

From Housing Insecurity to Hope: Proposal for Bozeman's Second Housing First Village

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Proposal Overview

This proposal advocates for the development of Bozeman's second Housing First Village (HFV) by Family Promise of Gallatin Valley to address the growing needs of families experiencing chronic housing insecurity. Gallatin County's affordable housing crisis and the rising population of individuals facing homelessness are interconnected, complex problems that require innovative solutions. Over the past several decades, the cost of living has significantly outpaced median income growth, exacerbating housing challenges particularly for long-term residents now priced out of their communities.

Building on the success of HRDC's first HFV in addressing chronic homelessness, this proposal supports the creation of 15 tiny homes on Family Promise's newly acquired property on Discovery Drive. Each home will measure between 250 and 450 square feet and accommodate up to five family members. Situated within Family Promise's established operational hub, the HFV will integrate seamlessly into the organization's broader framework, providing residents with essential services such as case management and childcare through the early childhood learning center. This approach not only offers families a stable place to live but also ensures access to the resources needed for long-term success.

Historical & Environmental Context

Gallatin County has experienced a dramatic decline in housing affordability, a trend that has worsened since COVID-19. An influx of higher-earning residents has driven housing demand beyond supply, causing living costs to surge and displacing many longtime locals. According to the HRDC, the 2023 point-in-time count revealed over 300 individuals experiencing homelessness, up from 261 in 2022—a 15% increase. Notably, over half of those surveyed had lived in the community for more than 10 years (Shelly, 2024). This local trend

mirrors broader patterns, with homelessness increasing 12% nationwide and 37% in Montana over the past year (ibid).

Family Promise of Gallatin Valley has emerged as a critical resource in addressing housing insecurity, focusing specifically on families with children. The organization was founded on the principles of a national program that had already demonstrated success in providing upward mobility for families across the country through local sheltering, volunteer-provided meals, and case management assistance. Family Promise's mission is "to empower families experiencing housing insecurities to secure a safe, affordable home, a livelihood, and the chance to build a better future for their children" (Family Promise, n.d.).

Since its inception, Family Promise has expanded its services to emphasize prevention and diversion initiatives that address systemic barriers, such as the rising costs of living and childcare. Today the organization reports, "...over the last 18 years, the number of families receiving services from Family Promise has increased 4,725%. Last year alone, Family Promise served a total of 193 families, an increase of 164% from the year before" (Family Promise, n.d.). These figures underscore a growing demand for support and a pressing need for permanent supportive housing (PSH) solutions like the proposed HFV.

The organization's proven capacity for growth, combined with its recent acquisition of a 2.95 acre property on Discovery Drive with over 20,000 square feet yet to be developed, positions it to further expand its impact. Since 2019, Family Promise has reported a 1,017% increase in the number of families served and has maintained an 87% success rate for families transitioning to stable housing (Family Promise, 2024). While these achievements are impressive, the 13% of families who continue to struggle with maintaining secure housing after exiting the program would greatly benefit from the opportunity to reside in PSH. This project

aligns with Family Promise's mission to empower families through safe, affordable housing while addressing the broader community's need for sustainable, systemic solutions to houselessness. Efforts to address housing insecurity not only support affected individuals but also benefit the entire community, as these issues influence a wide range of social and economic factors, including unemployment and welfare rates, crime, and public health.

Program Objectives & Outcomes

Family Promise's Housing First Village provides families experiencing chronic housing insecurity with dignity, self-sufficiency, stability, and resources to build a better future for themselves and their children. The program enables families to focus on long-term personal and economic growth without the added burden of routine survival demands. A community-oriented, trauma-informed program design, which includes supportive services on-site, offers residents a sense of security and hope, enhancing self-esteem and promoting self-efficacy.

Substantial evidence also supports the effectiveness of PSH programs in reducing the use of shelters, jails, prisons, and emergency rooms. HRDC's 2017 study, *Assessing Community Costs of Chronic Homelessness in the Gallatin Valley*, found that eight individuals studied over two years generated an average of \$28,305 annually in community costs across health, social services, corrections, and emergency transportation providers. This data suggests a potential 57% decrease in costs across the community for Hfv tenants (HRDC, 2022). Family Promise's Hfv, modeled after HRDC's program, is anticipated to produce similar outcomes, with a specific focus on families leading to even more significant impacts. Pawlak and Vinter state, "By including standards of performance in objectives, it helps specify the intended outcomes, processes, or outputs" (Pawlak & Vinter, 2004, p. 140). To evaluate the program's success, we propose two measurable objectives:

1. Community Cost Reduction: Studying HFV families over the first two years of the program to assess whether the program achieves the potential 57% reduction in community costs, as indicated in HRDC's data. FUSE (Frequent Users Systems Engagement) data will be collected before and after the start of the program from emergency rooms, jails, shelters, clinics, and other crisis services in Gallatin County to develop a comparative analysis.
2. Family Stability Post-Program: Tracking outcomes for families post-program, focusing on the 13% who continue to struggle, while building on the current 87% success rate reported by Family Promise for families who achieve stability. By offering PSH alongside existing support systems, we aim to increase the stability rate to at least 92% in the first two years, representing a 5% improvement.

These objectives align with the program's overarching goal of creating sustainable, long-term impacts for families as well as the broader community.

SWOT Analysis

A SWOT analysis helps the Strategic Management Group assess organizational strengths and weaknesses, looking toward the environment to identify opportunities and threats the organization may face. Developing this list helps an organization to plan how they will manage these strategic issues beforehand to achieve desired programmatic outcomes (Rainey, Hernandez, & Malatesta, 2021). To further evaluate the feasibility of Family Promise's HFV, the following SWOT analysis provides an overview of the program's internal strengths and weaknesses, as well as external opportunities and threats. This analysis offers a comprehensive framework for understanding critical factors influencing the program's success.

Strengths	Weaknesses
<ul style="list-style-type: none"> - Established support across the community - Proven programmatic success - Existing partnerships with key stakeholders - Land and social service resources already in place - Trauma-informed, family-oriented approach 	<ul style="list-style-type: none"> - High construction costs - Limited housing units - Potential difficulty innovating tiny homes to accommodate families - Dependency on external funding sources - Potential staffing/resource constraints (common nonprofit issue)
Opportunities	Threats
<ul style="list-style-type: none"> - Addressing a growing local need - Expanding support for underserved families - Potential for long-term community savings - Leveraging successful HFV models - Expanding services to further support mission 	<ul style="list-style-type: none"> - Resistance from NIMBY advocates - Rising construction costs - Economic uncertainty affecting funding - Challenges in coordinating partnerships - Zoning/Regulatory Challenges

Additional Support for Permanent Supportive Housing (PSH)

Two case studies that HRDC reviewed while developing their HFV highlight the effectiveness of PSH, particularly through innovative designs like tiny home communities. These models demonstrate significant improvements in residents' stability, autonomy, and quality of life while remaining cost-effective.

Quixote Village is a PSH community in Olympia, Washington that was established in 2013. It consists of 30 tiny cottages and a central community building, providing affordable, independent living paired with social services that foster stability, empowerment, and a sense of community. Recognized with the Rudy Bruner Award for Urban Excellence, Quixote Village is celebrated as a sustainable housing model for addressing chronic homelessness. Its units cost about half of typical housing in other homeless projects, thanks to the efficient design of tiny cottages and shared facilities in the community building (Wener, Farbstein, Lubenau, & Shibley, 2016). Residents report significant life improvements, including reduced stress, a renewed sense of belonging, and the security of having a safe, warm place to sleep each night (ibid). Quixote Village ultimately presents a compelling example to demonstrate how PSH can address homelessness effectively and economically while enhancing quality of life for residents.

Denver's Beloved Community Village is a transitional stewardship tiny home village that serves as another low-barrier housing alternative with impressive results. A strong network of community organizations supports this HFV, including the local church acting as fiscal agent, Bayaud Enterprises providing weekly laundry services and a day labor program, Denver Food Rescue supplying groceries, and Denver Homeless Outreach Collaborative offering additional social resources (Alexander, 2019). It's no surprise HRDC looked to Beloved Community Village for inspiration, particularly in leveraging community partnerships and volunteer efforts. Active participation from board members, community organizations, government agencies, and citizen volunteers adds significantly to the strength of a charge (Pawlak & Vinter, 2004).

One year after its launch, Beloved Community Village reported that 10 of its 12 original occupants were still housed, with 3 moving on to permanent housing (Alexander, 2019). Additionally, "the surrounding neighborhood reported no negative challenges associated with [Beloved Community Village], and those living in the village reported more stable lives, including reduced anxiety, maintained school enrollment or employment, and a social network with others in the village" (Scally, Gold, Oliver, & Salerno, 2020, p. 8). This data not only highlights the village's ability to improve residents' lives—especially by transitioning many to other permanent housing—but also demonstrates that PSH communities can coexist with surrounding neighborhoods without disruption. Given common NIMBY concerns, this evidence is critical to show that addressing homelessness through PSH benefits public health, reduces crime, and improves socioeconomic outcomes without creating challenges for the community.

HRDC's Housing First Village in Bozeman has achieved similarly encouraging outcomes in its initial stages, serving as a local proof of concept for the proposed Family Promise HFV. Within its first year, HRDC's HFV reported high housing stability rates, zero returns to

homelessness, significant reductions in emergency room visits, and improved mental and physical health for residents. Within just six months, new residents visited the emergency department 3.8 times less, resulting in 6.7 times less costly healthcare costs, totalling \$382,189 less strain on Bozeman's health system (Grenier, Cooney, Walker, & Henry, 2023). These results highlight the potential of PSH to address chronic homelessness in Bozeman effectively while reducing public costs.

Gallatin County's diverse list of committee members and organizations involved in HRDC's HFV indicates a supportive environment for planning and implementing PSH solutions. Fannie Mae Sustainable Communities Innovation Challenge funds a large portion of HRDC's HFV with other public sector and health services partners like MSU's School of Architecture, the Montana Department of Commerce, Community Health Partners, and Gallatin Mental Health Center offering planning and support services (Scally, Gold, Oliver, & Salerno, 2020). These examples of community sponsorship for Bozeman's first HFV are an indicator that Family Promise can garner the necessary support to lead a successful charge for Bozeman's second HFV. With solid financial backing, these programs illustrate their potential to be cost-effective, reduce community expenses, and address systemic homelessness in a meaningful way.

Family Promise's proposed HFV expands on these proven models by tailoring the approach specifically to families. With 15 tiny homes on Discovery Drive, this initiative integrates housing with essential services such as case management and childcare, ensuring comprehensive support. The emphasis on addressing systemic barriers, such as childcare and rising living costs, positions the program to generate even greater long-term impacts for families and the community. By fostering stability and self-sufficiency, the Family Promise HFV is poised to address the unique needs of families while aligning with the demonstrated successes of

Quixote Village, Denver's Beloved Community, and HRDC's Housing First Village. Together, these examples underscore the transformative potential of PSH solutions. Family Promise's HFV, rooted in local success and inspired by nationally recognized models, has the capacity to provide relief to families while creating a ripple effect of socioeconomic benefits for Gallatin County.

Budget Narrative

Starting with expenses, Family Promise already has key resources in place, including land and social service programs, as well as most employees necessary to plan and implement the program. The budget includes funding for two new staff members: (1) an administrative planner who will lead the charge and coordinate the logistical elements of the program with the rest of the team, and (2) an additional case manager to ensure support for 15 new families. The new planner will work with the Executive Director, Development Director, Community Engagement Coordinator, and Grants Manager to carefully plan, implement, and oversee the program with their involvement and support. This is a critical role that requires experience. Although the market rate for a similar position is between \$40,000 and \$60,000, the budget rounds up to provide this individual with a \$65,000 salary, plus benefits. The new case manager will receive a \$50,000 salary, plus benefits, which is consistent with the average salary for Family Promise's other case managers.

Building the homes requires raw materials estimated to cost approximately \$40,000 per unit, based on the average cost of constructing 250–450 square-foot homes. For 15 homes averaging 350 square feet each, the total cost of raw materials is estimated at around \$600,000. Architecture and engineering fees are projected at \$2,000,000, and annual operating costs are expected to be \$97,500. Since Family Promise's HFV is modeled after HRDC's and plans to leverage similar resources—such as the MSU architecture program for design and material

selection—these figures are based on HRDC's own costs, adjusted for larger average unit sizes and slight decreases in construction material costs since HRDC's HFV was built in 2021. These estimates were drawn from both the Urban Institute's report, *Implementing Tiny Homes as Permanent Supportive Housing*, as well as the *Housing First Village Guidebook*, which was created by HRDC to guide the design and implementation of other HFVs. Average family services, estimated at \$13,500 per family, were calculated using Family Promise's 2023-2024 impact report to take the total cost of program services divided by the number of families served.

Family Promise will take advantage of the same opportunities HRDC did by partnering with St. James Episcopal Church, MSU's School of Architecture, the City of Bozeman, Fannie Mae, the Urban Institute, and FUSE users like Bozeman Health and the Gallatin Valley Detention Center to garner innovative and financial solutions to support Bozeman's second HFV. Fannie Mae's Sustainable Communities and Innovation Challenge has awarded Family Promise with a \$750,000 grant for the program. Since beginning a capital campaign, Family Promise has raised \$1,500,000 on top of its additional \$1,000,000 in contributions to fund the program, investing \$150,000 into the campaign to raise funds. The City of Bozeman has additionally offered to pay an impact fee of \$100,000 for these efforts benefiting the community. With additional considerations for income received by families living in Family Promise's HFV as well as estimated costs obtained from families' use of the early childhood learning center, estimated revenues exceed estimated expenses by \$426,320. Additional revenue will remain in an account designated for Family Promise's HFV in case of unforeseen expenses.

Conclusion

Family Promise's proposed Housing First Village represents a strategic expansion of the organization's efforts to combat homelessness in Gallatin Valley, building upon the proven

successes of HRDC's Housing First Village and nationally recognized models like Quixote Village and Denver's Beloved Community Village. By combining innovative housing solutions with integrated, family-focused services, the program addresses the systemic barriers that families face, offering a path toward long-term stability and self-sufficiency.

With strong community partnerships, substantial financial support, and a track record of success, Family Promise is uniquely positioned to implement this program effectively. The proposed HFV perfectly reflects the organization's mission to empower families while tackling the pressing challenges created by Gallatin County's housing crisis. By focusing on resource-sharing, stakeholder collaboration, and financial sustainability, this program promises to deliver meaningful outcomes—lowering community costs, improving public health, and strengthening economic stability.

Family Promise HFV Budget

		Annual Per unit	Annual Total
Revenues	Federal Grants Revenue		\$750,000
	Contributions		\$1,000,000
	Impact Fee Offset		\$100,000
	Income (30% of family's income)	\$8,988	\$134,820
	Childcare Tuition (est. based on one child per family)	\$14,400	\$216,000
	Fundraising		\$1,500,000
Total Revenues			\$3,700,820
Expenses	Administrative/planning costs (Staff member)		\$65,000
	Case Manager		\$50,000
	Employee Benefits (approx. 30% of salary)		\$34,500
	Raw building materials	\$40,000	\$600,000
	Architecture/engineering professional fees	\$133,333	\$2,000,000
	Operating Costs	\$6,500	\$97,500
	Family Services	\$13,500	\$202,500
	Liability Insurance	\$5,000	\$75,000
	Fundraising		\$150,000
Total Expenses			\$3,274,500
Excess			\$426,320

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