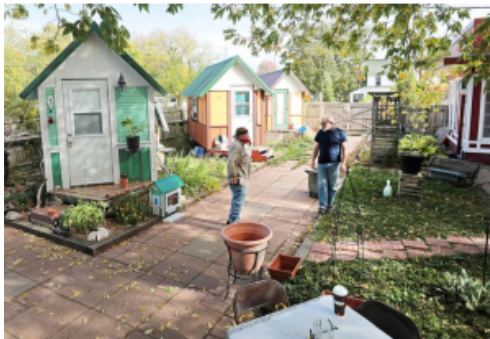


ARPA Funds for Housing

- ARPA enabled states and localities to develop transformative housing programs in their communities across multiple categories
- Homelessness prevention accounted for the majority of spending (43.6%)



Innovative Projects



A tiny home village in Madison, WI

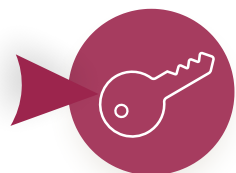
- This brief focuses on two innovative uses of ARPA funding for the prevention of homelessness: **tiny home villages** and the **conversion of hotels/motels**.
- Tiny homes offer a short-term solution to ending homelessness, while hotel/motel conversions are a long-term solution offering permanent supportive housing.
- Both types of projects are replicable and feasible in municipalities across New York.



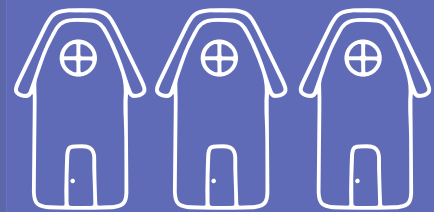
Plans for a motel conversion in Williston, VT

Takeaways for Practice

- Rules and regulations (from ARPA and local zoning) can interfere with project success
- Project location is a key challenge - they must be located near transportation, services, etc.
- Affordability and time efficiency are key benefits of hotel conversions and tiny home villages
- Community buy-in is crucial to success; community education can alleviate concerns and NIMBYism
- Partnerships and collaboration across city agencies and with non-profit organizations are important
- Leveraging diverse funding sources helps to stretch ARPA funds and ensure financial sustainability



Tiny Homes



Costs -

- Inefficient use of land to fulfill housing and homeless needs
- Difficult to scale up
- Location must be transit-oriented and close to services
- Political feasibility – could face community resistance

Benefits +

- Improves quality of life for homeless individuals living in encampments or in shelters
- Tiny home villages can aggregate services (additional support, case management, etc.)
- Faster and cheaper to build than traditional housing units

Case Studies: Tiny Homes

Madison, WI

[Link to More Info](#)

- Used \$890k in ARPA funds for a tiny home village that includes property management and utilities
- 30 tiny homes, measuring 64 sq. ft., were built (though one was lost due to a fire)
- These will be supported until mid-2023
- Gained cross-departmental support from city agencies as well as political support

St. Louis, MO

[Link to More Info](#)

- Used \$1m in ARPA funds (total project cost was \$10m)
- 50 tiny homes were constructed for homeless veterans
- Half of these are for individuals with 80% of AMI, 20 are for individuals with 65% of AMI, and 5 are for individuals with 30% of AMI
- Gained support from city legislation and local leader/former MO Secretary of State, Jason Kander
- Neighbors resisted the construction of a second tiny home village site

Hotel Conversion



Costs -

- City government and social service providers often lack the technical know-how to manage conversion projects
- The units are typically too small for families
- Buildings may lack green space and other amenities

Benefits +

- Hotel/motels are built for long-term stays and already include plumbing, lighting, small kitchens, furnishings, etc.
- Acquisition and conversion is cheaper and faster to implement than new construction
- Many are easily accessible by transportation

Case Studies: Hotel Conversion

Williston, VT

[Link to More Info](#)

- The Champlain Housing Trust has 10 years of experience converting hotels
- The ARPA-funded project will have 72 permanent units with on-site services/case management
 - 38 of these will be for formerly homeless people; 34 units will be for low-income households
- Local officials were publicly supportive and the town's Select Board approved the project
- Neighbors were concerned about parking requirements. The project was granted a zoning exemption.

Austin, TX

[Link to More Info](#)

- City officials had experience converting hotels
- Two conversion projects were funded through ARPA:
 - *Pecan Gardens* will have 78 permanent units
 - *Bungalows* will have 60 permanent units
- Gained support from city administrators and city council members
- Community meetings were crucial for buy-in
- Construction is moving ahead despite the fact that Williamson County is suing the city because they were not consulted.

¹Lopez, G. (2022, July 15). Homeless in America. *The New York Times*. <https://www.nytimes.com/2022/07/15/briefing/homelessness-america-housing-crisis.html>

²Arnold, C. et al. (2022, July 14). There's a Massive Housing Shortage Across the US. *NPR*. <https://tinyurl.com/NPR-housing>.

³Local Government ARPA Investment Tracker. (2022, Oct. 17) *The Brookings Institution*. <https://www.brookings.edu/interactives/arpa-investment-tracker/>.