

Affordable Housing Alternatives: From Traditional to Creative Solutions to Unusual Solutions

Shared Housing Models:

“Single-Room Occupancy” (SRO). The SRO residential model was built around shared living for cooking, bathing and other common areas, with smaller private sleeping quarters for its residents.

Home Sharing: Home sharing is a living arrangement in which two or more unrelated people share a house or apartment. A home share program provides a service that helps to match a person who has an extra room or separate unit available (a provider) with a seeker who is looking for a place to live.

I. Home Sharing Models:

1. Homeowner rents room in exchange for monetary compensation or assistance with household tasks
2. Roommate Matching
Housing provider rents out entire space to group of individuals who choose to live together
3. Can be private market based or public sector based
4. Approximately sixty home share programs run by the public sector or non-profits are currently up and running around the country. Home sharing serves two populations of people—both seeker and provider.

II. One Possibility: Airbnb/‘Craigslist’ Model-Private Sector Model

1. Create an online platform for local people to make some extra money renting out their spare room or rooms or sharing their home on a long-term basis.
2. This approach requires no government involvement. It can be purely a market-based approach to increasing the supply of housing and increasing affordability
3. This approach could facilitate older individuals with more space than they need to find others to share their space.
4. Could appeal to young—millennials more open to creative living arrangements

III. Examples of Home Sharing Models-Agency Facilitated

1. Home Share Now, Vermont

Matches homeowners with an extra room with home seekers
Can be rent and/or service exchange or combination
Agency provides matching and mentoring service

2. **HIP (Housing Improvement Program) Housing in San Mateo County, California.** It created its [Home Sharing Program](#) in 1979 as a way to help some seniors—who often are house rich but cash poor— find housemates or other senior find affordable housing. HIP Housing is a social service nonprofit that assesses the needs of both home seekers and providers and offers referrals to professional development and education, mental health case management, food stamps and other community services and programs. Various models:
 - a) A Home Provider is matched with a Home Seeker who pays rent

- b) A Home Provider is matched with a Home Seeker who exchanges household duties for reduced rent
- c) Most of HIP Housing's Home Providers have a room in their residence or ADU

IV. Examples of Agency Run Roommate Sharing:

--Pacific House (Stamford, CT)

Agency built and renovated apartment complexes; 1-4 bedroom units
Private bedrooms and private bathrooms
Serving chronically homeless individuals
Comprehensive case management
Funded using state tax stimulus and target foreclosure properties
Neighborhood revitalization – opposite of NIMBYism

--Share! Collaborative Housing in Los Angeles

Impact: 400-500 people in housing each year:
Homeowner incentive – Rent above market rate

--Jefferson County in the Denver area is creating a new program based on integrated work across agencies including the housing authority, community development department, faith based and other community-based organizations. In their first case they helped a senior to renovate her basement for habitability, while placing there a recently homeless room seeker and setting her up with workforce training and a Head Start program for her child.

- Best Practices to insure success:
 - a. thorough screening mechanisms
 - b. criminal background checks
 - c. follow-up support
 - d. conflict mediation
 - e. Housing's Living Together Agreement
- A number of jurisdictions support the program through CDBG grants or general or special housing funds. And the bulk of funding comes from foundation and corporate grants and individual donations. Consequently, HIP Housing is able to provide their home share services with no fees to either the seeker or provider.

Construction-Centered Approaches to Affordable Housing

1. Mobile Home Parks: A Critical Piece of the Puzzle

In 2021, the average cost of a brand new manufactured (i.e., mobile) home was \$80,000. That same year, the average cost of a single-family, site-built home was \$390,900, and that was just for the home. Land adds nearly another \$100,000 to that cost.⁴

With the average cost of a mobile home being 75% less than a site-built home, and the average cost to rent a space in a mobile home park being 50% or less than an apartment in the same neighborhood, this combination is the solution to America's affordable housing problem. The optimal use of Mobile homes as an option would be to seek zoning changes that would allow such land use in key parts of a city.

Public Sector or Non-Profit Entity Purchase of land for Mobile Home Parks: Public or non-profit entities could purchase land in locations close to city centers or desirable places within a city. Rather than building homes on the land, the land could be used to develop a mobile home park. Land could be placed in a Land Trust to insure future affordability.

Private Investment in Mobile Home Parks: The pandemic was rough on most real estate investments, but mobile home parks proved to outperform other real estate through that crisis. Similarly, mobile home parks tend to [perform well in recessions](#) and times of greater economic uncertainty.

Institutional real estate investors such as Sam Zell, Blackstone, and the Carlyle Group understand the recession resilient qualities of mobile home parks and are allocating significant capital to the asset class. At the same time, investors like Warren Buffet are heavily invested into the business of manufacturing mobile homes.

The increase in mobile home park investments is partly driven by the simplicity for private investors to participate. Private investors don't need the connections of institutions to delve into mobile home park ownership, nor the skills and time required to buy and run a mobile home park on their own. Investing through a [mobile home park syndicator](#) allows for a [passive investment](#), in which the syndicator finds, buys, and manages the parks on behalf of investors.

2. Building Up not Out:

Expand existing stock of housing by 'building up.' Explore the possibility of adding a new story to an existing facility to increase capacity. This option might be cheaper than buying land and starting construction from scratch.

3. Modular Construction and using 3D Printing to housing's advantage. **Changing Subsidy Structure**

Advocate for a Market-Based Approach to Subsidies: A simple cash subsidy, delivered monthly, could offset those concerns for the most vulnerable renters. The subsidy could be designed to protect people paying over 30% of their annual income on rent by covering that excess amount they have to spend. This approach tracks with the increasingly popular idea of a universal basic income, and Washington, D.C. is already experimenting with delivering such cash assistance to renters as an alternative to more convoluted housing assistance programs, like Section 8 vouchers.

Ownership Models

Co-Ownership Models for purchasing homes: Co-ownership is partnering to buy a property, an agreement between two or more parties to purchase a property. You can co-own with members of your family, friends or anyone else who's like-minded.

The parties will often work with a lender partner such as a bank who provides a mortgage to enable the purchase. Your rights and obligations will be set out in a co-ownership agreement that meets your individual and collective needs as purchasers, and the needs of the lending institution. This agreement will clarify what you can and cannot do with the property and will cover a breadth of topics ranging from ownership shares to decision-making processes, to property management and maintenance.

Potential Partnering Agencies:

Services for Independent Living
Housing Commission (CDBG and HOME Funding)
Council on Aging (name???)

Sources

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