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What Are the Costs of Building Tiny Home Villages to Decrease Homelessness?

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HIGHLIGHTS



Los Angeles built nine tiny home villages (1,217 beds) as of March 2022



Executive Summary

The high level of homelessness and questions about how to deal with the issue responsibly pose a challenge to policymakers across the country. One solution has been building permanent housing units for people experiencing homelessness, but this is an expensive endeavor, with an average cost of over \$500,000 per unit recently reported in Los Angeles.

Around 2017, some cities started constructing tiny homes as temporary housing for some people experiencing homelessness. In 2021, Los Angeles ("LA") began opening tiny home villages ("Villages") for unhoused people with 64 ft² Pallet shelters, shared bathroom and laundry facilities, security, meals, and social services.

The most recent count showed 69,144 people in LA County experiencing homelessness. Given the extent of this issue and the need for new housing solutions, we decided to write this report so that decision makers and the general public can see the cost per bed to build and operate one option for dealing with the issues, tiny home villages.

Key Findings

- Nine Villages with a total of 1,217 beds have opened in Los Angeles since February 2021. The smallest Village has 74 beds and the largest has 224 beds.
- Under COVID-19 protocol, only one bed per tiny home can currently be filled unless two people in the same household are placed together.
- The average construction cost per bed is \$42,344.
- The one-time construction costs (pre-planning, infrastructure construction, and purchase and assembly of tiny homes and related buildings such as bathrooms, staff offices, etc.) range from \$32,712 per bed to \$65,783 per bed.
- The nonprofit organizations that run the Villages are paid \$55 per night per occupied bed (365 days x \$55/night = \$20,075 per bed annually).^[1]
- All of the Villages are on land owned by the city, state, or county.
- There are additional costs for City/County management and oversight, but the amounts are unclear.

Since the issues and challenges with housing the homeless population temporarily and permanently are constantly evolving, the information in this report will surely change in the years if not months ahead.

Note: There is tiny home village in West Los Angeles as part of the VA's Care, Treatment and Rehabilitative Services program with an estimated 110 Pallet shelters. Cost details for this Village are not included in this report because we have not found them as of publication date.

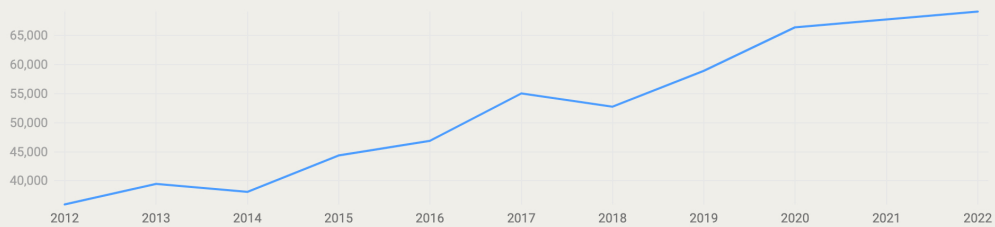
Background

Homelessness in Los Angeles

The Los Angeles Homeless Services Authority's most recent estimate from September 2022 showed 69,144 people in Los Angeles County experiencing homelessness. [2] Skid Row (in Downtown Los Angeles) has more than 2,000 people living on the streets and another 2,500 in large shelters. [3]

Number of People Experiencing Homelessness in LA County

LAHSA's annual Homeless Count showed a 92% increase in homelessness from 2012 to 2022 (35,296 to 69,144).



No count occurred in 2021 due to COVID-19.

Chart: A-Mark Foundation • Source: Los Angeles Homeless Services Authority • [Download image](#) • Created with [Datawrapper](#)

In November 2016, LA voters approved [Proposition HHH](#), a \$1.2 billion bond measure intended to build 10,000 new housing units in the next decade for people experiencing homelessness. [4] The bond measure also called for more interim shelters and storage units. Five years after voters passed Prop HHH, homelessness had increased by 45% in LA. [5]

A March 2020 lawsuit brought against the City and County of Los Angeles, [LA Alliance for Human Rights vs. City of Los Angeles and County of Los Angeles](#), sought to force the government to provide shelter for the unhoused people in Los Angeles. [6] The City of Los Angeles settled the lawsuit in June 2022 with an agreement to add up to 16,000 beds or housing units at a cost of \$3 billion [an average of \$187,500 per bed]. [7] Los Angeles County reached a settlement in September 2022 with a commitment to spend \$236 million to expand services for people experiencing homelessness. [8]

Overview of Costs for Non-Congregate (Private) Alternatives to Tiny Home Villages

According to a [Prop HHH audit released by LA Controller Ron Galperin](#) on February 23, 2022, there are 8,091 permanent housing units in different stages of development, including 1,142 completed units. The audit noted that the average construction cost of a housing unit for a person experiencing homelessness was \$596,846 in 2021. [9]

On the other side of the spectrum from permanent housing is the concept of a government-run tent campground. LA opened a "Safe Sleep Village" in April 2021 for an eight-month pilot program. [10] The City Council approved \$1,491,410 for the Village in a fenced-in parking lot that held 70 tents. The site had security, storage, meals, showers, and laundry for the residents. The monthly cost of \$186,426 divided by 70 tents resulted in a monthly per-tent cost of \$2,663. Multiplying by 12 shows an annual cost of \$31,959 per tent. [11]

While there are many additional factors needed to make a direct cost comparison between permanent housing, tent campgrounds, and tiny home villages, the above numbers offer a rough baseline to keep in mind when examining the costs of tiny homes.

"Tiny Homes" and Tiny Home Villages

Tiny homes are generally sized between 64 ft² and 100 ft². Tiny homes are intended to serve as temporary housing to transition people from living on the street into permanent housing.

In an effort to combat homelessness in the short-term and add beds at a reasonable cost, Los Angeles has created tiny home villages ("Villages") with shared bathrooms, laundry, security, meals or kitchen facilities, and social services for the residents.

Funding for the first Village in Los Angeles ("LA") was approved by the LA City Council on September 9, 2020. [12] Los Angeles opened its first Village in February 2021 (at 11471 Chandler Blvd in North Hollywood), and currently has nine operating Villages.

Most tiny homes have two beds, but a small number of wheelchair accessible single-bed shelters are included in Villages. [13] In Los Angeles, only one bed per tiny home is currently being filled due to COVID-19 (as of March 2022), unless two people in the same household are sharing a shelter. It is unclear what will happen if COVID-19 restrictions are lifted in the future and the government decides to house more than one person in a tiny home, given the debate over congregate (shared) shelters vs. non-congregate (private) shelters. [14]

The costs of building and operating Tiny Home Villages (assuming no land costs, since LA appears to use land owned by the city, county, or state) can be broken down into three categories:

1. One-time construction costs (pre-planning, infrastructure construction, and purchase and assembly of tiny homes and related buildings with furnishings such as bathrooms, common areas, staff offices, etc.) - See details in Chart I and Chart II;
2. Ongoing operational costs (operations and management to run the Village once construction is complete) - See details in Chart III; and
3. City/County operations and oversight (insurance, site power costs, staff time spent on the project, etc.)

A tiny home village was opened in West Los Angeles on the Veterans Affairs (VA) campus as part of the VA's Care, Treatment and Rehabilitative Services program in October 2021. The "Village for Vets" had a total of 110 Pallet shelters by February 2022. [15] Cost details for this Village are not included in this report because we have not found them as of publication date.

Tiny Home Builders

Pallet Shelters, based in Washington state, seems to be the main builder of the tiny homes used in Los Angeles. Nationwide, Pallet has built 40 villages and has another 20 in development, mostly on the west coast but expanding east.

Pallet's Head of Community Partnerships, Patrick Diller, told us that the optimal Village size is 30-50 shelters (about 60-100 beds), based on expenses per shelter.

Tiny Home Village Service Providers

Villages are operated by what the city calls a service provider. Hope of the Valley Rescue Mission (HVRM) runs six sites, while Salvation Army, Urban Alchemy, and Union Station Homeless Services are each contracted to run one site.

Irvin Parra, Senior Director of Interim Housing at HVRM, has told us that 50 shelters (about 100 beds) seems to be the most cost effective Village size for ongoing operational expenses.

Comparative Estimated Costs of Los Angeles Tiny Home Villages

Comparative Costs of Los Angeles Tiny Home Villages

Chart I below lists the nine Villages currently in operation.

The number of beds (Column B) and the estimated construction costs (Column D) come from documents produced by the Department of Public Works in the Los Angeles Bureau of Engineering and accessed through public records requests. The documents are called ROMs, which stands for Rough Order of Magnitude. The estimated per bed construction cost (Column C) was calculated as the number of beds divided by the estimated construction cost. The estimated annual operating budgets (Column E) were calculated as the number of beds in a Village times \$55 per night times 365 days in a year, a formula shared in an email from Meg Barclay, former Homeless Coordinator in the LA Office of the City Administrative Officer (left this position in August 2021), on July 13, 2021.

Problems with the Number Estimates

The information we have found in trying to ascertain the total construction costs is imperfect and incomplete. Even though nine Villages have been opened, the actual construction costs for completed projects are not publicly available.

We have found documentation of the actual construction cost in just one case, Alexandria Park (200 beds), because it was listed in an undated joint report from the Bureau of Contract Administration and the Bureau of Engineering that was released on August 8, 2021, in response to our public records request. The report stated that 21 change orders were submitted during the Alexandria Park project, decreasing the contract amount by \$464,253 and bringing the total cost down to \$7,361,862, or \$36,809 per bed.

Further complicating this math is the fact that, while the ROM estimated \$8,456,300 for the project, the actual contract amount approved by the city council was \$7,826,115 with a contingency of \$782,600, giving a total authorized budget of \$8,608,715. In most cases, these details are not publicly available, and so this report uses the ROM cost estimates because that is what we were able to obtain for each Village.

The City also stated that the Echo Park Village came in under the estimated budget, decreasing from \$5,738,000 to about \$3 million. This information was provided in an April 1, 2021, email to reporter Barry Lank, but the City declined to confirm the information in response to our request for the exact number.^[16]

The reason the Alexandria Park and Echo Park costs matter so much is that in the only two cases in which the actual construction costs appear to be known, those costs decreased significantly from the ROM estimate. This gives rise to the question of whether the per-bed cost estimates in this report are all higher than the actual per-bed costs.

Column C shows vast differences in the estimated construction costs per bed: the highest is Echo Park's estimate of \$77,541 per bed, while the lowest is Arroyo Seco, at \$32,712 per bed. If the Echo Park actual cost of \$3,000,000 is used, that Village's per-bed cost would actually be \$40,541.

This leads us to question the accuracy of the high construction cost per bed estimates for Chandler Blvd (\$65,783) and Saticoy + Whitsett (\$60,047). In the case of Saticoy + Whitsett, a September 2, 2021, document listing all of the projects in Council District 2 has a cost estimate of \$5,329,221, but it is not clear whether that includes all construction costs, and the origin of that number is unknown.^[17]

Lacking an explanation for why the actual construction costs for Alexandria Park and Echo Park, the average total cost per bed in Chart I below could be substantially overstated. We will continue to request more data from the government in an effort to clarify these potential anomalies.

Chart I: Comparative One-Time Per-Bed Costs of Los Angeles Tiny Home Villages

A. Information on Villages	B. Beds / # Homes	C. Estimated Per Bed Construction Cost ^a	D. Estimated Total Construction Cost	E. Estimated Annual Operating Budget Per Bed / Total ^b
1. Chandler Blvd 11471 Chandler Blvd, North Hollywood, CA 91601 Opened: February 2021 Service Provider (S.P.): Hope of the Valley Rescue Mission (HVRM)	75/39	\$65,783	\$4,933,700	\$20,075 / \$1,505,625
2. Alexandria Park	200/103	\$36,809 [actual] ^c	\$7,361,862 [actual]	\$20,075 / \$4,015,000

6099 Laurel Canyon Road, North Hollywood, CA 91606 Opened: April 2021 S.P.: HVRM		\$42,282 [estimated]	\$8,456,300 [estimated]	
3. Vanalden (aka Sycamore Cabin Community / Vanowen) 6700 Vanalden Ave, Reseda, CA 91335 Opened: May 2021 S.P.: HVRM	101/52	\$33,544	\$3,387,900	\$20,075 / \$2,027,575
4. Wilmington (aka Harbor Park / Figueroa Place) 1221 Figueroa Place, Wilmington, CA 90744 Opened: June 2021 S.P.: Salvation Army	150/77	\$34,906	\$5,235,835	\$20,075 / \$3,011,250
5. Echo Park (aka Alvarado) 1455 N Alvarado St., Los Angeles, CA 90026 Opened: June 2021 S.P.: Urban Alchemy	74/38	\$40,541 [actual] \$77,541 [estimated]	\$3,000,000 [actual] \$5,738,000 [estimated]	\$20,075 / \$1,485,550
6. Topham (aka Tarzana Sunflower Cabin Community) 18616 Topham St., Reseda, CA 91335 Opened: July 2021 S.P.: HVRM	150/76	\$35,548	\$5,332,220	\$20,075 / \$3,011,250
7. Whitsett West (aka Satcoy + Whitsett) 12550 Satcoy St., North Hollywood, CA 91605 Opened: September 2021 S.P.: HVRM	150/77	\$60,047	\$9,007,000*	\$20,075 / \$2,930,950
8. Arroyo Seco (aka Highland Park) 5982 Arroyo Drive, Los Angeles, CA 90042 Opened: October 2021 S.P.: HVRM	224/117	\$32,712	\$7,327,376	\$20,075 / \$4,496,800
9. Eagle Rock 7570 N. Figueroa St., Los Angeles, CA 90041 Opened: March 23, 2022 S.P.: Union Station Homeless Services	93/48	\$41,206	\$3,832,137	\$20,075 / \$1,866,975
AVERAGE FOR ALL VILLAGES	135 Beds / 70 Homes	\$42,344 per bed [estimated + actual cost when known] ^f ; \$47,063 per bed [estimated]	\$5,490,892 per Village [estimated + actual cost when known] ^g ; \$5,916,719 per Village [estimated]	\$20,075 per bed / \$2,705,664 per Village

Chart I Notes: See following footnotes for notes a-g, a,^[18] b,^[19] c,^[20] d,^[21] e,^[22] f,^[23] and g.^[24]

Line Item Construction and Operating Costs for Tiny Home Villages

Specific Costs of Constructing Tiny Home Villages in Los Angeles

Chart II attempts to document all of the line item costs for building tiny home villages in Los Angeles. The listed costs for constructing tiny home villages include everything except land acquisition. The costs include basic infrastructure such as setting up electricity, sanitation, water, and plumbing, unless otherwise noted. Each Pallet shelter takes 20 amp/120 volt service (although this might be higher under certain circumstances).

Chart II: Tiny Home Villages One-Time Construction Costs

A. Budget Line Item	B. Chandler Total — Avg Cost Per Bed (75 beds)	C. Alexandria Total — Avg Cost Per Bed (200 beds)	D. Vanalden Total — Avg Cost Per Bed (101 beds)	E. Wilmington Total — Avg Cost Per Bed (150 beds)	F. Echo Park Total — Avg Cost Per Bed (74 beds)	G. Topham Total — Avg Cost Per Bed (150 beds)	H. Arroyo Seco Total — Avg Cost Per Bed (224 beds)	I. Whitsett West Total — Avg Cost Per Bed (150 beds)	J. Eagle Rock Total — Avg Cost Per Bed (93 beds)
I. Pre-Planning									
1. Design Bridging Document	\$111,000 — \$1,480	\$186,000 — \$930	\$116,000 — \$1,149	\$91,000 — \$607	\$144,000 — \$1,946	\$104,000 — \$693	Not Listed	\$53,000 — \$353	Not Listed
2. California Environmental Quality	\$6,000	\$6,000	\$4,000	\$6,000	\$6,000	\$3,000	Not Listed	\$6,000	Not Listed

Environmental Quality Act (CEQA) Review	— \$80	— \$30	— \$40	— \$40	— \$81	— \$20		— \$40		
3. Support (consultant, scheduler, geotech, survey)	\$134,000 — \$1,787	\$144,000 — \$720	\$128,000 — \$1,267	\$38,000 — \$253	\$72,000 — \$973	\$67,000 — \$447	Not Listed	\$87,000 — \$580	Not Listed	
4. Project Support (BCA, LADOT, BSS, ACCT)*	\$74,000 — \$987	\$91,000 — \$455	\$43,000 — \$426	\$49,000 — \$327	\$53,000 — \$716	\$45,000 — \$300	Included in #5	\$70,000 — \$467	Not Listed	
5. Bureau of Engineering (design support, inspection)	\$204,000 — \$2,720	\$359,000 — \$1,795	\$185,000 — \$1,832	\$227,000 — \$1,153	\$242,000 — \$3,270	\$227,000 — \$1,513	\$467,780 b — \$2,088	\$312,000 — \$2,080	\$256,280 ^b — \$2,756	
6. Related Cost (all city staff) ^c	\$111,000 — \$1,480	\$180,000 — \$900	\$91,000 — \$901	\$110,000 — \$733	\$178,000 — \$2,405	\$109,000 — \$727	Not Listed	\$211,000 — \$1,407	Not Listed	
7. Miscellaneous	\$23,000 — \$307	\$38,000 — \$190	\$12,000 — \$119	\$21,000 — \$140	\$20,000 — \$270	\$11,000 — \$73	Not Listed	\$42,000 — \$280	Not Listed	
8. Mobilization (site prep work, etc.)	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$100,000 — \$667	\$100,000 — \$446	Not Listed	\$100,000 — \$1,075	
9. Allowances ^d	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$150,000 — \$1,000	\$70,000 — \$313	Not Listed	\$70,000 — \$753	
10. Allowance for Utility fees (Water/ Power)	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$175,000 — \$1,882	
Subtotal for Pre-Planning	\$663,000 — \$8,840	\$1,004,000 — \$5,020	\$579,000 — \$5,733	\$542,000 — \$3,613	\$715,000 — \$9,662	\$816,000 — \$5,440	\$637,780 — \$2,847	\$781,000 — \$5,207	\$601,280 — \$6,465	
II. Construction Infrastructure										
11. Contractor Design	\$194,000 — \$2,587	\$326,000 — \$1,630	\$120,000 — \$1,188	\$182,000 — \$1,213	\$240,000 — \$3,243	\$170,000 — \$1,133	\$176,000 e — \$786	\$520,000 — \$3,467	\$123,000 ^e — \$1,323	
12. Cargo Containers	\$58,000 — \$773	\$97,000 — \$485	\$51,000 — \$505	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	
13. Foundation	\$66,000 — \$880	\$151,000 — \$755	\$80,000 — \$792	\$96,000 — \$640	\$250,000 — \$3,378	\$228,000 f — \$1,520	\$369,000 f — \$1,647	\$430,000 — \$2,867	\$156,000 f — \$1,677	
14. Grading/ Paving	\$539,000 — \$7,187	\$1,410,800 — \$7,054	\$228,000 — \$2,257	\$263,000 — \$1,753	\$750,000 — \$10,135	Not Listed	Not Listed	\$980,000 — \$6,533	Not Listed	
15. Pet Area	\$42,000 — \$560	Not Listed	\$30,000 — \$297	\$42,000 — \$280	\$41,000 — \$554	Not Listed	Not Listed	\$41,000 — \$273	Not Listed	
16. Landscaping	\$45,000 — \$600	\$180,000 — \$900	\$14,000 — \$139	\$15,000 — \$100	\$27,000 — \$365	\$90,000 ^g — \$600	\$417,600 g — \$1,864	\$180,000 — \$1,200	\$256,280 ^g — \$2,756	
17. Fencing	\$100,000 — \$1,333	\$150,000 — \$750	\$110,000 — \$1,089	\$160,000 — \$1,067	\$140,000 — \$1,892	\$295,000 ^h — \$1,967	\$368,600 h — \$1,646	\$270,000 — \$1,800	\$144,000 i — \$1,548	
18. Gates	\$23,000 — \$307	\$23,000 — \$115	\$23,000 — \$228	\$10,000 — \$67	\$23,000 — \$311	Included in #17	Included in #17	\$45,000 — \$300	Included in #17	
19. Yard Lighting	\$45,000 — \$600	\$45,000 — \$225	\$25,000 — \$248	\$45,000 — \$300	\$17,000 — \$230	\$205,000 ^j — \$1,367	\$133,000 ^j — \$594	\$30,000 — \$200	\$50,000 — \$538	
20. Telecommunication	\$11,000 — \$147	\$27,000 — \$135	\$11,000 — \$109	\$11,000 — \$73	\$13,000 — \$176	Not Listed	Not Listed	\$11,000 — \$73	Not Listed	
21. Demolition	Not Listed	Not Listed	Not Listed	Not Listed	\$72,000 — \$973	\$36,000 — \$240	\$50,000 — \$223	\$180,000 — \$1,200	\$10,000 — \$108	
22. Water Line (domestic)	\$185,200 — \$2,469	\$492,000 — \$2,460	\$254,000 — \$2,515	\$177,000 — \$1,180	\$241,000 — \$3,257	\$50,000 — \$333	\$500,000 k — \$2,232	\$370,000 — \$2,467	\$155,000 ^k — \$1,667	
23. Water Line (fire)	\$115,000 — \$1,533	\$492,000 — \$2,460	\$183,400 — \$1,816	\$115,000 — \$767	\$28,000 — \$378	Not Listed	Included in #22	\$405,000 — \$2,700	Not Listed	
24. Sewer Line (street)	\$1,080,000 — \$14,400	\$78,000 — \$390	\$74,000 — \$733	\$1,155,000 — \$7,700	\$100,000 — \$1,351	\$75,000 — \$500	\$88,736 ^m — \$396	Not Listed	\$62,400 ^m — \$671	
25. Sewer Line (site)	\$63,000 — \$840	\$900,000 — \$4,500	\$225,000 — \$2,228	\$144,000 — \$960	\$113,000 — \$1,527	\$256,000 ⁿ — \$1,707	Included in #22	\$315,000 — \$2,100	\$26,877 ^o — \$289	
26. Electrical Line	\$360,000 — \$4,800	\$360,000 — \$1,800	\$135,000 — \$1,337	\$198,000 — \$1,320	\$1,00,000 — \$13,514	\$153,000 — \$1,020	\$1,845,000 ^p — \$8,237	\$1,032,000 — \$6,880	\$780,000 ^p — \$8,387	
27. Switch Gear (circuit protection devices)	\$35,000 — \$467	\$75,000 — \$375	\$35,000 — \$347	\$35,000 — \$233	\$35,000 — \$473	\$575,000 — \$3,833	Not Listed	\$35,000 — \$233	Not Listed	

28. Transformer	\$75,000 — \$1,000	\$85,000 — \$425	\$75,000 — \$743	\$75,000 — \$500	\$75,000 — \$1,014	Not Listed	Not Listed	\$75,000 — \$500	Not Listed
29. Electrical Subpanel	\$25,000 — \$333	\$75,000 — \$375	\$25,000 — \$248	\$25,000 — \$167	\$75,000 — \$1,014	\$56,000 ^q — \$373	\$123,000 ^q — \$549	\$75,000 — \$500	\$52,000 ^q — \$559
30. General Conditions (resources for construction work, e.g. safety measures, trash removal, trailers, etc.) ^j	\$498,000 — \$6,640	\$837,000 — \$4,185	\$261,000 — \$2,584	\$475,000 — \$3,167	\$527,000 — \$7,122	Not Listed	Not Listed	\$1,153,000 — \$7,687	\$464,500 — \$4,995
31. Estimate/ Construction Contingency	\$277,000 — \$3,693	\$465,000 — \$2,325	\$172,000 — \$1,703	\$390,000 — \$2,600	\$438,000 — \$5,919	\$730,500 — \$4,4870	\$467,780 — \$2,088	\$512,000 — \$3,413	Not Listed
32. Laundry Modular Unit	Not listed	Not Listed	Not Listed	\$142,000 — \$947	\$331,000* — \$4,473	\$405,000 — \$2,700	\$102,500 — \$458	\$581,000* — \$3,873	\$102,500 — \$1,102
33. Light Relocation	Not Listed	Not Listed	Not Listed	Not Listed	\$4,000 — \$54	Not Listed	Not Listed	Not Listed	Not Listed
34. AC Grind & Overlay	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$10,000 — \$67	Not Listed	Not Listed	Not Listed
35. Guard Booth	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$30,000 — \$200	Not Listed	Not Listed	Not Listed
36. Site Furnishing	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$150,000 — \$1,000	\$76,000 — \$339	Not Listed	Not Listed
37. Mechanical & Plumbing	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$30,000 — \$200	\$123,000 — \$549	Not Listed	\$52,000 — \$559
38. Internet & Security Conduits	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$45,000 — \$300	\$86,100 — \$384	Not Listed	\$36,400 — \$391
39. Smoke & Fire Alarm	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$91,000 — \$607	\$138,000 — \$616	Not Listed	\$62,400 — \$671
40. DWP Water and Power	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$245,000 — \$1,094	Not Listed	Not Listed
Subtotal for Construction Infrastructure	\$3,836,200 — \$51,149	\$6,268,800 — \$31,344	\$2,131,400 — \$21,103	\$3,755,000 — \$25,033	\$4,540,000 — \$61,351	\$3,680,500 — \$24,537	\$5,309,316 — \$23,702	\$7,240,000 — \$48,267	\$2,533,357 — \$27,240
III. Tiny Homes and Village Add-Ons									
40. Pallet Shelters (tiny home shelters plus installation)	\$299,000 [36 shelters] ^j — \$3,987	\$846,000 [105 shelters] — \$4,230	\$450,000 [55 shelters] — \$4,455	\$633,000 [78 shelters] — \$4,220	\$323,000 [38 shelters] — \$4,365	\$637,000 [77 shelters] — \$4,247	\$1,107,000 [# not listed] — \$4,942	\$644,000 [# not listed] — \$4,293	\$468,000 [48 shelters, one guard booth] — \$5,032
41. Picnic Table/ Umbrellas	\$23,500 — \$313	\$35,500 — \$178	\$20,500 — \$203	\$62,700 — \$418	\$33,000 — \$446	Not Listed	Not Listed	\$78,000 — \$520	\$30,000 ^u — \$323
42. Hygiene trailers (bathrooms and showers)	\$112,000 — \$1,493	\$302,000 — \$1,510	\$207,000 — \$2,050	\$207,000 — \$1,380	\$117,000 — \$1,581	\$175,000 — \$1,167	\$261,000 — \$1,165	\$216,000 — \$1,440	\$176,000 — \$1,892
43. Office Equipment, staff phones, furnishings	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	Not Listed	\$23,500 ^v — \$253
44. Pet Crates	Not Listed	Not Listed	Not Listed	\$3,135 — \$21	\$3,000 — \$41	\$3,000 — \$20	\$1,080 — \$5	\$5,000 — \$33	Not Listed
45. Lockers / Storage Bins	Not Listed	Not Listed	Not Listed	\$33,000 — \$220	\$7,000 — \$95	\$20,720 — \$138	\$11,200 — \$50	\$43,000 — \$287	Not Listed
Subtotal for Tiny Homes & Other Supplies	\$434,500 — \$5,793	\$1,183,500 — \$5,918	\$677,500 — \$6,708	\$938,835 — \$6,259	\$483,000 — \$6,527	\$835,720 — \$5,571	\$1,380,280 — \$6,162	\$986,000 — \$6,753	\$697,500 — \$7,500
One-Time Construction Costs TOTAL	\$4,933,700	\$8,456,300 (\$7,361,862 actual)*	\$3,387,900	\$5,235,835	\$5,738,000 (\$3,000,000 actual)*	\$5,332,220	\$7,327,376	\$9,007,000	\$3,832,137
One-Time Construction Costs TOTAL PER BED	Chandler \$65,783 per bed	Alexandria \$42,282 per bed (\$36,809 actual)	Vanalden \$33,544 per bed	Wilmington \$34,906 per bed	Echo Park \$77,541 per bed (\$40,541 actual)	Topham \$35,548 per bed	Arroyo Seco \$32,712 per bed	Whitsett West \$60,047 per bed	Eagle Rock \$41,206 per bed

Chart II Notes: All costs listed in Chart II come from the rough order of magnitude (ROM) estimates created by the LA Bureau of Engineering, which we obtained via email and public records requests. The ROMs do not all contain the same categories; we attempted to group them when possible and note wording differences. "Not listed" means the line item was not included in the ROM for that site. See the following footnotes for notes a-w. a, ^[25] b, ^[26] c, ^[27] d, ^[28] e, ^[29] f, ^[30] g, ^[31] h, ^[32] i, ^[33] j, ^[34] k, ^[35] l, ^[36] m, ^[37] n, ^[38] o, ^[39] p, ^[40] q, ^[41] r, ^[42] s, ^[43] t, ^[44] u, ^[45] v, ^[46] w, ^[47]

Operating Costs of Tiny Home Villages in Los Angeles

The LA Office of the City Administrative Officer stated in a July 13, 2021, email that the annual operating budget for all of the Villages is based on a \$55 per bed per night rate, so each Villages' budget is calculated as \$55 x 365 x the number of beds. ^[48] Utilities and insurance premiums appear to be covered in the service provider budgets.

In addition to the ongoing operating costs for the service providers, a second category of operating costs is City/County operations and oversight. These costs might include City or County management and staff costs for oversight of the operations, technical support, processing reimbursements, and maintaining major building systems such as plumbing and electrical. ^[49]

As of the date of this report, requests for information on the City/County operating costs have not been answered.

Chart III below shows the service provider operating budget for Chandler Blvd, the first village to open in February 2021. The service provider, HVRM, provided budget information covering 2/1/21-6/30/21 (the Village's opening month through the end of the fiscal year).

To determine the annualized operating budget, each entry was divided by the number of months listed in the provided budget (since it covered less than a full year), then multiplied by 12.

The purpose of this chart is to show the items that are including in the operating budgets that are created by the Los Angeles Homeless Services Authority ("LAHSA"), an agency with joint powers authority of the City and County of Los Angeles. Service providers use a budget template provided by LAHSA to fill in the details, then submit it for review and reimbursement.

Other service providers have not responded to requests for information on their budgets, and the City and County have not responded to requests for information about the additional costs incurred by government agencies for oversight and staffing.

The operating costs are likely underestimated given the omission of City and County costs to keep the Villages running.

Chart III: Sample Annual Operating Budget for Tiny Home Villages in Los Angeles

A. Budget Line Item	B. Chandler Blvd Village Annualized Operating Costs — Annual Operating Cost Per Bed (75 beds)
1. Program Manager ¹	\$73,091 — \$975
2. Case Manager/Housing Navigators (full-time)	\$152,251 — \$2,030
3. Case Manager/Housing Navigators (part-time)	\$20,801 — \$277
4. Client Service Monitor (full-time)	\$137,030 — \$1,827
5. Client Service Monitor (part-time)	\$44,928 — \$599
6. Hygiene Monitor	\$91,354 — \$1,218
7. Janitor	\$45,677 — \$609
8. Client Service Monitor FT 4 months	\$137,034 — \$1,827
9. Driver	\$57,096 — \$761
10. Director of Tiny Homes Villages	\$13,728 — \$183
11. Sr. Director of Interim Housing	\$9,760 — \$130
12. Security (security cameras and outsourced security officers)	\$288,000 — \$3,840
13. Transportation	\$12,000 — \$160
14. Food	\$131,040 — \$1,747
15. Supplies, Hardware, Software	\$108,960 — \$1,453
16. Utilities/Insurance	\$49,200 — \$656
17. Internet	\$6,000 — \$80
18. Office Trailer	\$4,800 — \$64
19. Maintenance/Repair/Custodian	\$14,186 — \$189
20. Furniture, Fixtures, Equipment	\$23,500 — \$313
21. Indirect Cost Amount	\$135,000 — \$1,800
Operating Costs TOTAL	\$1,555,436 annually — \$20,738 per night (\$20,738 total/365 days = \$56.80 per bed per night)

¹ All salary costs include salary plus benefits and payroll taxes.

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Although service providers are currently reimbursed at a rate of \$55 per bed per night, the above calculations show an average per-bed cost of \$56.80 per night. We do not have an explanation for the \$1.80 difference, but it could be accounted for in a variety of ways.

HVRM and other service providers may provide other services to residents of Villages that are not covered in the above budget, such as child care assistance, legal services/document fees, life skills training, outpatient/behavioral health, housing search and placement, credit repair, and financial assistance for permanent housing (rental applications, security deposit, moving fees, etc.). They leverage other funding sources and community resources to meet these needs.

In addition to the \$55 per bed charge, service providers such as HVRM conduct fundraising activities and receive donations for the Villages and their residents. One example is a \$85,000 donation from actor Jon Cryer and his wife Lisa Joyner to HVRM for the Alexandria Park tiny home village. It's unclear if HVRM and other service providers are therefore making the \$55/night County reimbursement plus other donations to help offset the costs.

Conclusion

Tiny Home Villages have been built in Los Angeles to create temporary housing for people experiencing homelessness.

Some of the biggest construction costs appear to involve grading/paving the sites and installing sewer and power lines. The Pallet shelters themselves, at an average of \$4,419 per bed, account for a small portion of the \$42,344 average construction cost per bed.

The ongoing operational costs are calculated at an average of \$20,075 per bed annually, but that does not include costs incurred by the City or County for management and oversight of the service providers. LAHSA has not answered our requests for information on their costs related to the Villages.

By way of rough comparison, the average construction cost of housing units for people experiencing homelessness in LA was \$596,846 in 2021. A fenced-in campground for tents with support services for its residents cost \$31,959 per tent annually.

As mentioned at the beginning of this report, the concept, development, and operations of tiny home villages are quickly evolving. The above costs will probably fluctuate over time.

Cite This Page

References

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- 4 Anna Scott and Saul Gonzalez, "\$1.2 billion and 5 years later, why has Prop HHH built only a fraction of its promised homeless housing units?," kcrw.org, November 15, 2021
- 5 Ron Galperin, "L.A. Controller Reports Prop. HHH Homeless Housing Tops \$830K Per Unit, Urges City to Learn from Mistakes," lacontroller.org, February 23, 2022
- 6 Nathan Solis, "Coalition Sues LA to Force Action on Homelessness Crisis," courthousenews.com, March 10, 2020
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- 11 Richard H. Llewellyn, Jr., "Fifth Report: COVID-19 Homelessness Roadmap Funding Recommendations," clkrep.lacity.org, March 18, 2021
- 12 Tony M. Royster, "Request Authority to Negotiate and Execute a License Agreement With Hope of the Valley Rescue Mission to Operate Interim Housing at 19020-19040 West Vanowen Street," lacity.org, February 25, 2021
- 13 There are usually three or four Pallet shelters per Village that are built with one bed to be ADA accessible, which is why the number of beds in a Village is not exactly double the number of shelters.
- 14 Ethan Ward, "Understanding LA's Homelessness Issues," laist.com, September 24, 2021
- 15 Pallet Shelters, "Uplifting At-Risk Veterans," palletshelter.com, February 21, 2022, <https://palletshelter.com/case-studies/village-for-vets-california/>
- 16 The City approved a construction budget of \$5.7 million for the Echo Park site, but reporting by Barry Lank citing an April 1, 2021, email from Mary Nemick of the Bureau of Engineering said the actual cost would be about \$3 million. In response to our request for details, Mary Nemick replied by email on July 13, 2021, "We are not able to provide that information. Sorry about that. But thanks, Mary." Source: Barry Lank, "A 'village' of 64-square-foot homeless shelters is taking shape in an Echo Park parking lot," theeastsiderla.com, April 8, 2021
- 17 Bureau of Engineering, "Council District Capital Improvement Programs Report of Projects in Design or Construction," boe.lacity.org, Sep. 2, 2021
- 18 a. Estimated construction costs are taken from the Rough Order of Magnitude (ROM) estimates produced by the Los Angeles Bureau of Engineering and accessed via public records requests. Per bed construction cost = total construction cost / # of beds.
- 19 b. Estimated annual operating budgets calculated as the number of beds x \$55/night x 365 days in a year. Usually the County would only reimburse \$55 per filled bed per night, during COVID, the budgets use the total number of beds even though they cannot all be filled due to distancing efforts.

- 20 c. The per bed costs of Alexandria Park using the actual construction costs are shown here because this is the only Village for which the actual final cost is confirmed. A joint report from the Bureau of Contract Administration and Bureau of Engineering stated that, "This project was awarded for \$7,826,115.00 with a contingency of \$782,600.00, giving a total authorized budget of \$8,608,715.00. Twenty-one (21) change orders were issued decreasing the contract amount by \$464,253.00, bringing the total cost of this project to \$7,361,862.00. The project was completed at 5.93 percent below the awarded amount and 14.48 percent below its authorized budget." The City report is undated and was shared by the City on August 8, 2021, in response to our public records request.
- 21 d. The estimated and actual costs are shown for Echo Park because there is reason to believe the actual cost decreased from the estimate. The City approved a construction budget of \$5.7 million for the Echo Park site, but reporting by Barry Lank citing an April 1, 2021, email from Mary Nemick of the Bureau of Engineering said the actual cost would be about \$3 million. In response to our request for details, Mary Nemick replied by email on July 13, 2021, "We are not able to provide that information. Sorry about that. But thanks, Mary." Source: Barry Lank, "A 'village' of 64-square-foot homeless shelters is taking shape in an Echo Park parking lot," theeastsiderla.com, April 8, 2021
- 22 e. A city document showing all the projects in Council District 2 has a cost estimate of \$5,329,221. This report is using the number in the ROM, \$9,007,000, until there is confirmation that the actual project cost was lower. Source: Bureau of Engineering, "Council District Capital Improvement Programs Report of Projects in Design or Construction," boe.lacity.org, Sep. 2, 2021
- 23 f. $(\$65,783 + \$36,809 + \$33,544 + \$34,906 + \$40,541 + \$35,548 + \$60,047 + \$32,712 + \$41,206) / 9 = \$42,344$ [estimated cost for six Villages and actual cost for Alexandria Park and Echo Park]
- 24 g. $(\$4,933,700 + \$7,361,862 + \$3,387,900 + \$5,235,835 + \$3,000,000 + \$5,332,220 + \$9,007,000 + \$7,327,376 + \$3,832,137) / 9 = \$5,490,892$ [estimated cost for six Villages and actual cost for Alexandria Park and Echo Park]
- 25 a. BCA is Bureau of Contract Administration; LADOT is Los Angeles Department of Transportation; BSS is Bureau of Street Services; ACCT is undefined but appears to be Board of Public Works Office of Accounting.
- 26 b. Listed as "BOE/BCA" - not defined, but interpreted here as staff costs for Bureau of Engineering and Bureau of Contract Administration.
- 27 c. This budget item is from the city's own estimate. It likely does not cover indirect costs incurred by city staff such as the time city council members' offices spend responding to calls from the public and working to get the projects approved and completed. We do not have a way to estimate those costs at this time.
- 28 d. Allowances for Plan Check & Permit Fees, Geotechnical Services (soil and rock mechanics), & Differing Site Condition.
- 29 e. Listed as "Designer Fee".
- 30 f. Listed as "Level & Anchor Pallet Shelters."
- 31 g. Listed as "Miscellaneous Site Improvements."
- 32 h. Listed as "Fencing & Gates w/Privacy Slats."
- 33 i. Fencing and gates with privacy slats are combined.
- 34 j. Listed as "Site Lighting."
- 35 k. Listed as "On-Site Underground Utilities: Sewer, Domestic Water, Fire Hydrants."
- 36 l. Listed as "On-Site Underground Utilities: Sewer & Domestic Water."
- 37 m. Listed as "Sewer- Connection (ESR)" - ESR is not defined but could mean engineering system requirements.
- 38 n. Listed as "On site underground Utilities: Sewer, water."
- 39 o. Listed as "Sewer- Facility Charges Per Bed" - It's not clear why the ROM lists this item as "per bed," but the ROM project total does not multiply \$26,877 times the number of beds, so our chart uses \$26,877 as the total for this category.
- 40 p. Listed as "Electrical - Main Switchboard to Local Power Panels."
- 41 q. Listed as "Electrical - All other."
- 42 r. The City documents do not define "General Conditions," but this term is used in construction to refer to costs incurred during the process of completing the work. Those costs can be in the field (site management, safety measures, trailers, trash removal, etc.) as well as administrative (project engineers, project management, bookkeeping, etc.). Source: David M. Watson, "Construction General Condition's vs General Requirement's," linkedin.com, July 7, 2018
- 43 s. Listed as "Modular Building."
- 44 t. Type and size of Pallet shelters not specified; it is unclear why the ROM lists 36 for a community that has 39 shelters. Emails furnished in response to a public records request showed that the city paid for 39 Pallet shelters.
- 45 u. Listed as "Site Furnishings."
- 46 v. A January 6, 2021, memo from the Municipal Facilities Committee to the LA City Council signed by City Administrative Officer Richard H. Llewellyn, Jr. said that \$23,500 had been approved for these items. It is not clear whether that amount covers all the costs of this category, nor whether the costs for the other sites account for this category of expenses.
- 47 w. The costs in this chart reflect LA Bureau of Engineering estimates prior to construction because the city has not stated the actual costs for the finished villages, except for Alexandria Park (actual cost \$7,361,862, divided by 200 beds = \$36,809 per bed) and Echo Park (actual cost \$3,00,000, divided by 74 beds = \$40,541 per bed).
- 48 Meg Barclay, former Homeless Coordinator in the LA Office of the City Administrative Officer (left this position in August 2021), wrote in a July 13, 2021, email, "The operating budget for all of the sites is based on a \$55 bed rate, so to get the annual operating for Eagle Rock, you just need to multiply the number of beds by \$55 times 365. Since Eagle Rock has 93 beds, the annual operating funding is \$1,866,975."
- 49 A February 25, 2021, memo from the General Manager and City Purchasing Agent stated that the City is responsible for maintaining "major building systems including plumbing, electrical, roof, mechanical systems, and all doors, door frames, and door openers." We have not found any cost estimates for the City's expenses for these items. The service provider agreed to "directly set up utility services with utility providers as well as provide routine daily maintenance," which should be covered in the service provider budget. Source: Tony M. Royster, "Request Authority, Negotiate and Execute a License Agreement With Users of the Valley Basin Mission to Create Inclusive Housing at

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