

# Transforming Underutilized Properties into Housing

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# Research on Hotel to Housing Conversion

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## National Alliance to End Homelessness

- Sought insights from programs and projects funded in 2020
  - Funding through CARES act; State and local resources
- Provided input to policymakers
  - HOME-ARP Program -- \$5 billion coming later this year -- \$42 million for Iowa
  - State and local discretionary ARP funds
- Developed case studies to assist states and localities, developers, owners and service providers, to assist with development and implementation of future programs and projects

# Hotels to Housing Case Studies

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- Case studies available now  
[www.endhomelessness.org/hotelstohousing](http://www.endhomelessness.org/hotelstohousing)
- Program level case studies
  - California, Oregon, Vermont, Hennepin County (MN)
- Project level case studies
  - Fort Worth, San Diego, Los Angeles, Essex Junction (VT), Minneapolis

# Hotels to Housing Other Resources

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- National Housing Conference Webinars

- [https://nhc.org/events/category/policy/?tribe\\_event\\_display=past](https://nhc.org/events/category/policy/?tribe_event_display=past)

- Program level presenters (June 17)

- California, Oregon, Vermont

- Project level presenters (July 21)

- King County WA, Hennepin County MN, Fort Worth TX

# California – Homekey Program

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- 6,066 units created; 95 projects; 51 communities
- \$846 million awarded -- \$700 million CARES act; \$50 million State; \$46 million philanthropy
- Average cost per unit: \$148,000 (range \$118,000 to \$397,000)
- Timeline
  - Program announced: June 2020
  - All projects purchased: December 2020
  - Move-ins complete: March 2021
- Program administered by state agency; Projects selected by local communities; Owned and operated by public and private entities



Kearny Vista Apartments – San Diego

# Vermont – Coronavirus Relief Fund

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- 247 units created; 13 projects; 13 communities
- \$33 million CARES act dollars awarded
- Projects range from 1 unit to 68 units
- Timeline
  - Program announced: June 2020
  - All projects purchased: December 2020
  - Move-ins complete: March 2021
- Program administered by state agency; Projects selected by local communities; Owned and operated by public and private entities



The Chalet – West Brattleboro

# Casa de Esperanza – Fort Worth TX

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- 122 unit Extended-stay Hotel converted  
119 permanent apartments
- Average unit 250 sq. ft. fully furnished
- \$10 million total cost (\$84,000 per unit)
- Timeline
  - Permitting: August 2020
  - Purchased: October 2020
  - Move-ins: Started December 2020
- Developed by for-profit developer;  
owned by entity of public housing authority
- Federal CARES funding plus 119 vouchers





# Susan's Place – Essex Junction VT

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- 113 unit Hotel converted 68 permanent apartments
- Average unit 800 sq. ft. fully furnished
- \$12.8 million total cost (\$188,000 per unit)
- Timeline
  - Permitting: July 2020
  - Purchased: September 2020
  - Move-ins: Started November 2020
- Developed owned and managed by non-profit developer
- Federal CARES funding plus 30 vouchers





# Stevens Square Residence – Minneapolis

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- Former residential treatment center converted 31 SRO apartments
- Furnished sleeping rooms; shared kitchen and baths
- \$1.1 million total cost (\$36,400 per unit)
- Timeline
  - Purchased: November 2020
  - Move-ins: Started December 2020
- Owned by county; management contract for non-profit as landlord
- County funds; unsubsidized rents \$375/mo.



# “Exodus 2.0” Adaptive Reuse in Mpls.

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- Conversion of a former nursing home, scheduled for move-in 2023:
  - 197 units of permanent housing
  - 30 recuperative care units
  - 6 transition units for veterans
  - Health clinic and offices for Catholic Charities
- \$70 million project
  - State housing infrastructure bonds
  - Federal tax credits – 4% LIHTC and NMTC
  - City and county funds
  - \$13 million private contributions
  - \$5 million pro bono development services

# Transforming Properties – Key Insights

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- Programmatic guidelines can be very helpful to developers and localities
- Commercial real estate expertise and contacts are important for identifying suitable properties
- Clear expectations about populations to be served is critical to buying the right properties
- Financial resources for capital expenses and on-going operations must be identified
  - Short-term and long-term resources
- Zoning/land use and building code issues need early consideration

# For more information

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