

# HOMELESSNESS TASKFORCE CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: January 23, 2025

PREPARED BY: Ivan Tenorio, Homeless and Supportive Services Manager

SUBJECT: EVALUATING ALTERNATIVES TO TINY HOME DEVELOPMENT:  
PRIORITIZING HOUSING AND HOMELESS RESOURCES

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## **RECOMMENDATION:**

Recommend prioritizing existing housing and homeless resources instead of tiny home development.

## **BACKGROUND/ANALYSIS:**

At the May 21, 2024, Homelessness Taskforce meeting, members requested information on tiny home projects. In response, City staff compiled a comprehensive report offering an overview of several projects. This includes:

- Descriptions of four existing tiny home communities.
- The range of services offered at each site.
- An analysis of the advantages and limitations of these communities.

The report also examines Palm Desert's zoning laws, identifying how they may support or restrict tiny home initiatives. To illustrate how tiny home projects function across different regions of the country, the following examples showcase unique communities, each with distinct approaches to supporting residents and transitioning them into permanent housing. Included are details on the benefits, challenges, and annual operational costs (not including infrastructure costs).

### **Community First Village (Austin, TX):**

- **Unit Amount:** 500 tiny homes
- **Land Size:** Initially 51 acres, with plans to expand by an additional 127 acres, bringing the total to 178 acres.
- **Services:** Residents access healthcare, job training, art studios, gardens, and peer support.
- **Transition to Permanent Housing:** 91% success rate.
- **Length of Stay:** Residents are typically given indefinite stays, as the community aims to provide permanent housing for the chronically homeless.
- **Advantages:** Provides permanent, stable housing with strong community support and job opportunities, allowing residents to build a long-term life in one place.

- **Challenges:** High operational cost and the need for significant land make it challenging to replicate; long-term commitment can limit spaces for new residents.
- **Operational Cost:** \$6 million per year

Interbay Village (Seattle, WA):

- **Unit Amount:** 76 tiny homes
- **Land Size:** Specific acreage is not publicly disclosed
- **Services:** Case management, job placement, health care, and mental health services.
- **Transition to Permanent Housing:** 40% success rate.
- **Length of Stay:** Short-term for 6–12 months, though extensions are possible based on individual needs and until permanent housing is secured.
- **Advantages:** Modular and scalable; quick to set up and flexible with location options; effective in reducing unsheltered homelessness quickly.
- **Challenges:** Temporary housing can feel unstable for residents; needs substantial ongoing support services to ensure smooth transitions to permanent housing.
- **Operational Cost:** \$1.5 million per year.

Hope Village (Medford, OR):

- **Unit Amount:** 30 tiny homes
- **Land Size:** 1 acre.
- **Services:** Provides support for mental health, employment, and general counseling.
- **Transition to Permanent Housing:** 60% success rate.
- **Length of Stay:** Short-term, often between 6–12 months, with extensions for those working toward housing stability.
- **Advantages:** Small, close-knit community that emphasizes mental health and employment support, creating a tailored approach to help residents move toward self-sufficiency.
- **Challenges:** Limited capacity and high demand result in waitlists; availability of permanent housing options in the area can impact the transition process.
- **Operational Cost:** \$200,000 per year.

Chandler Boulevard Tiny Home Village (Los Angeles, CA):

- **Unit Amount:** 40 tiny homes
- **Land Size:** Approximately 0.75 acres
- **Services:** Case management, storage, hygiene facilities, meals, housing navigation, behavioral health services, and job training.
- **Transition to Permanent Housing:** 30% success rate.
- **Length:** Short-term, typically 3–6 months, as these villages are focused on rapid rehousing into apartments or reunification with family.
- **Advantages:** Rapid setup to address urgent homelessness; equipped with basic facilities and services for daily living and support, making it effective as a short-term solution.

- **Challenges:** Although the intended stay is 3–6 months, the limited timeframe may not be sufficient for all residents to secure permanent housing. With a shortage of affordable housing options in Los Angeles, some residents may face difficulty transitioning and could return to homelessness.
- **Operational Cost:** \$1.2 million per year.

The examples reviewed demonstrate that tiny home projects can effectively address specific housing needs, particularly for transitional or emergency housing. However, these initiatives often require significant land, infrastructure, and operational funding, as evidenced by models like Austin’s Community First Village. Additionally, their success depends heavily on tailored zoning laws and robust support services—factors that pose challenges given Palm Desert’s current zoning restrictions and resource limitations.

### **Funding Challenges**

Although innovative, tiny home village funding models face several challenges. Each model depends on a mix of private donations, government funding, and community support, which can lead to sustainability issues if any of these resources decrease. High initial costs and complex funding arrangements can hinder scalability, particularly in resource-constrained regions. The models that rely heavily on community contributions or volunteer support may struggle with operational stability, as these resources are not always predictable.

In the City of Palm Desert, funding options are further limited. The City currently relies on Permanent Local Housing Allocation (PLHA) funds and Opioid Settlement funds, which are already encumbered for existing homeless support services. These funding sources are not available to support the development or operation of new initiatives like tiny home villages.

While these models demonstrate the potential of tiny home communities, local zoning regulations also play a significant role in determining what is feasible within the City of Palm Desert.

### **Palm Desert Zoning Laws**

Local zoning regulations pose challenges for transitional or emergency tiny home projects, including:

- Density restrictions and conditional use permits.
- Setback, building, and parking requirements.
- Infrastructure obligations.
- Size and occupancy criteria

Many areas in the city require homes to be at least 1,000 square feet, a standard that tiny homes typically do not meet. Additionally, density restrictions limit the number of homes that can be built on a given property, making it difficult to accommodate the smaller footprint of tiny homes without amending the zoning code. Regulations also mandate specific setbacks, or distances

between structures and property lines, which can be particularly challenging for clustered tiny home communities.

Furthermore, under the current Palm Desert Municipal Code, any significant deviation from established density, size, or infrastructure requirements would require obtaining a Conditional Use Permit (CUP). This process is often lengthy and uncertain, adding to the complexity of implementing tiny home projects. Lastly, infrastructure requirements—such as access to utilities like water, electricity, and sewage—add significant complexity and costs to such developments.

### **Alternatives**

The City prioritizes working with key partners to implement solutions that address homelessness comprehensively. This collaborative strategy ensures immediate access to critical resources and services. These partnerships include:

**Coachella Valley Rescue Mission (CVRM):** Immediate access to five shelter beds when requested and provides housing resources to connect those in need of permanent housing solutions.

**Coachella Valley Association of Governments – CV Housing First (CVAG):** Provides bridge housing, case management, linkage to substance abuse/behavioral health treatment, legal services, and housing vouchers via Riverside County Coordinate Entry System (CES).

**City Net:** Street outreach services, case management, linkage to substance abuse/behavioral health treatment, vital documentation, housing vouchers via Riverside County Coordinate Entry System (CES).

**Code Compliance:** Responds to public nuisance complaints related to encampments.

**Riverside County Sherrif's Department:** Provides support in managing trespass orders and addressing individuals engaged in unlawful activities.

Due to current zoning restrictions, high operational costs, and the availability of viable alternatives, staff recommends prioritizing existing partnerships to address housing and homeless services effectively. Instead, efforts should leverage and enhance existing resources to deliver immediate and effective solutions. Well-integrated community organizations already deliver proven programs, including bridge housing, case management, and housing placement through the Riverside County Coordinated Entry System (CES).

Strengthening these partnerships enables the City to optimize resources, minimize redundancies, and implement scalable, sustainable strategies to address homelessness. Additionally, the City should focus on initiatives that facilitate rapid, adaptable responses to homelessness while advocating for county-level support to develop affordable housing solutions aligned with regional and local priorities. This phased approach addresses immediate needs effectively while laying the groundwork for innovative housing solutions in the future

**FINANCIAL IMPACT:**

Costs for Homeless Services Programs are covered by Opioid Settlement and Permanent Local Housing Allocation (PLHA) Funding, therefore there is no additional impact to the General Fund.

**ATTACHMENTS:**

1. Tiny Home Presentation