

Unit Acquisition Strategies and Examples to Support Housing Development

As communities implement [coordinated rehousing strategies](#) targeting new [federal resources](#), many have included acquiring and rehabilitating hotels and motels in their efforts. The process for acquisition and conversion can be complicated and navigating local zoning laws and advocating for political will and community buy-in takes time. Ultimately, however, the impact of additional affordable units and the cost-effectiveness of rehabilitation instead of new construction has proved worth the time and effort. As a result, communities have begun to explore additional creative options to utilize new federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the America Rescue Plan for converting a variety of structures into permanent, affordable housing. This document highlights several examples of communities who have moved beyond hotel/motel conversion with innovative partnerships to preserve existing housing stock and/or increase unit availability.

Coordination is the Key to Success

[Maximizing the impact](#) of new federal resources to increase unit availability and reduce homelessness, while ensuring housing stability as eviction moratoriums expire and [developing a long-term pipeline of affordable housing](#), should be part of a coordinated community plan and overall rehousing strategy. Combining cross-sector planning and the development of collaborative public-private partnerships with [equitable](#) and inclusive practices, including assessing community data and lifting up the voices of [persons with lived experience](#) in project planning, is the key to success in unit acquisition. Approaching these projects with an equity focus can ensure project types, locations and unit configuration meet the needs of persons experiencing homelessness.

Innovative Model Spotlight

In California, the [Homekey](#) program has become a [model of innovative and strategic resource utilization](#) in public-private partnerships. In 2020, new legislation was passed that created the statutory basis for this extensive effort. As a result, the California Department of Housing and Community Development (HCD) implemented a grant program dedicating \$550 million in Coronavirus Relief Funds (CRF), combined with other state and local funding sources, for applicants to purchase and rehabilitate a wide variety of existing buildings (e.g., hotels, motels, dormitories, apartments, single-family homes) and convert them into permanent housing. This resulted in the addition of nearly 6,000 units of housing over the course of several months. The program has recently been expanded with another investment of \$2.75B to create up to 14,000 additional units.

One major takeaway of this effort, in addition to the efficiency and speed of development, was the cost-savings. A financial review of the program noted that the average cost per unit acquired was \$127,254, which is significantly lower than the average of over \$500k per unit for typical new permanent supportive housing (PSH) development in the state.

As is the case in any affordable housing or PSH development effort, creating strong partnerships and [identifying adequate resources](#) for [ongoing rental assistance, operating expenses and service provision](#) must be a part of the planning process for acquisition and conversion to housing.

Other Innovative Case Studies

Community	Project Summary	Project Partners
City of Greensboro, NC (Urban)	<p>The City of Greensboro is in the planning process to purchase and convert an abandoned motel into approximately 74 units of permanent supportive housing. The parcel includes an adjacent lot where they intend to co-locate a Federally Qualified Health Center (HQFC). The property is a single-story building, with all units open to the outside, and is located in an area impacted by issues of poverty, gentrification and lack of investment. The project is a public-private partnership utilizing HOME-ARP funding, housing bonds, and funding from local philanthropic foundations.</p> <p>Once approved, the project will be immediately utilized for a non-congregate winter shelter, with renovations scheduled to begin after the winter season.</p>	City of Greensboro, FQHC, a non-profit developer, a local Community Foundation, all local health systems, and the CoC.

Community	Project Summary	Project Partners
<p>City of Oakland, CA (Urban/ Suburban)</p>	<p>In 2020, the Oakland City Council approved a deal to purchase and convert Clifton Hall, a four-story, 63-unit vacant former college dormitory in the Rockridge neighborhood of North Oakland, into Interim and Permanent Supportive Housing units. To finance the project, the city was awarded funding through the California State Homekey grant program. As a creative mixed-use development, the top two floors of the building will be converted into 42 units of housing for seniors experiencing homelessness and at high risk of contracting COVID. These units will be supported by a service coordinator, with an emphasis on senior health and social services. The second floor will be the location of an interim housing family shelter, capable of sheltering 20 family households at a point in time, while the first floor will hold the offices of Family Front Door, the hub for Coordinated Entry for families experiencing homelessness in Northern Alameda County.</p> <p>The city plans to capitalize up to 13 years of operating funds from its Homeless Housing, Assistance and Prevention (HHAP) funding as a match to two years of operating funding for the Homekey grant.</p> <p>Residents began moving in at the end of 2020.</p>	<p>City of Oakland, Oakland Human Services, Family Front Door, Alameda County Continuum of Care, other community partners.</p>
<p>Big Bear Lake, San Bernardino, CA (Rural)</p>	<p>In the rural, mountain community of Big Bear Lake in San Bernardino, CA., a partnership between the Housing Authority of the County of San Bernardino and the Mountain Homeless Coalition led to the conversion of an existing property containing six cabins, with space for two additional units, into the Georgia Street Cabins. This project is now a community of affordable, low-income housing targeting persons experiencing or at risk of homelessness who are 55+ and have a disability or chronic health condition. This effort was also funded utilizing a Homekey grant. HHAP funding was utilized for operating costs and supportive services. The partnership is currently planning on acquiring additional units in the mountain region to be utilized for shared housing.</p> <p>The cabins were completed and fully occupied by early 2021.</p>	<p>Housing Authority of the County of San Bernardino, the Mountain Homeless Coalition, the San Bernardino Homeless Coalition CoC, various churches and non-profit and private organizations.</p>
<p>Jacksonville, FL (Suburban)</p>	<p>Habitat for Humanity of Jacksonville, Inc. (HabiJax), known for building affordable housing for home ownership, has stepped out of the box to develop an affordable rental home community utilizing wholly philanthropic funding.</p> <p>Tiny Houses on Navaho consists of 50 one-bedroom homes under 600 sq. ft. each., built around four courtyards. Rents will be income based, lower than Fair Market Rent (FMR), and renters must be within 30%-80% of Area Median Income for Duval County, Florida. The homes will be furnished, including appliances, and the entire project was fully funded by the Delores Barr Weaver Tiny House Fund at the Community Foundation for Northeast Florida.</p> <p>The development will be managed by Ability Housing, Inc., a non-profit that operates housing developments targeted to people with disabilities and/or those at risk/experiencing homelessness. Social service organizations will refer potential renters to the development. Building and zoning codes are typically written for larger structures and navigating the red-tape involved in a development such as this can be cumbersome – experience that Habitat for Humanity brought to the table to help this project move forward successfully. The community is located close to bus routes, and residents will be able to walk or bike to nearby amenities. Construction began in November 2020 and was completed in September 2021.</p>	<p>HabiJax, Northeast Florida Builders Association, Community Foundation for Northeast Florida, Ability Housing, Inc.</p>