



 NATIONAL COALITION  
*for* HOMELESS VETERANS

# TINY HOMES GUIDE

PLANNING, ZONING, FUNDING AND POLICY  
CONSIDERATIONS

# PLANNING AND ZONING, FUNDING AND POLICY CONSIDERATIONS

In most communities differentiating between tiny home villages for temporary or permanent housing is necessary. Defining the purpose of each tiny home village, not only helps to define the target population but is considered a major factor in the residents' long-term success.

In addition, outlining the purpose helps to identify what funding is available, what policies may need adjusting to allow for such housing intervention, and what site specifications will contribute to the unit's permanence.

# LOCAL ZONING

In some communities tiny homes are directly addressed through zoning and building codes, and in other communities it is less clear. The zoning and building codes, will impact possible locations, and whether a tiny home community can be established permanently or on a temporary basis.

Zoning will outline where you can build tiny homes, and where they are not permitted. By reviewing your community's zoning, you will also be able to identify if multiple units are allowed on a single lot. Several cities and localities have adjusted their zoning in recent years to allow more than one unit on lots previously considered single family only. In addition to this specification, tiny homes may be addressed in guidance outlining the use of Accessory Dwelling Units (ADUs) in residential zones.

Zoning will also outline if temporary housing is allowed and under what capacity. Usually, homes that are built below a locally set minimum floor area are considered temporary housing. States and local governments determine what floor area is required for structures to be considered permanent residential dwellings. Zoning will clearly outline where residential structures are allowed for units that do meet the minimum floor area requirement.

For units that do not meet the minimum floor area to be designated permanent residential dwellings, a variance can be obtained to allow for smaller structures and to adjust where they can be placed. In most cases, localities allow temporary emergency shelter to be built with certain exemptions that permanent housing is not granted. In areas where this is true, this can expedite the permitting process and enable the home to be built quickly.

# LOCAL BUILDING CODES

To understand what is and is not permitted beyond identifying the minimum floor area considered for permanent shelter; local building codes will also identify how to specifically construct the homes. Some communities outright ban this type of construction, while other localities allow prefabricated or modular housing and may permit tiny homes built on a permanent foundation.

How a locality permits Single Room Occupancy (SRO) units will also be specified in local building codes which directly impacts the format developments must take on to be permitted and eligible for funding. Building codes will also outline once a structure is over a certain square footage what elements such as windows, plumbing and ceiling heights are necessary for units to be considered habitable. Again, housing providers can apply to build outside of these codes but obtaining a variance will largely depend on how friendly a neighborhood is to tiny homes.

# FUNDING AVAILABILITY

Establishing whether tiny homes will be used for temporary, transitional, permanent or emergency housing, will also determine what funding can be used to construct the community. Localities can allocate funding specifically to tiny home communities for individuals exiting homelessness. However, there is funding that already exists which can be used for these communities.

Funding for emergency housing can be used if states or cities have declared homelessness a “state of emergency”. **Additionally, existing CARES Act funding can be used to fund emergency housing and temporary shelter, including tiny home communities.** CARES Act funding was distributed to states and local governments, to support existing and emergency housing programs. This funding can be used by state and local governments or awarded to nonprofits and other affordable housing developers and providers through a notice of funding availability.



The City of St Louis Missouri is using \$600,000 from their \$32 million in federal CARES Act money to build a temporary tiny home village on leased land. The property will consist of 50 tiny homes all between 80-95 sq. ft. Each home has basic furnishings including a bed and a desk. Homes also include heating and air conditioning, and showers will be in a shared facility on site.

# FUNDING AVAILABILITY


Funding for individuals experiencing homelessness, including response, prevention and sheltering services was part of the CARES Act, and most are also funded on a yearly basis. This funding includes Emergency Solutions Grants (ESG) and Community Development Block Grants (CDBG), which can also be used to support tiny home community development.




Quixote Communities, developers of Quixote Village in Washington state, used CDBG funding to support overall site development. When tiny home communities are developed as permanent housing, construction costs can be higher because of the infrastructure development and site preparation needed to support the completed project. HUD CDBG funding can cover the costs of the main community building construction, off-site infrastructure upgrades and any shared site costs based on square footage.

# FUNDING AVAILABILITY

While increasing allocations for the federal Housing Trust Fund program was not part of the CARES Act, existing funding for this program exists. **In addition to this, many states have their own Housing Trust Fund programs, which can be used to fund tiny home community development.** HOME program funds have also been used to fund tiny home communities, particularly in a permanent setting and where tiny homes have full amenities like bathrooms and kitchens within each unit.



Quixote Communities was recently awarded \$260,000 from the Washington State Housing Trust Fund for its newest property, Orting Veterans Village. The community will be located on a 181-acre Washington State Department of Veterans Affairs VA medical campus and include 35 permanent tiny homes for veterans exiting homelessness in Pierce County, Washington. The property also received 30 project-based housing choice vouchers and 5 HUD- VASH vouchers.



In Kennewick Washington, the local housing authority is in the predevelopment stage for a new tiny home community which will include 16 homes for individuals exiting homelessness, including veterans. The community is located on one acre and will have homes varying from studios to two bedrooms, between 300 and 600 square feet. The homes will have full kitchens and bathrooms in each unit and resemble full scale homes which is intended to help stabilize those living onsite, so they are ready to transition to bigger units in a year's time.

The housing authority is focusing on training individuals to become good tenants, and helping them transition out to a housing voucher when they are ready. The project was awarded funding through the Washington State Housing Trust Fund, as well as the tri-cities HOME consortium allocation of HOME Investment Partnership Program funding.

# FUNDING AVAILABILITY

**To offset the long-term operational costs of permanent tiny home communities, housing vouchers have proved viable sources of funding.** Both project-based and tenant-based vouchers can be utilized. HUD VASH and tenant-based HCV can be used to offset the rental payments expected of residents in permanent communities, where individual units meet the typical housing quality standards checklist. Tiny home communities designed to fit the permanent supportive housing model can also be allocated project-based vouchers. However, this does mean the communities have to meet affordability term requirements expected of developments that typically receive this type of funding.



Share Village in downtown Las Vegas, Nevada has perfected the conversion of shipping containers into tiny homes for veterans exiting homelessness. Converting the shipping containers into affordable tiny homes costs roughly \$37,000 and the rent comes to \$650 a month. The city had to adopt several policies to allow for tiny homes to be used as permanent housing. Each home is below 400 square feet and includes a private kitchen and bathroom. Veterans renting tiny homes on the campus use HUD VASH vouchers to offset their monthly rental costs.