



RESEARCH REPORT

Implementing Tiny Homes as Permanent Supportive Housing

Early Lessons from Housing First Village in Bozeman, Montana

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Executive Summary

Across the US, tiny-home communities are being piloted to house people experiencing homelessness. One new community is taking shape in Bozeman, Montana: Housing First Village (HFV). HFV partners seek to draw upon best practices to create permanent supportive housing (PSH) for people experiencing chronic homelessness through a trauma-informed tiny-home community with service supports. This report covers progress during the first year of HFV implementation, sharing lessons, reflecting on challenges, analyzing progress, and recommending areas where HFV implementation could more closely align with PSH and tiny-home models:

- **Permanent supportive housing** best practices include targeting improved outcomes for people experiencing chronic homelessness or at risk of homelessness, engaging housing and health partners in regular communication and collaboration, thoughtfully siting the housing within the larger community close to services and amenities, designing the housing to reduce trauma, securing financing for housing and services, and aligning services with resident needs.
- **Tiny homes** are 400 square feet or smaller, can be on wheels or a permanent foundation, and should be built to local building standards. Although the tiny-home movement appears to be led by young, white tiny-home owners, owners are more diverse, and new communities for people experiencing homelessness are cropping up across the US to provide permanent and transitional housing and services. The efficacy of this model of housing and services for people experiencing homelessness has not been extensively evaluated.

The Housing First Village Pilot and Study

HFV aims to keep tenants stably housed by providing them a safe, dignified, and permanent home between 130 and 250 square feet. During the two-year pilot phase, from June 2019 to June 2021, the goal is to build the first 12 homes of the village community. Table ES.1 provides an overview of the contracted milestones for pilot implementation.

TABLE ES.1

Annual Milestones for Housing First Village Pilot Implementation, 2019–21

Milestones	Year 1 (June 2019– June 2020)	Year 2 (June 2020– June 2021)
Data-sharing agreement in place	X	
Adoption of local and state regulations allowing tiny homes ^a	X	
Site selected and secured	X	
Capital stack committed		X
Operations funding model determined		X
Tenants identified		X
12 homes constructed		X
12 occupancy certificates received		X
Guidebook published		X

Source: Project Contract and Scope of Work.

Notes: These milestones are for Housing First Village implementation only and do not include any of the learning and evaluation deliverables. The development of the prototype tiny home occurred before the pilot started.

^a Because of COVID-19, we were not able to access information about state regulations related to tiny homes.

HFV is led by Human Resource Development Council of District IX (HRDC), a Community Action Agency and nonprofit housing and homeless service provider in downtown Bozeman, and is supported by several partners, including the city, state university, county detention center, and state department of commerce representing the public sector; the local nonprofit hospital, Federally Qualified Health Center, and mental health services provider representing local health services; and other faith-based supporters and industry participants. HFV partners also work closely with a state health care foundation and the Corporation for Supportive Housing (CSH) to develop evidence-based solutions for improving outcomes and reducing costs for frequent users of emergency shelters, hospitals, and jails.

Through qualitative data collection (including a visit to Bozeman), interviews, meeting observations, and document and literature review, this report provides an overview of the local housing and service context in Bozeman, followed by an in-depth look at HFV goals and target population; project partners; site selection; the design, construction, and habitability of the model home; project financing; and proposed services. It ends with partner reflections on progress and obstacles, an assessment of initial impacts on partners and the community; and early lessons on implementing tiny homes as PSH.

Housing and Services Context in Bozeman

Bozeman has experienced rapid population growth in recent years, increasing the demand for housing. But wages have not kept up with housing costs, and many residents struggle to find housing that is

affordable. Although Bozeman’s network of homeless services has strengthened, gaps remain. HFV intends to fill a critical gap in supports for people experiencing homelessness.

HFV Goals and Target Population

Project partners have identified goals and desired outcomes for HFV. HFV will provide stable, high-quality housing to tenants. Through housing and supportive services, partners hope to improve tenants’ mental health, physical health, and self-sufficiency. In alignment with the Frequent Users Systems Engagement (FUSE) program, HFV also seeks to improve cross-sector partnerships and data sharing to reduce the burden on existing systems and services. Partners intend to share implementation lessons and to create a replicable model that can be an option for people experiencing chronic homelessness across Montana and in other communities. Many of the goals HFV partners expressed align well with those of PSH, though there is divergence among partners that may lead to conflicts in implementation.

Consistent with PSH practices, HFV will serve adults who have experienced chronic homelessness, and some tenants may be selected from the list of frequent users identified through FUSE. Regardless of their histories, tenants will be people who want to live in a tiny-home community like HFV.

Project Partners and Participants

HFV project partners come from various sectors, including housing, faith-based communities, higher education, local government, criminal justice, health care, and philanthropy. Many partners were involved in sharing data across the health, housing, and criminal justice systems. The data-sharing effort, though challenging, has strengthened collaboration between organizations and identified frequent users of emergency services, some of whom may be future HFV tenants. The level of engagement has varied, with organizations split on how satisfied they are with the pace of progress. In the coming year, now that a site for HFV has been secured, partners expect to plan services together. They also identified organizations that could be helpful in this next phase of work.

Although the right partners seem to be at the table for PSH model implementation, there may be room for others. Some partner roles also seem to be unclear, particularly for those engaged in FUSE but who have had little involvement in HFV’s progress. The HFV process has not always followed best practices around collaboration—such as fostering shared goals and a vision for the work—and frequent communication among partners.

Siting the Homes

HRDC has purchased a 6.5-acre, two-lot property (Wheat Drive) for up to the first 20 HFV homes. Over 30 sites were identified as potential locations, but challenges included finding available undeveloped, affordable land in Bozeman and finding a site large enough to fit at least 12 homes and that had access to community amenities and services. HRDC worked with the city's Planning Division to update zoning regulations and processes to allow tiny homes and shelters within more zones, alleviating requirements for community review and minimizing the channels for community opposition. But HRDC has experienced resistance to some of its programs in the past and anticipates some opposition. This pushback influenced final site selection.

Although PSH is developed using both single-site and scattered-site models, single-site models have been found to foster greater community among tenants, reduce barriers to service delivery, and can make it easier for tenants to access services. These are consistent with the HFV pilot and its goals for using a single site. Drawbacks of single-site PSH projects include the potential for increased NIMBYism (Not in My Backyard) and challenges around integrating tenants into the broader community.

Housing Design, Construction, and Habitability

Montana State University (MSU) School of Architecture students and faculty designed and constructed an initial 130-square-foot prototype home inspired by homes in other tiny-home communities. Construction of a second home that is ADA (Americans with Disabilities Act) compliant is under way. MSU tested the tiny-home concept by building cardboard prototypes and inviting community members, including people experiencing homelessness, to visit and experience them. Homes were built to withstand Montana winters and designed so the resident feels surrounded by the natural environment. Tiny-home construction took longer than expected, though future units are expected to be built more quickly. Once the unit was finished, a graduate student and instructor lived in the home for a year to test its habitability. This testing resulted in changes to improve the home's indoor air quality.

To construct HFV, some partners want the community to be involved to foster greater connection with the project, though engaging volunteers requires selecting building materials that can be easily assembled by people with little construction experience. The pilot community will be on a single property with a colocated facility that will house services. The current designers hope that the planned walkways and green space will balance community and privacy.

Planned components align well with best practices for trauma-informed PSH and tiny homes, though not all design elements are finalized. The submitted concept review for the property plans for 20 homes, ample walkways, outdoor communal space, and transit access. The prototype home has many qualities associated with trauma-informed design, including a high ceiling and multiple windows for natural light while creating a sense of safety and privacy. With a private bathroom and small kitchen, the unit may also foster a sense of independence.

Financing

To purchase the land and build the units, HRDC will use both temporary and permanent financing through a combination of impact investment, local lending, grants, and private donations. HRDC is still determining how it will fund program operating and service costs. In 2020, FUSE partners will create a service model for frequent users, which will inform the planning for HFV operating costs.

Not much is documented about financing tiny-home PSH communities. Most traditional capital funding sources for PSH, and for affordable housing in general, are not being pursued for HFV. HRDC is also not currently leveraging private investment from hospitals or health plans or pursuing new financing mechanisms. Following existing PSH models, future decisions will include identifying sources of rental assistance and reimbursement models for services provided to residents.

Services

Project partners have proposed various supportive services for HFV, including physical and mental health services, dental services, case management, employment assistance and job training, and reentry services. HFV tenants will not be required to participate in any services.

Service partners and HRDC are determining whether to offer services on site or off site. Because HRDC has leased a building on the property adjacent to HFV, there may be opportunities to host services in that facility alongside some of HRDC's other programming. HFV partners are prioritizing core services for a PSH model. Services that support life skills for tenants, a component of some PSH programs, have not been discussed.

Partner Reflections on Pilot Implementation

Partners identified significant areas of progress along with what they believed were some of the biggest remaining obstacles. The biggest contributors to progress have been strong relationships among partners, growing trust, strong leadership from HRDC, and newly tapped energy around collectively connecting health and housing solutions. The biggest remaining hurdles include local and state political will and regulations, gaps in the service delivery system and its capacity, an uneven sense of responsibility for addressing housing needs in Bozeman, and potential community opposition. COVID-19 may pose additional obstacles, as the pandemic continues to affect the national economy and state and local resources.

Assessing Progress and Looking Forward

HFV is on track to meet its target goals for pilot implementation. Key partners have executed data-sharing agreements, HRDC has identified funds and purchased a site to support construction of at least 12 tiny homes, and tenant and service provider identification has begun. HFV has already affected the organizations involved in HFV through shifts in thinking about housing and health, capacity building within organizations, and opportunities for peer learning. Partners disagree on whether HFV has already affected community perceptions of affordable housing and people experiencing homelessness, but they are optimistic that it may do so in the future.

Next Steps in Aligning HFV with PSH Best Practices

The first year of implementation has provided early insights into how tiny homes can be used for PSH. Although HFV implementation is following many PSH best practices, there is room for improvement by clarifying existing practices and adopting practices that have been overlooked. Below are recommendations building on what HFV has already achieved in its first year, looking forward to second-year implementation:

- **Goals and target population.** Work toward a single shared vision for HFV among all project partners by developing a theory of change. Agree on the exact population to target and how best to recruit them.

- **Project partners.** Continue to improve communication. Get deeper buy-in and commitments from partners on HFV—whether staff, space, or other resources. Decide how to include additional partners based on tenants’ needs balanced against the additional effort associated with coordinating a larger partnership.
- **Siting the housing.** Anticipate community opposition, and identify local champions for HFV. Monitor the outcomes of using a single site for the HFV pilot and adapt for future HFV expansion.
- **Housing design, construction, and habitability.** Explore the implications of trauma-informed design on the tiny homes and the community by soliciting input from people that are experiencing or have experienced homelessness.
- **Financing.** Finalize cost estimates to secure necessary funding. Consider other public capital and rental assistance funding options available for developing PSH. Explore new funding models for capital, including hospital and health plan investments in affordable housing. Identify service funding streams.
- **Services.** Determine the appropriate mix of services based on tenants’ most likely needs. Consider tenant safety and security. Decide whether to provide services on site or off site. Select an appropriate service delivery model.

1. Introduction

Across the US, tiny-home communities are being piloted to house people experiencing homelessness.¹ One new community is taking shape in Bozeman, Montana: Housing First Village (HFV). HFV partners seek to draw on best practices to create permanent supportive housing (PSH) for people experiencing chronic homelessness through a trauma-informed tiny-home community with service supports. A two-year pilot focused on developing the first few homes is under way.

This report covers progress during the first year of HFV pilot implementation, sharing lessons, reflecting on challenges, analyzing progress, and recommending areas where HFV implementation could more closely align with PSH and tiny-home models. To start, we review the knowledge on PSH and tiny homes, introduce the HFV pilot project, describe the study's goals and audiences, and outline the report structure.

What We Know about Permanent Supportive Housing

PSH emerged in the 1980s as an effective model of providing stable, permanent housing to people experiencing chronic homelessness within a service-rich environment (Hannigan and Wagner 2003). Multiple studies over the past several decades show how these programs reduce homelessness and use of shelters, jails, prisons, and emergency rooms.² PSH also aims to improve health. Although no study has tested this comprehensively, some studies have shown that PSH is associated with a reduction in alcohol use and improved outcomes for people living with HIV/AIDS (Larimer et al. 2009; National Academies of Science, Engineering, and Medicine 2018).

There are notable best practices for designing and implementing PSH projects to ensure their success, many of which are promoted by the Corporation for Supportive Housing (CSH) through its *Dimensions of Quality Supportive Housing Guidebook* (CSH 2013). Key themes are summarized below.

Goals and target population. Successful PSH should improve tenants' health, increase their income and employment, and improve their satisfaction, housing stability, and community integration (CSH 2013). PSH supports people experiencing chronic homelessness, specifically those who are experiencing homelessness or are at risk of homelessness and may be facing barriers to employment or permanent housing because of disabling or chronic health conditions.

Project partners. There is limited research on supportive housing partnerships, but PSH partners are primarily housing providers and service providers. Most research on supportive housing partnerships focuses on health and housing partnerships, including organizations that provide and manage housing and provide housing supports and organizations that provide or fund primary care, behavioral health, and recovery services (Kimball, Usher, and Hart 2017). When forming these partnerships, housing and service providers should examine need in the community and understand what services would best benefit tenants and how many partnerships they have the organizational capacity to manage (CSH 2015). Other partnerships, such as those between law enforcement and homeless service providers, recommend the same type of assessment, adding that engaging the community and partnering with local stakeholders and officials can create long-term stability for tenants (US Interagency Council on Homelessness 2019).

Depending on the location and services chosen for a PSH development, partnerships can range from low collaboration to high collaboration (Spillman et al. 2016). On the low end, collaborations can take the form of referrals or care coordination, where partners operate mostly or entirely independently from the primary PSH provider. The high end sees more involvement from partners, as services are incorporated into the existing site and there is more wraparound care. And although there are benefits and drawbacks for each level of collaboration, communication and coordination are necessary to ensure high-quality service delivery, and partners and staff should be clear about their roles with each other and with the tenants that they serve (Spillman et al. 2016). When the goals and vision of a program are not held by partners and partners act as stand-alone programs, the partnership risks falling apart.³

Siting the housing. PSH generally takes two site-selection approaches to address chronic homelessness: single-site housing and scattered-site housing (National Academies of Science, Engineering, and Medicine 2018). In the single-site approach, tenants are offered units within one building or on shared land that provides on-site supportive services. Single-site units are primarily built and designed for people who are experiencing homelessness or otherwise need supportive services (Henwood et al. 2018). Studies that support this approach agree there are fewer service-delivery barriers through this model, as it fosters a sense of community among tenants, and tenants are more likely to use supportive services when they are available on site. But single-site units can spark NIMBY (Not in My Backyard) opposition from the community because of residents' concerns of having neighbors who formerly experienced or are currently experiencing homelessness (Chen 2019).

Scattered-site housing, on the other hand, offers tenants units that are often already available throughout the community and rely on community-based supportive services. The scattered-site

approach also gives potential tenants choices in their housing and neighborhoods, and they can choose whether to participate in supportive services, whereas single-site PSH is usually developed with a population in mind, and service providers are likely to have more contact with tenants than at scattered sites (Dickson-Gomez et al. 2017). Supportive services through the scattered-site approach are either located off site at a nearby facility or delivered to tenants in their unit. Studies have found that service delivery for scattered-site units has its challenges, including a need for transportation to services and managing external service providers (Chen 2019). Despite these challenges, some programs prefer scattered-site PSH because it can circumvent concerns raised by neighboring residents who may have an issue with single-site PSH being developed in their community (Chen 2019).

Although scattered-site housing has been linked to better community integration, research on the single-site approach may produce similar outcomes (Aubry, Nelson, and Tsemberis 2015; Somers et al. 2017). Numerous studies have examined outcomes from the At Home/Chez Soi demonstration project and found that there was no significant difference in quality of life over a 24-month period between single-site and scattered-site programs (Aubry, Nelson, and Tsemberis 2015; Somers et al. 2017). Specifically, when comparing both approaches against treatment-as-usual (i.e., traditional mental health treatments with no housing component), both produced similar outcomes for community integration. But Somers and coauthors (2017) did note that the single-site model produced better psychological community integration outcomes (i.e., how much a person feels a socio-emotional connection to their community) than the scattered-site programs when measuring subjective responses from residents (Gulcur et al. 2007).

Housing design and construction. Whether scattered site or single site, supportive housing should make tenants feel at home, including taking into account prior traumatic experiences. A traumatic experience creates an overwhelming feeling of fear and helplessness and can have a long-lasting impact on a person's ability to have interpersonal relationships or feel safe (Hopper 2009). Trauma-informed design acknowledges these needs (Berens, n.d.). Such design often emphasizes natural light, calming colors, open spaces, noise abatement, durable furniture, and other principles to convey a sense of welcome, safety, and privacy (Berens, n.d.). Some supportive housing apartment buildings targeting people who have experienced homelessness have used these approaches, mitigating potential triggers of past trauma, and many are successful.⁴ The housing should also promote a sense of independence, providing residents the space and resources they need to store, prepare, and eat meals, rather than relying on a food bank (Henwood et al. 2013).

Financing. Capital and operating funding is difficult to secure to support housing units and services that serve tenants with little or no income and little capacity to maintain regular employment.

Resources for financing affordable housing development are few, as are those available to help pay rent for low-income households. Today, only one in five eligible households that qualifies for federal housing assistance actually receives any (Kingsley 2017).

Existing resources focus on subsidizing housing development, providing rental assistance, and funding supportive services.

- **Affordable housing development.** The primary affordable development program today is the Low-Income Housing Tax Credit (LIHTC), a federal tax credit program administered by states (Scally, Gold, and DuBois 2018). In addition to private equity, gap financing—which generally comes from other federal, state, and local resources—is still usually required to minimize debt on the property to make rents even more affordable.⁵ Although LIHTC can be used for PSH, it works best for large multifamily buildings, and PSH units would require deep rental assistance to cover tenants' rents and additional funds for supportive services. The National Housing Trust Fund—also funded nationally but administered by states—can fund units with or without LIHTC financing and has been used to build rental units for people experiencing homelessness (Gramlich 2018).
- **Rental assistance.** The most common long-term rental assistance program is the federal Housing Choice Voucher program, which serves over 2 million households annually. Other federal resources that can also be used for general rental assistance include the HOME Investment Partnerships Program.⁶
- **Rental assistance, housing supports, and supportive services.** A few programs focus on funding rental assistance, housing supports and supportive services for people experiencing homelessness, who are at risk of homelessness, or who need supportive services. The US Department of Housing and Urban Development runs several such programs, including the Continuum of Care Program, Emergency Solutions Grant, and Section 811 Project Rental Assistance for people with disabilities.⁷ Depending on the state, along with health care services, Medicaid can be used to fund housing-related services, including working with people transitioning from institutions to community-based housing and providing supports for remaining stably housed (Paradise and Cohen Ross 2017).
- **Hybrid programs.** The Housing Opportunities for Persons with AIDS program is a hybrid of all three approaches and can be used for housing development, rental assistance, and supportive services for people with AIDS.⁸

Despite what appears to be a long list of resources, federal programs do not provide adequate funds for PSH, so providers must seek additional sources and money-saving strategies, such as rental payments, state programs, grants and donations from corporations and philanthropic entities, and volunteer labor (Post 2008).

The general lack of resources for PSH has inspired localized funding innovations, particularly by health-focused organizations that recognize stable housing as a key determinant of health outcomes for people experiencing or at risk of homelessness. Nonprofit hospitals and health systems have donated land or buildings, swapped land with housing developers, provided direct loans or a credit enhancement for housing development, and offered staff time and direct grants to help leverage other investments (Reynolds et al. 2019). Health plans and managed care organizations have made direct investments in affordable housing and service coordination (Mercy Housing and the Low Income Investment Fund 2017). Social impact bonds, also known as pay for success, are being tested in some supportive housing programs as a way to leverage private funds and ensure positive outcomes.⁹ And new funds are emerging to pool local resources from health systems, philanthropy, and business interests with Medicaid funds to provide supportive housing.¹⁰

Services. A Housing First approach prioritizes housing assistance to people experiencing homelessness without requiring residents to meet any other preconditions. This approach is guided by the belief that safe and stable housing is a basic necessity and more critical than other services that may also be helpful. Therefore, services are offered to residents but are not required for housing.

Available services include case management; mental, physical, and behavioral health services; substance use treatment, and possibly employment training or even employment opportunities.¹¹ Life skills training, such as financial planning or budgeting, nutrition, parenting support, and job readiness, may also be a component of a PSH service model (Post 2008). PSH programs may use evidence-based practice models such as the assertive community treatment (ACT) model, an intensive approach to case management services characterized by smaller caseloads that are shared across a multidisciplinary team and services delivered in a person's natural environment. In addition, supportive employment can help people with severe mental illness earn income through competitive jobs and decrease dependence on public assistance and care, symptoms of mental illness, hospitalization, and community stigma around mental illness (Ohio SE CCOE 2007). HFV planners have yet to determine whether the services will include any of these specific program and treatment models.

Services may be offered on site or off site, and the optimal mode of service delivery may depend on the program's size, local provider capacity, residents' health and service needs, and proximity to

services. Establishing positive relationships between property managers, tenants, and service providers is also critical to program success (Post 2008).

What We Know about Tiny Homes

Tiny homes differ in what they look like and who they serve. Key details relate to home size and design, zoning laws and building codes, occupants, characteristics of tiny-home communities, and amenities and services, particularly those targeting people who have experienced homelessness. Evidence on the outcomes associated with the use of tiny homes as PSH are not well documented.

Physical features and design. Definitions around what constitutes a tiny home vary. The International Residential Building Code defines tiny homes as any dwelling up to 400 square feet (ICC 2017). Tiny homes come in a variety of sizes and forms depending on budget and preference. Those on tighter budgets may opt for recycled or repurposed materials, particularly as builders cannot access the savings that come with purchasing the bulk materials needed for a larger house.¹² Some tiny-home communities have embraced a Housing First or supportive housing approach, but there is little documentation on the use of trauma-informed design in tiny homes and broader landscaping of these communities.

Zoning laws and building codes. Tiny homes must comply with laws and codes, which vary by jurisdiction. Regulations can determine anything from the unit's design (e.g., minimum square footage) to infrastructure requirements (e.g., utility hookups). Tiny homes can be built as permanent structures with permanent foundations, or they can be built for temporary use, either on slabs or on wheels. Tiny homes on permanent foundations can be stand-alone (i.e., a single house on a single lot) or constructed as an accessory dwelling unit on a lot shared with a primary dwelling unit.¹³ Tiny homes may or may not be manufactured homes. For example, when on wheels, tiny homes typically conform to recreational vehicle codes rather than manufactured housing codes (Hooper and Moreno-Beals, n.d.).¹⁴ Some manufactured housing producers do build tiny homes to install on a permanent foundation. But on-site construction, as opposed to a manufactured home, is also common.¹⁵

Residents. There is little documentation on the demographics of typical tiny-home occupants. The National Association of Home Builders reports that millennials find smaller homes more appealing than older generations, so tiny-home residents may tend to be younger. Increased mobility challenges associated with aging may also limit accessibility.¹⁶ Tiny-home residents in popular culture are often portrayed as white but are likely more racially diverse.¹⁷ There has been growing attention to tiny-home

communities as a solution for the affordable housing and homelessness crises, and cities around the country have piloted these programs. Race, ethnicity, and income levels among tiny-home residents are not well documented, nor is it clear what share of tiny-home residents have experienced homelessness.

Communities. Efforts to build tiny homes and tiny-home communities have historically run into challenges, including complicated land-use and zoning regulations, as well as building codes.¹⁸ Financing options may also differ from traditional homes and present further challenges.¹⁹ Understanding how communities have overcome such challenges would aid in future development. But current processes for developing and implementing tiny-home communities are not systematically documented, and outcomes for key partners and residents are not rigorously measured and tracked. This study is one effort to fill this knowledge gap.

Tiny-home communities for individuals experiencing homelessness are being piloted in many cities, and there are more than a dozen well-documented communities (Jackson et al. 2020).²⁰ Many of these supportive tiny-home communities have grown out of partnerships between municipal governments, faith communities, social service providers, philanthropic foundations, and businesses, though nonprofits typically fund them. These communities have been made up of both permanent and transitional housing, with some also using a Housing First model (Jackson et al. 2020; National Alliance to End Homelessness 2016). The target populations for these communities also vary, with some serving specific subpopulations of people who have experienced homelessness, such as veterans or people with additional barriers to housing. Other tiny-home communities serve low- or very low-income people or those at risk of homelessness (Jackson et al. 2020).

Amenities and services. Depending on their nature and purpose, these villages may have housing-related amenities, including a communal building with a kitchen, laundry facility, or community center. Some also provide supportive services, such as counseling services or medical care.²¹ For example, The Dwellings in Tallahassee, Florida, provides a free medical clinic, dental services, on-site meals in the community center, counseling services, financial planning, a bus pass, bicycles, and other services and amenities through more than 50 partnerships with local health care, transportation, and other service providers.²² Quixote Village in Olympia, Washington, offers case management, quarterly nursing visits, life skill classes, nutrition support, haircuts, chiropractic care, and community events such as community dinners, group walks, and yoga.

Outcomes. There have been limited evaluations of the efficacy of tiny-home communities that support individuals who have experienced homelessness. Quixote Village reports that 90 percent of residents who have moved out of the village in the past two years reported moving to other forms of

permanent housing.²³ Dignity Village in Portland, Oregon, the nation's oldest tiny-home community, reports that most residents stay for 1.7 years and that 80 percent of residents exit to permanent housing.²⁴ Denver's Beloved Community Village was recently evaluated by the University of Denver with additional positive results (box 1).

BOX 1

Beloved Community Village in Denver, Colorado

Colorado Village Collaborative, made up of the Interfaith Alliance of Colorado and Denver Homeless Out Loud, organized the project. It features 11 tiny homes occupied by individuals who had previously experienced homelessness. One year after launch, 10 of the 12 original occupants were still housed (and 3 of these 10 had moved to other permanent housing), the surrounding neighborhood reported no negative challenges associated with the 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.

Source: Cole Chandler, "Evaluation Findings" (Denver: Colorado Village Collaborative and University of Denver Barton Institute for Philanthropy and Social Enterprise, 2018).

The Housing First Village Pilot

HFV aims to keep tenants stably housed by providing them a safe, dignified, and permanent home between 130 and 250 square feet. During the two-year pilot phase, which began in June 2019 and will end in June 2021, the goal is to build and obtain occupancy certificates for at least the first 12 homes of the village community. Table 1 provides an overview of the contracted milestones for pilot implementation.

TABLE 1

Annual Milestones for Housing First Village Pilot Implementation, 2019–21

Milestones	Year 1 (June 2019– June 2020)	Year 2 (June 2020– June 2021)
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Source: Project Contract and Scope of Work.

Notes: These milestones are for Housing First Village implementation only and do not include any of the learning and evaluation deliverables. The development of the prototype tiny home occurred before the pilot started.

^a Because of COVID-19, we were not able to access information about state regulations related to tiny homes.

HFV is led by Human Resource Development Council of District IX (HRDC), a Community Action Agency and nonprofit housing and homeless service provider in downtown Bozeman. It is the largest social service provider for low-income residents in Bozeman, providing housing units, assistance, and services; community food and transportation services; early childhood education; and case management (box 2). HRDC has raised the profile of experiences in homelessness in Bozeman and is the primary provider of housing and services to people experiencing homelessness. It sees a critical need for the PSH approach to bring people out of homelessness, but HFV is just one solution among a continuum of options that HRDC and other partners are developing to house low-income individuals and families and people experiencing homelessness.

BOX 2

Project Lead: HRDC

HRDC provides several housing options for individuals and families in Bozeman. For individuals in need of emergency housing, HRDC operates the Warming Center, a shelter open through the winter to families with children, couples, and single adults. It also provides rental assistance to low-income households and operates transitional housing, which offers temporary housing and supportive services to men and families with the goal of transitioning residents to permanent, affordable housing. HRDC is the contact administrator for Montana and distributes the federal vouchers that help pay the rent for 425 low-income families and 13 veteran households. It also constructs and renovates housing available for rent and purchase.

To improve housing stability, HRDC staff work one-on-one with individuals to prevent them from being evicted, help them secure housing in the private market, and counsel them through the homebuying process. Staff also partner with renters and homeowners to reduce household heating costs by installing energy-saving measures.

In addition to housing and housing-related services, HRDC administers a transportation service, three food banks, the Head Start program, and a pay-what-you-can café.

Sources: HRDC website and Urban Institute interviews and correspondence with HRDC staff.

Public, private, and nonprofit partners and industry participants are working with HRDC to make HFV a reality, along with other local endeavors to provide stable housing in Bozeman:

- Public-sector partners:
 - » City of Bozeman (Community Development Department's Planning Division)
 - » Montana State University School of Architecture
 - » Gallatin County Detention Center
 - » Montana Department of Commerce
- Health services partners:
 - » Community Health Partners (CHP)
 - » Bozeman Health
 - » Gallatin Mental Health Center
- Faith community: St. James Episcopal Church with the support of other faith-based partners
- Industry participant: Fannie Mae Sustainable Communities Innovation Challenge

HFV partners also work with the Montana Healthcare Foundation (MTHCF) and CSH through their work on the FUSE Initiative, which seeks evidence-based solutions for improving outcomes and reducing costs for frequent users of emergency shelters, hospitals, and jails (box 3).

BOX 3

FUSE in Bozeman

FUSE (Frequent Users Systems Engagement) is a model for identifying and providing supportive housing for people who frequently engage with emergency services in the justice, medical and mental health, and homeless response systems. Community service providers work with the Corporation for Supportive Housing (CSH) to identify frequent users across these combined systems and develop housing and service programs to support them.

The Montana Healthcare Foundation sponsors a two-year FUSE engagement in multiple Montana cities, including Bozeman. Funding supports a staff member at HRDC to be the local project manager and supports tailored trainings from CSH to carry out activities. The first year of FUSE focused on local matching data across justice, health care, and homeless services to identify a list of frequent users. The second year will focus on developing a local service model to support frequent users. Peer learning events facilitate shared knowledge and lessons among the participant cities.

In Bozeman, a subset of Housing First Village (HFV) partners worked on FUSE: HRDC, Bozeman Health, the Gallatin County Detention Center, the Planning Division, and Community Health Partners. Together, they identified an initial list of 23 individuals, some of whom could potentially be referred as tenants of HFV among other housing options that may be more appropriate for their needs. Between June 1, 2018, and May 31, 2019, each individual stayed at the Warming Center at least once or was identified through the local coordinated entry system,^a had visited the Bozeman Health emergency department four or more times, and was incarcerated two or more times at the Gallatin County Detention Center. In the second year of FUSE, partners plan to update the data match from the 2019–20 period and determine appropriate referral and eligibility pathways for identified individuals to access housing, including HFV.

Source: Urban Institute interviews and CSH (see “Introduction to CSH’s FUSE Initiative,” CSH, accessed July 21, 2020, <https://cshorg.wpengine.com/fuse/#intro>).

^aCoordinated entry is a crisis management system that aims to efficiently connect people to resources with the goal of resolving their homelessness. Coordinated entry includes a prioritized list of all people in the region experiencing homelessness. For more information, see US Department of Housing and Urban Development (HUD), “[Coordinated Entry Policy Brief](#)” (Washington, DC: HUD, n.d.).

Study Goals and Audience

A growing number of tiny-home communities attempt to meet the needs of people experiencing homelessness, but there is no systematic knowledge of the process for developing these communities—from designing the homes, to establishing partnerships, to financing and building the community and providing services—and there are few evaluations of how well the model can be sustained and replicated. This initial process study seeks to capture project opportunities and challenges about the following topics:

- regulatory changes and how local zoning laws and building codes affect housing design, construction, and location
- the roles partners play on the project and their level of engagement, perceptions of HFV and people experiencing homelessness, and the steps project partners are taking to educate the community
- the process of identifying and purchasing a property on which to locate HFV
- the tiny-home design, including unit comfort and habitability, as well as the community design and layout
- securing the funding to purchase the land, construct the units, and operate the program and services

Along the way, we will compare the process in Bozeman with PSH best practices to highlight where HFV is aligning with the evidence and where the process falls short and suggest where future adjustments could improve the process and likely success of HFV.

This study has multiple audiences interested in improving housing and services for people experiencing homelessness. Homeless housing and service organizations could use findings to help address homelessness and the needs of frequent users of emergency systems in their own communities. Representatives from local and state governments, as well as the housing, health, and criminal justice fields, could use the findings to think through land-use or zoning policies, infrastructure considerations, data-sharing strategies, and new partnerships that could bring their communities together around new types of housing and services to stabilize individuals and families experiencing homelessness in their community. Fannie Mae and others providing housing finance may benefit from project lessons about land-use and real estate processes in small markets, and HFV may inspire new financing models.

The COVID-19 pandemic has affected HFV implementation in ways both large and small. For project partners, it has taken staff time and resources away from implementing HFV. It has also added uncertainty around some of the funding for HFV and may pose additional hurdles as the pandemic continues to affect public and economic health nationally and locally. And the pandemic has underscored the necessity of safe places for quarantine and isolation for people experiencing homelessness, which HFV hopes to address in the future.²⁵

Structure of the Report

This report summarizes findings from our analysis on the following topics:

- data collection methods and analysis
- the range of housing and services available for people experiencing homelessness in Bozeman
- the goals partners hope to achieve with HFV and the individuals they seek to serve
- descriptions of project partners and their roles during the first year of implementation
- searching for and identifying a property for HFV
- tiny-home development, including unit design and construction, as well as considerations of the comfort and habitability of the final design
- sources for project funding, including the purchase of the land, construction of the unit, and operating costs
- anticipated supportive services that will be available to tenants and potential service providers
- reflections on implementation, including project strengths and challenges
- an assessment of overall implementation to date and early lessons on tiny homes as PSH, including aligning HFV with PSH best practices

2. Study Design

To understand HFV implementation and lessons for the field, this study focuses on the following six research questions (a more detailed list of research questions can be found in appendix A):

1. What is HFV?
2. Who are the primary partners engaged, how are partnerships structured/formalized, and how do they change over time?
3. What implementation opportunities and barriers does the project face, and how are these managed?
4. How do initial results compare with progress toward pilot outcomes over time?
5. How is the larger system and environment responding to the initiative—including shifts in local policies, politics, or economic environment—and how do partners respond to these shifts?
6. What lessons can others learn from HFV about how to design, finance, and implement a similar program? How can it be sustained, scaled, and replicated?

Collecting the Data

This study used various qualitative data collection techniques, including a site visit, interviews, meeting observations, and document review. These methods are described below.

Site Visits and Observations

We visited Bozeman in November 2019 to meet with project stakeholders and to understand the project's implementation within the broader context of Bozeman. We conducted the first round of in-depth interviews with project partners, toured the prototype model homes on MSU's campus, and visited the properties being considered as potential locations for HFV. We also visited HRDC facilities and projects to understand the service landscape, including HRDC's main office, the food bank, a transitional housing property, and the pay-what-you-can café. The visit also allowed us to participate in a local community "SymBozium" on affordable housing, hosted by the public library.

Interviews

We conducted in-depth interviews with 19 people in 12 organizations involved in HFV planning and implementation, as well as those involved in sharing data via FUSE (box 3). We conducted the interviews at two points: in person in November 2019 in Bozeman and by phone in February 2020. We conducted 26 interviews. We identified interview participants in consultation with HRDC, prioritizing those who had been involved in the HFV planning process during the pilot's first year. Interviews covered the following topics: the interviewee's role in the community and in HFV or FUSE, motivation for participating in HFV, goals of HFV or FUSE, and accomplishments and challenges encountered in the pilot process.

Meeting Observations

We also collected data while observing meetings with key stakeholders. We participated in monthly phone calls with HRDC and Fannie Mae and in monthly calls with HRDC only. These conversations covered important updates on HFV implementation, focusing on site selection, securing the funding to purchase the site and construct the units, community perceptions and engagement, and data sharing. Additionally, the research team observed FUSE meetings via phone from September 2019 through December 2019, when first-year meetings ended, as well as the initial second-year meeting in June 2020. These meetings provided insights into partners' roles, partnership development, and data sharing.

Document Review

We reviewed documents related to HFV implementation, including the City of Bozeman Housing Action Plan, FUSE data match results, HFV tiny-home prototype blueprints, the HFV conceptual review plan submitted to the Planning Division, and Montana housing and health policy documents.

Analyzing the Data

We developed an analysis process for each data collection method to glean answers to the research questions. We analyzed the interviews using NVivo software after developing a codebook of themes related to the research questions. Because multiple researchers coded the interviews, we conducted periodic checks to ensure coding was consistent. We then analyzed themes as they pertained to each research question. Meeting observation notes provided the most up-to-date information about partner

roles and project progress and were particularly useful for filling in any gaps left by the interviews regarding rapidly changing project development such as site selection and funding.

Impact of COVID-19

The pandemic has affected the timing and content of this report. Most importantly, we were unable to interview one state government official, who had to shift their focus to Montana's response to the virus. Understanding state-level developments will be an important area for exploration in next year's report.

3. Local Housing and Services Context

Chapter Highlights

- Bozeman has experienced rapid population growth and increased housing demand. But wages have not kept up with housing costs, and many residents struggle to find housing that is affordable.
- Although Bozeman's network of homeless services has strengthened, gaps remain. HFV intends to expand local housing and service supports for people experiencing homelessness.

The Housing Market and Economy

Population growth, coupled with rising land and housing costs, have squeezed housing markets across the United States.²⁶ Reflecting national trends, Bozeman has grown rapidly over the past 20 years. After growing by nearly 9,000 residents between 1970 (18,760) and 2000 (27,509), the city is expected to nearly double in population by the 2020 Decennial Census, surpassing 50,000 residents. During this population boom, the price per acre of land in the Bozeman micropolitan area has increased 87 percent between 2012 and 2017.²⁷

Project partners said that many people have come to Bozeman because it is a beautiful place to live and residents enjoy a high quality of life with access to recreational amenities (photo below). One interviewee said Bozeman has some of the best orthopedic surgeons because they choose to live near Big Sky, Montana, a popular skiing destination. Recent data show that residents of counties with a strong recreation-based economy, such as Gallatin County where Bozeman is located, pay a larger share of their income toward housing than residents of nonrecreation areas.²⁸ Partners also observed that Bozeman is home to a large number of telecommuters—residents living in Bozeman and commuting to larger cities, such as San Francisco, Seattle, or Washington, DC. Partners speculated that telecommuters may be driving up housing prices because their incomes are higher than local wages.

Bozeman, Montana, in Winter

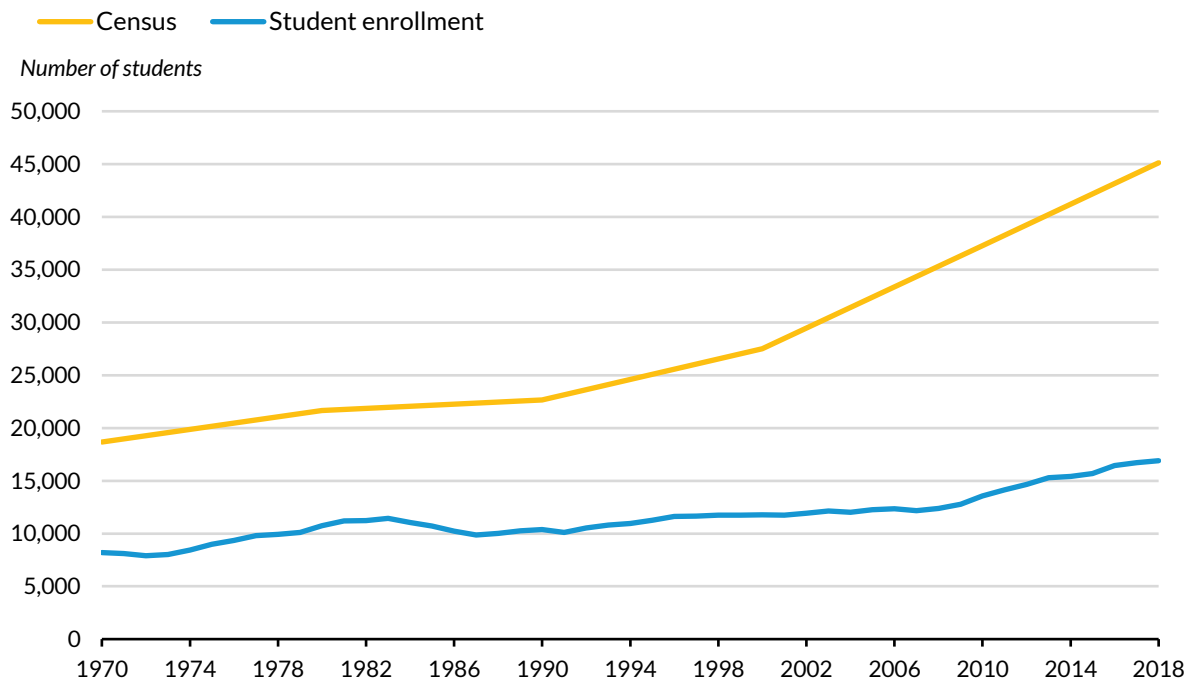


Shutterstock/Leif D.

Montana State University's flagship campus in Bozeman also draws people to the area. Located on a 1,780-acre campus just outside downtown Bozeman, MSU has almost 17,000 students, about 2,600 full-time employees, and 1,700 part-time employees. The number of students enrolled at MSU has grown alongside Bozeman's overall population (figure 1). Between 2000 and 2010, the student population increased 15 percent. This trend has continued, with the population swelling to 15,688 students in 2015 and then to 16,766 in 2019. One partner said this growth has put pressure on the housing market: "Once they [students] hit their sophomore year, they do not want to be on campus." Trying to find housing for students and for residents has always been a challenge, but by spring 2020, another partner said this rapid student growth may be plateauing, a trend that may be more acute in response to COVID-19.

FIGURE 1

Montana State University Enrollment versus Bozeman Population, 1970–2018



Sources: Montana State University Fall Headcount Enrollment History, Decennial Census 1970–2010, and ACS 2014–18 five-year population estimate for Bozeman, Montana, available from Steven Manson, Jonathan Schroeder, David Van Riper, and Steven Ruggles. IPUMS National Historical Geographic Information System: Version 14.0 [Database]. Minneapolis, MN: IPUMS. 2019. <http://doi.org/10.18128/D050.V14.0>.

Population growth has put pressure on the housing supply, and wages have not kept up with housing costs (table 2). The rental vacancy rate in Bozeman is about 4 percent, and the median renter household income is \$37,785. Fifty-six percent of renter households are cost burdened, paying more than 30 percent of their income toward rent (table 2). This contributes to Gallatin County’s ranking as the sixth-most-expensive county for housing in Montana.²⁹ Workers paid low wages and those employed in the service industry struggle to afford to live in Bozeman. The Warming Center, the seasonal emergency shelter run by HRDC, helps people who are employed in the service industry but who cannot afford permanent housing in town. People looking for work face even greater challenges, particularly now with COVID-19 affecting service industries the most.³⁰

TABLE 2

**Renter and Rental Market Characteristics and Homelessness
Counts for Bozeman and Gallatin County, Montana**

	Gallatin County, MT		Bozeman, MT	
	Estimate	Margin of error	Estimate	Margin of error
Total housing units	51,000	+/-341	20,325	+/-418
Housing that is renter occupied (%)	38.3%	+/-3.7	56.0%	+/-2.5
Rental vacancy rate	9.1%	+/-4.4	4.2%	+/-2.0
Median gross rent (2018)	\$1,105	+/- \$69	\$1,016	+/-37
Median gross rent (2010)	\$818	+/-51	\$787	+/-29
Median renter household income	\$46,114	+/-6,904	\$37,785	+/-1,929
Cost-burdened households (%)	48.7%	N/A	55.9%	N/A
People experiencing homelessness on any given night ^a	N/A	N/A	103	N/A

Sources: American Community Survey (ACS) and Montana Point-in-Time count. Gallatin County figures are 2018 ACS one-year estimates. Bozeman figures are 2014–18 ACS five-year estimates.

Note: The Point-in-Time (PIT) count is done only at the city level in Montana, so no data are available for Gallatin County.

^aData according to the 2019 PIT count.

Between the fall and spring interviews, Bozeman saw additional housing development with more projects in the pipeline, yet affordability remained a challenge. The city plans to develop a mix of housing unit types, including apartments and duplexes as opposed to single-family detached homes. The goal is to diversify options for owners and renters, with the goal of building 6,000 additional units. But partners expressed concerns that even with additional development, Bozeman will struggle to meet the housing needs of low-income residents.

Lots of things are being built, but they're high price. We don't have a lot of options for low-income people.

—Interviewee

According to the 2019 Point-in-Time (PIT) count (table 2), 103 people are experiencing homelessness in Bozeman, a significant increase from the reported number of people experiencing homelessness in 2018 (79) and 2017 (88). The PIT count typically undercounts people, so the real figure is likely even higher (National Law Center 2017). The city's cold climate makes experiencing homelessness more difficult. Partners said that people experiencing homelessness often go to the emergency room, the library, or the jail to escape the cold.

Homeless Services

Bozeman's homeless response network has strengthened, according to partners. For a long time, Bozeman's approach to homelessness was to give people a bus ticket to larger cities, frequently Missoula or Billings, with direct access to US Department of Housing and Urban Development homeless housing and services funds and more established service availability. One partner noted, "Bozeman has a history of sort of ignoring the homeless population." Then, in January 2007, a person sleeping in a U-Haul vehicle died because of the cold, which prompted a larger discussion about how the community can better support people experiencing homelessness.³¹ A group of interested stakeholders formed the Greater Gallatin Homeless Action Committee, which started the seasonal warming shelter. One partner explained, "We tried several times, but actually, Bozeman was the last major city in Montana to really get on board with a Warming Center." Bozeman remains the largest community in Montana without year-round emergency shelter. Churches also support people experiencing homelessness by providing financial support and a supply of volunteers to run the shelter. Local churches also partner with Family Promise, a national network that supports families experiencing homelessness by providing them transitional housing and food.³² See appendix B for additional information on current housing services provided in Bozeman.

Bozeman has continued to increase its capacity. In fall 2019, the city released its Community Housing Action Plan, identifying strategies for addressing the need for more affordable housing and possible community partners to contribute to that effort (box 4). Meanwhile, Community Health Partners has identified a location for a new facility being developed in partnership with HRDC, GMD Development (a Seattle-based firm), and Family Promise. The development will feature the colocation of a Federally Qualified Health Center with an affordable housing development (250 units of both senior and family housing) on the same campus. The new location will be alongside a subsidized day care facility run by Family Promise.

BOX 4

Overview of the Bozeman Community Housing Action Plan

In 2019, the City of Bozeman released a Community Housing Action Plan. It outlines strategies for meeting future affordable housing needs in Bozeman and offers ideas for people across the socioeconomic spectrum. Low-income residents (those whose income is at or below 30 percent of the area median income) are estimated to require up 16 percent (930) of the 5,800 new units of housing the city estimates will be needed by 2025. The plan includes transitional housing and permanent supportive housing (PSH) as key strategies for supporting low-income residents. The city intends to work with HRDC (Human Resource Development Council) and FUSE (Frequent Users System Engagement) partners to provide housing options and services for frequent users. Bozeman will also educate developers on opportunities for PSH development and form an advisory group focused on applying for state funding that could support the creation of additional PSH.

Source: Christine Walker, Wendy Sullivan, and Seana Doherty, *Bozeman Community Housing Action Plan* (City of Bozeman, MT, 2020).

Yet challenges with Bozeman's subsidized housing and homeless infrastructure remain. One interviewee commented, "This is a hard place to be on the streets, and we don't have a lot of great services. There are other cities in Montana...that have better stuff, frankly, for individuals that are experiencing homelessness." Another project partner said most subsidized housing is in old buildings that have not been well maintained. Many interviewees noted that the Warming Center is inadequate, is frequently at capacity, and typically closes before the cold weather ends. One interviewee explained, "Last winter, our Warming Center, which is run by the HRDC, was at capacity. So they were trying to find churches that would house people, but then they had to bus the people to the churches. They could go in at 8:30 p.m. They had to be out by 6:00 a.m., so they'd bus them back and forth."

One challenge is that a lot of homelessness in Bozeman is hidden, with many people experiencing homelessness doubling up with friends or family or sleeping in cars. Many people who go to the Warming Center leave to go to a job in the morning. One partner speculated that it would be easier to improve homeless services if more people knew the extent of the problem.

I think that would be a big surprise for some of the employers to know that folks are having to use public showers in the Warming Center. I think many people are too proud to let their employer know that. I think we could do a better job in this community of trying to illuminate the fact that we have lots and lots and lots [of people experiencing homelessness who are also working].

—Interviewee

HFV intends to expand local options for people experiencing homelessness in Bozeman. It should reduce the demand on the emergency shelter by providing permanent supportive housing for individuals experiencing chronic homelessness, reserving the shelter for short-term emergencies.

4. Goals and Target Population

Chapter Highlights

- Partners want HFV to provide stable, high-quality housing to tenants; improve tenant mental and physical health and self-sufficiency; and cultivate a sense of belonging and attachment. HFV partners also want to improve cross-sector partnerships and data sharing and reduce the service and cost burdens on existing systems. Finally, they hope to create a replicable model that can be used across Montana and other states.
- HFV will serve adults who have experienced chronic homelessness, and some tenants may be selected from the list of frequent users identified through FUSE. Regardless of their histories, tenants will be people who want to live in a tiny-home community like HFV.
- Many of the goals HFV partners expressed align well with those of PSH, though divergence among partners may lead to conflicts in implementation. HFV also intends to serve people experiencing chronic homelessness, which is a standard target population for PSH projects.

Desired Goals

All partners want HFV to provide stable housing for tenants. Some partners also identified high-quality home design as part of the stable housing goal. When considering services, some partners hope HFV will enhance mental and physical health for tenants, and a smaller number hope available services will promote economic self-sufficiency. Some partners stated a goal for systems-level changes: data sharing may strengthen partnerships across sectors and shift resources away from emergency services to the preventive services and housing offered through HFV. Ultimately, some partners hope to create a tiny-home, Housing First, PSH model that other communities can use to implement similar programs.

Provide stable housing. HFV seeks to provide safe, dignified, and permanent housing to people experiencing chronic homelessness with supports to help them maintain stable housing. Some partners spoke of housing as a human right. HRDC noted that if residents exit HFV to other forms of permanent housing, that would still be considered a success. The ultimate goal of the pilot phase is to build 12 units and to obtain occupancy certificates by the end of the two-year project.

Housing is a basic human right. It's not something that you have to jump over some bar to deserve. So that warm, safe, dry place; if we can find a more effective way to deliver that for someone and it can be permanent, I think that that's, to me, very personally motivating.

—Interviewee

Design high-quality homes. Tiny homes will use elements of trauma-informed design to support clients and mitigate some of the challenges they face. The units will also be constructed so they adhere to all zoning laws and building regulations (e.g., meet minimum size requirements, such as height and square footage) and have bathrooms and kitchens. At least one unit will also be ADA compliant, meaning that it meets standards set in the Americans with Disabilities Act Standards for Accessible Design and that the unit will be accessible to people with disabilities.

Improve residents' mental and physical health. Improved mental and physical health is a key metric of success, though these outcomes will not be measurable in the short term. Partners expect that access to health services will have a positive impact on resident outcomes. Some are also hopeful that a community of tiny homes will reduce isolation and loneliness among a vulnerable population.

Create a community of choice. Some partners wanted HFV to be a community that residents choose because of the high-quality tiny-home design and supports. Because HRDC is developing HFV as just one option on the housing continuum, the goal is for residents to actively choose HFV over other available forms of housing and services, which currently consists of older, multifamily building stock or limited transitional or temporary shelter options, with limited PSH units (see appendix B). Positive community attributes that residents seek could include a strong sense of belonging within a tiny-home unit and the community space, more distance from neighbors, and resident engagement in community governance. Partners are also planning to get resident input on desired programs and supports while ensuring a basic level of general supportive services are available.

Improve self-sufficiency. Some partners hope to see HFV increase resident incomes and economic self-sufficiency through employment opportunities, while others believe some residents may never become completely self-sufficient. Ideas shared include a potential social enterprise component to the community, such as a community-led maintenance crew for HFV or the establishment of another kind of cottage industry to employ residents, as well as ensuring HFV was near jobs. There was also

disagreement about HFV providing permanent homes. Some partners felt that HFV residents should eventually transition to other housing.

Enhance cross-sector partnerships and data sharing. HFV's goals are closely aligned with the goals of FUSE (box 3). FUSE aims to improve client health outcomes through supportive housing. The model also seeks to reduce and better allocate costs among the justice, health care, and housing systems by diverting funds away from crisis response (e.g., jail and emergency department stays) to supportive housing, as well as to use data to inform systems and foster greater coordination across these systems.

Reduce the burden on existing systems and services. HFV also intends to reduce the burden on HRDC's emergency shelter and to keep people from living at the shelter, which aims to be an emergency service rather than long-term housing. Alleviating the burden on the shelter will allow it to function better as an emergency shelter. By providing consistent preventive services, HFV also hopes to reduce the burden on health care staff across the service landscape, mitigating their need to respond to frequent health emergencies. Preventive services are expected to cost less than emergency services, reducing health care system costs. With these shifts, emergency departments may be able to devote more resources and programming to preventive care. Actual metrics of success are yet to be determined, such as specific reductions in arrests, jail days, emergency room visits, or unsheltered days. HRDC felt that zero recidivism and zero returns to homelessness is the ultimate goal, acknowledging that it would be unlikely to actually achieve this in either category.

Create a replicable model. Finally, partners hope that HFV could become a model for other communities in Montana and elsewhere hoping to address similar issues. As a part of the pilot phase of the work, HRDC will publish a guide for other communities looking to implement a similar program.

Target Population

HFV intends to serve residents experiencing chronic homelessness as defined by the US Department of Housing and Urban Development, meaning they have a disability and have been homeless for a year or more or had at least four episodes of homelessness in the past three years.³³ The project intends to serve adults of all genders and ages, with a maximum occupancy of two; no families or youth will be included. During the 2017–18 Warming Center season, HRDC served 287 individuals, 20 percent of whom (57) were experiencing chronic homelessness. The target population may include these people and some of the frequent users FUSE identified, though FUSE-identified people are not the program's primary target. One partner noted that HFV may not be the best housing fit for frequent users and that

there may be people who are chronically homeless but not cycling through the hospital or jail who would be a better fit for HFV.

Conclusion

Many of HFV's core goals align well with PSH best practices. These include providing stable housing, improving tenant physical and mental health, and promoting self-sufficiency. Although tenant satisfaction was not an explicit goal for HFV, the desire to create a community of choice and to promote high-quality housing construction and design may contribute to that outcome. Partners' goals of reducing the burden on public-sector systems and creating a replicable model go beyond what is typically expected for PSH projects. But one core PSH goal—the ability of tenants to integrate into the community—was not explicitly identified as a desired outcome for HFV. Some partners also disagreed about whether tenant self-sufficiency should be a goal, with some believing tenants may not be able to work and may not have other affordable or supportive housing options to move to beyond HFV, and others believing that they should. Disagreements about self-sufficiency may complicate implementation of the PSH model, including decisions about services that occur during the pilot's second year.

PSH projects typically serve HFV's target population: people experiencing chronic homelessness. Specifically, PSH supports people experiencing homelessness or those at risk of homelessness who may be facing barriers to employment or permanent housing because of a disabling or chronic health condition.

5. Project Partners and Participants

Chapter Highlights

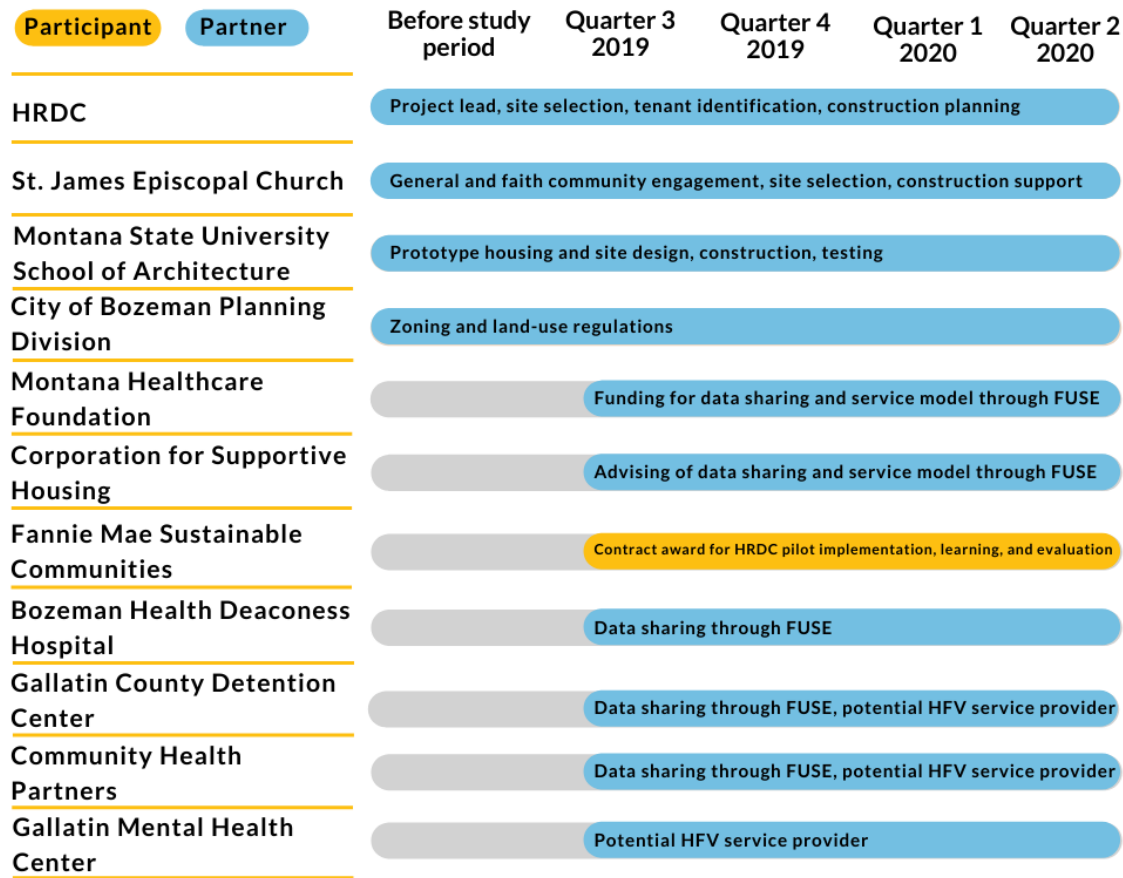
- HFV project partners come from various sectors, including housing, faith-based communities, higher education, local government, criminal justice, health care, and philanthropy.
- Many partners were involved in sharing data across the health, housing, and criminal justice systems. This effort, though challenging, has strengthened collaboration between organizations and identified frequent users, some of whom may be future HFV tenants.
- The level of engagement has varied among partners, with organizations split on how satisfied they are with the pace of progress. Once the site is secured, partners expect to come together around planning for services. They also identified organizations who could be helpful in this next phase of the work.
- Although the right partners seem to be at the table for PSH model implementation, there could be room for others. Some partner roles also seem unclear, particularly for those engaged in FUSE but who have had little involvement in the progress of HFV. The HFV process has not always followed best practices for collaboration—including fostering shared goals and a vision for the work—and frequent communication among partners.

Key Partners and Participants

The initial team behind HFV was St. James Episcopal Church and MSU, followed by HRDC and then FUSE partners and potential HFV service providers. The contract with Fannie Mae and the Urban Institute's evaluation began in summer 2019. Figure 2 provides a rough timeline of partner and participant engagement and a brief description of roles.

FIGURE 2

Chronology of Partner and Participant Engagement and Roles in Housing First Village



Source: Urban Institute analysis of interviews, meeting observations, and document review.

St. James Episcopal Church contributed to the project's strategy and vision, engaged the community, and helped with fundraising. The church's clergy and 500 parishioners have a history of community involvement and providing services to those in need.³⁴ St. James conceived of developing tiny homes to better support people experiencing homelessness in Bozeman. The church reached out to the MSU School of Architecture as a design partner but was informed that a church and a state university could not have a funding agreement, which was the initial motivation for engaging HRDC. HRDC also had a strong community network and a record of providing housing and related programming, which early partners thought would make the project more compelling to potential donors. St. James leverages strong community ties in Bozeman to help with project fundraising and advocacy (in the community, with the faith community, and with the city government). The church also helped with site selection by suggesting potential sites to HRDC for to consider.

HRDC is the housing partner and lead organization for the partnership, managing site selection, tenant identification, and construction planning for HFV. HRDC also participated in the data-sharing agreement with FUSE partners and is refining how that list may match with potential HFV tenants. HRDC is developing the preliminary site design and is coordinating with MSU, St. James, and other community members and organizations to plan the construction process, budget, and timeline. They will also own and manage HFV and coordinate services for residents who choose to access them.

The Montana State University School of Architecture developed the tiny-home design and has led construction of the prototype units and habitability testing. The university was another early partner. It conducted a literature review of potential villages to glean best practices and visited six other tiny-home villages, many of which also serve people who have experienced homelessness. MSU then designed and completed a prototype unit compliant with local codes, which at the time was not standard for tiny homes. It also brainstormed potential landscaping strategies that could be applied to whatever final site was selected. MSU is completing a second ADA-compliant unit and continues to monitor the prototype unit for habitability.

The Planning Division of the Community Development Department (Planning Division) is the primary city government partner. It is in charge of implementing the Bozeman Community Housing Action Plan and the municipal code. During the siting process, it has clarified land-use regulations for proposed sites and been the government voice in partner meetings. HRDC and the Planning Division have worked together during the first year of project implementation to discuss and approve the details of what the site will look like and where it will be located.

The Montana Healthcare Foundation has not been directly involved in planning for HFV, but it funds the FUSE partnership, which brings together HFV partners to build relationships and trust among organizations through data sharing. MTHCF is a health care conversion foundation that funds and convenes city and state partners focused on health and its social determinants. One partner observed that MTHCF has demonstrated a willingness to fund innovative ideas addressing health throughout the state.

Corporation for Supportive Housing has received funding from MTHCF to provide technical assistance and guidance during the FUSE process through a contract with HRDC. CSH is a national technical assistance organization that provides local support for supportive housing projects across the US by advancing data sharing and service partnerships and planning. CSH facilitates the FUSE partner meetings, organizes meetings among sector stakeholders, and advises on the FUSE data match process that identified the list of frequent users in Bozeman, though in the coming year, HRDC will lead these

processes with CSH in a supporting role. CSH is working with MTHCF to build capacity with state-level decisionmakers around funding for PSH.

Fannie Mae, through its Sustainable Communities Innovation Challenge, has contracted with HRDC for specific services related to the HFV pilot implementation, including learning and evaluation activities and deliverables. Its team hosts monthly learning calls with HRDC and the Urban Institute, and visited Bozeman in fall 2019 to hear updates, meet with project partners, and tour potential sites for HFV.

The Gallatin County Detention Center has been primarily engaged with HFV through the FUSE data match. The center serves 300 clients at a time, most of whom are awaiting trial, and it provides various services, including a reentry program.³⁵ The Detention Center shared client-level data with HRDC to identify individuals with two or more stays at the jail as part of the FUSE data match. The Detention Center expects to take a larger role in HFV implementation when the team begins outlining services and recruiting potential residents for HFV.

Bozeman Health Deaconess Hospital (Bozeman Health) has also been primarily engaged in HFV through the FUSE data match process. Located in eastern Bozeman, the hospital is an 86-bed facility with 200 physicians in 42 specialties. The entire hospital system is the county's largest private employer, with almost 2,000 employees. The hospital shared client-level data with HRDC on individuals who had visited the emergency room four or more times in the past year, as well as the deidentified associated costs. Similar to the Detention Center, the hospital anticipates being more involved in HFV when the team begins planning services and recruiting potential residents. In 2020, Bozeman Health has been working to expand behavioral health services by hiring more leadership and staff, some of whom may become involved in HFV service planning and delivery.

Community Health Partners will provide health services to HFV residents, and they have been a part of the data-sharing process. CHP is the local Federally Qualified Health Center, and it operates six clinics in western Montana that provide primary care, dental, and behavioral health services to 11,000 patients. It has participated in discussions around siting the homes and sharing data, though it has been unable to share data because of limited organizational capacity and legal challenges surrounding sharing health information. Other partners were not concerned about being unable to use CHP data in the match because it provides primary care services to people focused on preventive routine care to promote good health rather than treat health emergencies. It has attended the FUSE meetings and participated in discussions about the FUSE data match process. CHP anticipates playing a larger role in partnering with HRDC on planning HFV services in the coming year.

Gallatin Mental Health Center has been less engaged than other project partners during the first year of implementation (in part because it faced reduced capacity because of state budget cuts to mental health care providers) but may provide mental health services to HFV residents in the future. Owned and operated by Western Montana Mental Health, Gallatin Mental Health Center offers comprehensive psychiatric and psychotherapeutic care, including outpatient therapy, case management, a mobile crisis program, a drop-in center for people struggling with substance use or mental health recovery, jail diversion, and employment services. It also owns and operates a few PSH units on its campus (see appendix B). Gallatin Mental Health sees its role in the partnership as providing HFV residents with mental health services, whether on the HFV site or not.

The state of Montana, while not explicitly listed as a partner, has developed some promising initiatives, including increased coordination around housing, a study on including tiny homes as a manufactured home, and thinking about resources.

Sharing Data

Sharing data across multiple sectors and organizations with varying levels of capacity requires thinking through the best data to share, protecting the confidentiality of health records, and navigating federal standards for releasing health care and other private, personal information. FUSE partners overcame these challenges only because of their trust in HRDC and persistence in working through the legal details. Being able to share data with HRDC and identifying the initial FUSE list of 23 individuals was seen as a huge success (box 3). One thing that has made this easier was having people in the hospital who felt that sharing the data was important and something they should be doing already. One partner said, “FUSE is exciting; it’s work that we were already going to be doing.... It’s work that we should do.”

Engagement Challenges

Perceptions about the pace of progress on HFV sometimes affected engagement, with some partners feeling that work was moving forward and others feeling that movement was more incremental. This was particularly true during the first year of implementation, when the FUSE meetings focused on sharing data. Multiple partners noted that important progress was being made, even though it could sometimes feel like the work was moving slowly. Other partners said they felt less engaged during the data-sharing process. As the work for FUSE evolves from data sharing to service planning, partner

engagement will likely change. When a property is secured, partners are looking forward to collaborating more on services. One partner noted it will become easier for HRDC to start assigning tasks once they have secured a site.

The Planning Division's involvement has been affected by staffing changes. The representative at the FUSE meetings left, causing changes in city representation at these meetings when the director stepped in to attend. This role was empty for a time, but a replacement arrived in early 2020.

Missing from the Table

Partners identified several organizations they thought could contribute to HFV implementation in the future. These included housing contractors and builders, additional faith-based partners, national nonprofit networks, large private employers (e.g., retail, department, and grocery stores), the school district as a large landowner, and increased coordination with other homeless coalitions for sharing data and pooling resources.

Conclusion

Most partners involved in HFV reflect typical PSH partnerships, which include a housing provider and one or more service partners focused on physical and mental health and other social services. Many PSH partnerships come together only after assessing and anticipating the needs of the target population, but the HFV partnership started with a vision for a tiny-home model and expanded with the FUSE work to identify frequent users. Although HFV remains distinct from the FUSE partnership, it is becoming a clearer component, and several partners remain committed to both. But for partners engaged in FUSE with little involvement in HFV progress to date, their specific roles in HFV remain unclear. This may be because the HFV process has not always followed PSH best practices for collaboration—including fostering shared goals and a vision for the work—and frequent communication among partners.

Although the right partners seem to be at the table for PSH model implementation, there could be room for others. Partners have ideas about organizations that might be missing that go beyond the housing and service provider roles seen in most PSH projects. One potential gap is a partner that can provide addiction services, which remains a challenge for the broader Bozeman community, though community conversations are under way to secure one. Expanding the partnership may increase

community support for HFV, and collaborations with large private employers could create more employment opportunities for tenants. But a larger number of organizations will also increase the level of effort HRDC needs to manage the partnership.

6. Siting the Homes

Chapter Highlights

- HRDC has purchased a 6.5-acre, two-lot property (Wheat Drive) to be the future location of up to 20 HFV homes. More than 30 sites were identified as potential locations, but challenges included finding undeveloped, affordable land in Bozeman and finding a property large enough to fit at least 12 homes and with access to community amenities and services.
- HRDC worked with the Planning Division to update zoning regulations and processes to allow tiny homes and shelters within more zones, alleviating requirements for community review and minimizing the channels for community opposition to HFV. But HRDC has experienced resistance to some of its past programs and anticipates opposition. This influenced the final site selected.
- Although PSH is developed using both single-site and scattered-site models, developments on a single site foster greater community among tenants, reduce barriers to service delivery, and make it easier for tenants to access services. These are consistent with the HFV pilot and its goals for using a single site. Drawbacks of single-site PSH projects include the potential for increased NIMBYism and challenges around integrating tenants into the broader community.

Process

The vetting process for suitable parcels for HFV has been ongoing since summer 2019, led by HRDC with assistance from a consultant and with input from the Planning Division and St. James. HRDC worked with a consultant to identify initial sites, with input from St. James. Each site was then assessed and vetted according to its characteristics, including cost, size, location, ability to be developed and used as a tiny-home community, and potential development design. When questions emerged about zoning or other land-use issues, HRDC consulted the Planning Division.

HRDC initially developed a list of 30 potential sites. These early options were properties HRDC had identified on its own or with the help of its consultant, or had been identified by another partner or community member. This initial list of potential properties was narrowed to 10 sites based on size,

location, and availability. One partner said that some potential properties looked promising but turned out to be empty lots that were not for sale (i.e., owned open spaces).

- Wheat Drive is a 6.5-acre property spanning two lots in a commercial neighborhood. The owner contacted HRDC about using this property, suggesting an openness to selling. Of the two lots, one was ready for development while the other, close to wetlands, would be more expensive to develop.
- Lamme Village is a small, unused city-owned parcel next to Bozeman City Hall. But this parcel was available only for short-term or temporary housing, and HRDC would not have been able to secure this property permanently. The parcel's downtown location afforded great proximity to neighborhood amenities, but there were concerns about the lack of privacy that residents might feel because of the site's location and proximity to a government building.
- Evergreen Property is in an M2 zone (zoned for heavy manufacturing), and the property's use for tiny homes would require a zoning code change. But this site was under consideration because it was in a quiet office park rather than near large, loud factories.

In early 2020, HRDC made an offer on the Wheat Drive site (photo below). The vetting process involved considering the different land uses and trade-offs involved in each site—including cost, capacity and location, zoning and regulations, and potential for community opposition—to find the best site for this project. Ultimately, Wheat Drive emerged as the best option. The purchase was finalized in June 2020.

Housing First Village Site on Wheat Drive



Lila Fleishman, HRDC.

Land Availability, Cost, Capacity, and Location

There's no perfect property for affordable housing, because it's either too expensive or it's already been developed.

—Interviewee

Despite a visible abundance of available land, there is not much locally available that is not already developed or being held for other purposes. The City of Bozeman estimates there are 1,900 acres of undeveloped residential land, most of which is not well served with infrastructure (Economic Planning Systems 2018). Large anchor institutions, including some of the ones involved in this project, own much of the Bozeman area's undeveloped land, and competition for the remaining parcels has driven up their prices. One partner explained, "We kept looking, [there's] just not a lot available in this community."

There is not a lot of properties just sitting there with nothing planned for it.” This makes it particularly difficult to find inexpensive land for housing development while keeping the costs low. Partners said that properties with fewer development limitations were more expensive and that the more affordable options would require more redevelopment. One partner noted, “We’ll take whatever we can find and then see if we can make that work and then mitigate risk from there.” Wheat Drive is no exception. The back lot of the purchased site is considered a wetland, limiting development. The plan is to isolate development to the front lot.

The number of planned units for HFV is a key consideration driving site selection. Although the goal of the initial pilot period is to stand up 12 units, HRDC is thinking beyond this benchmark. In the long term, HRDC is considering additional sites to reach their longer-term goal of up to 50 tiny homes. Capacity estimates for the Wheat Drive site are still being determined, but the site is expected to be able to hold between 16 and 20 units. Having all 50 desired tiny homes on a single site would minimize service costs, but HRDC has not found a large enough site that meets their criteria. Additionally, HRDC’s conversations with successful tiny-home communities suggest that 50 homes scattered across multiple sites may be more desirable than a single site containing 50 homes. This may increase transportation time for staff providing services (e.g., case management). Increased travel times are especially harmful to staff reimbursed by Medicaid, which covers only time spent with clients but not time spent driving to reach them. But some partners view a multisite approach as more favorable for integrating residents into the larger Bozeman community.

A site’s location in relation to community amenities and services is also a critical consideration, particularly for residents who may not have their own transportation. Wheat Drive has access to important neighborhood amenities (e.g., jobs, transportation, and grocery stores) and will also be close to CHP’s planned location for its new clinic (though this may be less accessible because it will be across the interstate). The Wheat Drive site is also less visible than other sites downtown, which could offer residents more privacy—a concern HRDC has heard from clients experiencing homelessness who have struggled to stay housed in old apartment buildings that are too loud and full of other people. But Wheat Drive is near the interstate, which may be less attractive to potential residents who may prefer a quieter location and may require a car or public transportation to access neighborhood amenities.

In terms of accessing services, HRDC has already leased the building adjacent to the Wheat Drive property and plans to use this building to house services and possibly serve HFV residents. The Wheat Drive site is close to the future location of a new food bank facility and a new year-round shelter (which would replace the seasonal Warming Center). During the site visit, the research team observed individuals and families using the shoulder of the road to access the food bank. But the city plans to

improve walkability by developing additional sidewalks. Although HRDC had considered locating HFV on this site, which it already owns, the site was not large enough to hold all three developments: the emergency shelter, the food bank, and the tiny homes.

Local Zoning and Infrastructure

Municipal and state zoning laws have been an important consideration for site acquisition, and HRDC has been working with the Planning Division to navigate those challenges. Zoning entitlements restrict certain areas of land from being used for permanent residential use, even if that land may otherwise be viable for HFV. Specific restrictions that were a challenge for HRDC included properties zoned for certain types of industrial use, zoning against year-round use for permanently installed housing units as opposed to seasonal mobile home parking, and properties zoned for parks or open space. The Wheat Drive site is in a commercial neighborhood, predominantly filled with hotels.

Finding properties with the proper city infrastructure has also been difficult. Access to city fire and emergency services and public transportation is a consideration with any site and has been a challenge with some of the more affordable options farther outside Bozeman. Sewer and water infrastructure requirements were another important element to consider. The locations that already have water and sewer infrastructure in place tend to be more expensive, but properties that do not will cost more to develop. This reliance on city infrastructure, coupled with proximity to jobs and other services, eliminated potential sites that were farther out in Gallatin County. The eventual need to increase the number of units beyond the 12 that are planned for the pilot means that HRDC continues to consider potential sites for expanding HFV. One such site is promising because, even though infrastructure would need to be installed, it would not be as far away from city water and sewer lines as other potential sites.

Community Opposition

Bozeman residents have resisted other HRDC programs in their neighborhoods because they are worried about having people experiencing homelessness living nearby. Most recently, HRDC experienced resistance to siting a women's and family shelter, so some partners are worried about reactions to HFV because of the target population—individuals who have experienced chronic homelessness. Partners are concerned that residents may perceive HFV clients with a history of homelessness and other mental and behavioral health challenges as threatening. Although some

pushback against potential sites is expected, early outreach to the hotels and the one residential neighbor near the Wheat Drive site seems promising. Some partners expressed wanting HFV to be integrated into the broader community, but that seems to be a challenge, given community perceptions of the target population.

Conclusion

Although PSH is developed using both single-site and scattered-site models, those implemented on a single site foster greater community among tenants, reduce barriers to service delivery, and can make it easier for tenants to access services (Aubry, Nelson, and Tsemberis 2015; Post 2008; Somers et al. 2017). These are consistent with the HFV pilot and its goals for using a single site to launch this tiny-home community, although HRDC plans to implement additional PSH units across the city using a more scattered-site approach. The availability and cost of land in Bozeman was also a key consideration in HRDC's decision to pursue a single-site housing model for HFV. The proximity to another property that can be a center for services, at least temporarily, was also helpful.

Wheat Drive's location in a commercial neighborhood could lower the risk of NIMBYism, which can be a challenge for single-site PSH housing models in residential settings. But this approach is also known to face challenges integrating tenants into the broader community. The planned location of HFV, in a commercial neighborhood with hotels and restaurants, may prevent tenants from connecting with the community.

7. Housing Design, Construction, and Habitability

Chapter Highlights

- MSU School of Architecture students and faculty designed and constructed an initial 130-square-foot prototype home inspired by several tiny-home communities. Construction of a second ADA-compliant home is under way. MSU tested the tiny-home concept by building cardboard prototypes and inviting community members, including people experiencing homelessness, to visit and experience them.
- Homes were built to withstand the Montana winters and designed so residents feel surrounded by the natural environment. Tiny-home construction took longer than expected, though future units are expected to be built faster. Once the unit was constructed, a graduate student and instructor lived in the home to test its habitability. This testing resulted in changes to improve indoor air quality.
- Some partners want the community to be involved in HFV construction, thinking it could foster greater connection with the project. But engaging volunteers requires building materials that can be easily assembled by people with little construction experience.
- The pilot community will sit on a single property with a colocated facility that will house services. The current designers hope the planned walkways and green space will balance community and privacy.
- Planned components align well with best practices for trauma-informed PSH and tiny homes, though not all design elements are finalized. The submitted concept review for the purchased property (Wheat Drive) plans for 20 homes, ample walkways, outdoor communal space, and transit access. The prototype home has many qualities associated with trauma-informed design, including a high ceiling and multiple windows for natural light, while creating a sense of safety and privacy. With a private bathroom and small kitchen, the unit may also foster a sense of independence for the resident.

Housing Design

Early in the planning for HFV, HRDC partnered with an architecture professor and students to design and construct model homes, a process that has been largely led by MSU. MSU students and faculty began by studying tiny-home construction and site design. They conducted a literature review and visited six tiny-home villages serving people who had experienced homelessness, including villages in Austin, Texas; Detroit, Michigan; and Olympia, Washington. MSU then worked with the Planning Division to determine how tiny homes could be constructed to meet city code requirements while maximizing the amount of space and light within such a small unit.

The initial prototype tiny home was built to withstand the Montana winters but also make the resident feel surrounded by the natural environment, with plenty of windows and natural light, all within 130 square feet (photo below). The home has a front porch, and the interior has a sleeping area, a kitchen, and a bathroom with a shower. The kitchen has a six-foot-long counter, a microwave and hot plate, and a mini fridge. There is a small table that functions as an eating area. Storage space is available throughout the home, including in two loft areas.

Housing First Village Tiny-Home Prototype: Inside and Out



Lila Fleishman, HRDC.



Amanda Gold, Urban Institute.



In Montana, cold weather influences housing design. Homes need to be built to withstand the long, cold winter. Insulation (floors, walls, and windows) and ventilation are important because doors and windows will be closed much of the time. HFV will need to have water and sewer lines buried under the ground to protect them from the harsh climate. Construction in Bozeman is also complicated by the high water table, which requires that homes be built with a shallow foundation to avoid hitting ground water (often just two feet below the surface).

Housing Construction

MSU provided the land and labor to construct the prototype HFV homes. HRDC paid for most of the materials, except those that MSU salvaged and those a local building supplies store donated. MSU built two test units: a single-adult unit and second, ADA-compliant unit (photo below). The ADA-compliant unit was supposed to be finished by May 2020 (subject to change because of COVID-19). This second

unit will be 300 square feet. It has a separate bedroom, an ADA-accessible bathroom, and a larger fridge and more counter space. MSU has continued to test and update both units. Ideally, enough testing will be done by the time the site is finalized so it will be simple to adapt the designs to produce a final product.

ADA-Accessible Unit, Exterior



Lila Fleishman, HRDC. Unit is still under construction as of June 2020.

Construction has taken longer than expected, though future units are expected to be built faster. There were considerable challenges during construction because of the constraints of student, academic, and union staff schedules. One partner said this was an inefficient construction system with the potential for logistical challenges. Initially, the goal had been to produce a unit within one semester, but each one has taken about two years. Partners are optimistic, however, that the additional units will

be built quicker. AmeriCorps National Civilian Conservation Corps volunteers helped build frames for 10 tiny homes last summer. They are in storage until construction begins on the newly purchased site.

Some project partners have expressed a desire for the community to be involved in building the units, thinking it could foster greater investment and connection with the project. One partner suggested that service organizations could bring volunteers to help build the units, a construction model inspired by Quixote Village in Olympia, Washington, and other communities.³⁶ Using volunteers to construct the units would also reduce project costs. One partner noted that construction labor rates are higher in Bozeman than anywhere else in Montana. Whether the partners decide to engage volunteers for construction would affect building materials, which would need to be selected so that they could be assembled by volunteers with little or no construction experience.

Housing Comfort and Habitability

MSU tested the livability of the space by building cardboard prototypes and inviting community members, including people experiencing homelessness, to visit and experience them. The students and faculty continued to test the prototype units while they were under construction and identified air quality issues, finding that carbon monoxide levels increased when there were multiple people in the unit. MSU decided to use a heat recovery system that filters air going out of the unit back in. They are more expensive, but the designers thought the added cost was worth it because the system is effective and improves resident health. These systems are not commonly used in tiny homes because they are expensive, and many tiny homes on wheels can use low-cost options because mobile homes do not need to adhere to the uniform building code (and can use an exhaust fan in the bathroom).

Once the prototype unit was constructed, an MSU graduate student and instructor lived in it to continue to test its habitability. Based on the research team's observations and partner reports, the experience of living in the prototype unit has been positive. The kitchen has adequate storage and appliances that would not constrain general dietary needs, though the graduate student added a toaster oven and a two-burner unit. There have been no pest or rodent problems. Some of the storage space was high up and might pose accessibility challenges, though these will be mitigated by having ADA-compliant units. There are no anticipated long-term effects on tiny-home resident health or well-being, though the tiny home may feel claustrophobic during the winter when it is hard to go outside. But people are likely to react differently to the space, depending on their past living experiences, including experiences with homelessness.

Reflecting on comfort and habitability, one partner thought it may be beneficial for someone experiencing homelessness to test the home. Other suggestions included tweaking the unit so it performed better in the winter by improving insulation (particularly the window quality), adding a cooking vent (when opening windows is not feasible), and adding a manual central thermostat. (There had been one instance of a frozen pipe.) Design changes may be made to the homes in the coming year, based on feedback, so the final design has not been determined.

Some partners have expressed early concerns with the tiny-home design. Some partners wondered whether it is the best housing type or truly a trauma-informed design. Tiny homes may be good for privacy but could be challenging for hosting guests, as guests would immediately be in the residents' personal space. For others, cost is a remaining question. Although the per unit development cost is still uncertain, the expectation is that it will be lower than the cost of constructing a unit in a multifamily building (see chapter 8).

Community Design

The HFV pilot will consist of the tiny homes on a single property with a colocated facility that will house services. HRDC has submitted a preliminary design to the Planning Division as part of the conceptual review process for the Wheat Drive site, though these are not yet final. The Wheat Drive site contains two lots, and HRDC has developed a potential layout for the front lot. This area will include up to 20 tiny homes on permanent foundations in two rows facing each other, with one path down the middle and small walkways to each home. A central courtyard would allow for a communal outdoor area with benches, shrubs, gardens, and bike racks. HRDC is hopeful that additional units may be built on the second lot, but more analysis of the infrastructure requirements needed to mitigate the wetland challenges still needs to be done.

Although not reflected in the current site plan, MSU architects initially created a site design with homes in clusters of three to six. Within each cluster, units would be positioned so the front porches faced one another to promote smaller communities (a design inspired by Quixote Village). They hoped this design would inspire greater community cohesion through increased interactions with neighbors. The designers were also hopeful that this layout would help alert neighbors if something was wrong and encourage them to check in on one another. At the same time, one partner cautioned that the site needs to be located and designed in a way that allows residents to have enough privacy. Though the current site layout looks different from this initial vision, the current designers hope it will balance community and privacy using planned walkways and green space. The designers also anticipated that many

residents will not own cars, so the site is designed to be pedestrian friendly, though there is a main driveway that will accommodate up to five vehicles.

HRDC is working to ensure HFV will be connected to essential city services. HRDC administers the local transportation system and is planning to place a bus stop within a quarter mile of the site, per city requirements. It is also working with transportation consultants to redesign bus routes to meet changing community needs and address new areas of development, such as Wheat Drive. HRDC is working with the city to determine locations for fire hydrants and emergency vehicle access.

HRDC has leased the building adjacent to the site to use as the Warming Center. This building may be the resource hub for HFV, but that has not been determined. HRDC plans to submit a management plan to the city, outlining on-site facilities and services once they are determined. The site is zoned as a community business district, which will permit any services that project planners want to include, though approval may require a special-use or condition-use permit.

Conclusion

MSU's prototype unit incorporates many trauma-informed elements, including windows placed at different heights throughout the unit that balance the desire for natural light with the desire for safety and privacy. Trauma-informed design also seeks to foster a sense of independence. This has been achieved through a private bathroom and a small kitchen that provides space for storing food and preparing meals. But, as the homes for HFV have not been constructed, some design elements have not been finalized or still need to be tested. A trauma-informed approach would ensure the final homes include calming colors and durable furniture. Though noise has not been mentioned as a concern for the prototype unit, the extent to which the home blocks or dampens outside noise is still untested. The prototype unit is farther from other houses than is planned for homes in HFV. Finally, there is no evidence on the best type of community design for tiny homes as PSH. But HFV's proposed site concept attempts to balance a sense of physical community with individual privacy.

8. Financing

Chapter Highlights

- To purchase the land and build the units, HRDC will use both temporary and permanent financing through a combination of impact investment, local lending, grants, and private donations.
- HRDC is still determining how it will fund program operating and service costs. In 2020, FUSE partners will create a service model for frequent users, which will inform the planning for HFV operating costs.
- Not much is documented about financing tiny-home PSH communities. HFV is not pursuing traditional capital funding sources for PSH and for affordable housing in general. HRDC is also not currently leveraging private investment from hospitals or health plans or pursuing new ways of financing tiny-home communities. Following existing PSH models, future decisions will include identifying sources of rental assistance and reimbursement models for resident services, a major focus of FUSE for the partnerships in the second year.

Funding Land Purchase and Improvements

In June 2020, HRDC purchased the Wheat Drive site for \$1.1 million, with temporary and permanent financing through a combination of impact investing and donations. It has funds available through pledges made to its organizational capital campaign to support several projects, including HFV (though COVID-19's impacts on previous commitments from high-wealth people invested in the stock market is unclear). Additional funds are available through temporary financing, at a significantly reduced interest rate of 2 percent from a philanthropic partner as a social impact investment.

To construct the village, HRDC anticipates spending \$25,000 per unit, or around \$500,000 for 20 units, though this will vary based on differences in foundation work needed for each unit. To fund this, HRDC has identified potential grant money for building units and other infrastructure, though it has not secured all of it yet. Many applications are pending the purchase of the property, which was not finalized until the end of June 2020. Community donations are also anticipated. St. James Episcopal Church has raised about \$10,000 for the project and continues to accept donations for HFV, including a

donation from a community member as recently as spring 2020. Congregation Beth Shalom, a local Jewish synagogue, has also made a significant contribution.

Although commonly used for affordable housing and PSH, HFV cannot leverage the Low-Income Housing Tax Credit at this time.³⁷ The eligible costs for this tax incentive are based on the housing units themselves and does not include the cost of the land. LIHTC is not a feasible funding source for construction because of the small total capital cost for the units, the small number of units being constructed, and the fact that some building modules have already been built.

Operations and Service Funds

The second year of the HFV pilot will focus on solidifying all costs, including remaining capital needs, operating and maintenance costs, and costs associated with providing services to tenants. Operating costs will depend on the level of debt financing on the property along with other ongoing costs associated with maintaining a rental property. These ongoing costs include having adequate capital reserves for replacing and updating systems and appliances (e.g., water heaters) and finishes (e.g., flooring) and operating reserves to cover costs when units are vacant. HRDC has discussed using Housing Choice Vouchers from the US Department of Housing and Urban Development, which it administers, to help tenants pay their rent, which goes directly toward covering these operating costs.

Service costs are still being determined, though the hope is that all project partners will tap into their existing funding streams to provide supportive services. FUSE work will focus on service planning for frequent users, which will benefit HFV because many service providers involved in FUSE will be involved in HFV. Bozeman Health has estimated an average annual cost for the services it provides to frequent users on the initial FUSE list that may help determine whether and how to provide services to some HFV residents. The detention center might also provide funds if units are set aside for people exiting the criminal justice system. One partner mentioned a concern about the costs of case management, which will likely be a critical HFV service, though HRDC has noted it already provides case management services to many potential future HFV residents. HRDC also provides housing navigation, though it would not be reimbursed for the added services it does for HFV.

HRDC has also expressed the hope that organizations that shared data for the FUSE data match will become service partners. It also hopes these partners will begin to invest more in housing solutions after seeing the matched data. Likewise, partners are optimistic that having the frequent user list from FUSE could help them secure additional funds to invest in housing and health projects.

Conclusion

Most of HFV's capital funding comes from a large philanthropic gift and a social impact investment. Compared with typical PSH projects, HRDC has not pursued some of the traditional funding sources for capital expenses, and LIHTC is not accessible for this project. Although the current approach will likely be successful for launching the HFV pilot, it may be difficult to expand the project beyond the initial planned number of units without new funding sources. Moreover, the project's heavy reliance on a philanthropic gift may make this funding model difficult to replicate in other communities, though it is common for philanthropy and volunteers to engage in PSH projects.

Braiding together sustainable funding sources for operating and maintaining PSH can be just as challenging as acquiring capital funding. HRDC plans to use vouchers to help make up the difference between what a tenant can afford and the cost of maintaining the home—a model other PSH projects use—though it is unclear whether enough vouchers will be able to serve all eligible HFV tenants.

Funding for supportive services has not been determined, but many PSH projects secure funding from federal sources, including the US Department of Housing and Urban Development (for rental assistance or supportive services) and Medicaid (for health services and some housing-related services). This will be further developed during the second year of the HFV pilot.

9. Services

Chapter Highlights

- Project partners have proposed various supportive services for HFV, including physical and mental health services, dental services, case management, employment assistance and job training, and reentry services. HFV tenants will not be required to participate in any services.
- Service partners and HRDC are determining whether offering services on site or off site makes the most sense. Because HRDC has leased a building on the property adjacent to HFV, there may be opportunities to host services in that facility alongside some of HRDC's other programming.
- HFV partners are prioritizing core services for a PSH model. Services that support life skills for tenants, a component of some PSH programs, have not been discussed.

Proposed Supportive Services

Many partners are interested in providing services to HFV residents. HFV will follow a PSH model. Housing will be permanent, rather than temporary, and HFV will provide wraparound health and other services for clients. Following a Housing First approach, there will be no prerequisites for maintaining housing, such as sobriety, and residents will not be required to receive any services they do not want to receive. Specific services have not been developed outside the PSH goal, but early ideas include the following:

- **Case management**, potentially using the SOAR model for residents who may need assistance applying for disability.³⁸ The assertive community treatment (ACT) model has not been discussed but could be considered depending on tenant characteristics.
- **Primary health care.**
- **Mental health, behavioral health, and addiction services**, potentially including group therapy and counseling.
- **Dental care.**
- **Reentry services.**

- **Employment assistance and job training services**, with the understanding that the target population is chronically homeless and may have a permanent disability that makes competitive employment difficult or impossible.
- **Additional services** depending on specific HFV tenant needs.

Although the exact mix of services that will be offered on site and off site is still uncertain, on-site services could ensure that residents can access facilities and help them keep appointments. The service location could offer both health and job services and host a communal space with internet access, a kitchen, and a common area. There would, however, be some logistical challenges in terms of building access, security, and confidentiality to consider (i.e., keeping staff books on site).

Conclusion

Many of the services we have discussed for HFV are core elements of the PSH model, including case management, mental and physical health, substance use treatment, and employment and training opportunities. Some PSH projects also offer services that foster general life skills, such as budgeting, nutrition, parenting, and job readiness, though these have not been discussed for HFV. The ACT model has not been discussed but could be considered depending on tenant characteristics (i.e., if tenants have co-occurring disorders or trimorbidity, meaning that they are more likely to suffer from mental and physical health problems, as well as substance use, but may not be necessary for people who are less vulnerable). Supportive employment programs, which can help people with severe mental illness earn income through competitive jobs, could also be considered depending on tenant characteristics.

PSH projects use a range of on-site and off-site models for providing services, including projects that provide service coordination only and that make referrals to ones where services can be accessed on site and tenants are supported with wraparound care. These decisions have not been finalized, in part because HFV was first envisioned as just a housing solution before partnering with HRDC, which promoted PSH as a more comprehensive model for supporting people experiencing homelessness with both housing and services.

Because of the service landscape in Bozeman, partners may struggle to find a provider for addiction services. Another challenge in planning service provision will be figuring out how reimbursement will work and ensuring that providers receive appropriate reimbursement. Regardless of the final service model, maintaining strong relationships between tenants, service providers, and the property manager is important for any successful PSH program.

10. Partners' Reflections on Pilot Implementation

Chapter Highlights

- The biggest contributors to progress have been strong relationships among partners, growing trust, strong leadership from HRDC, and newly tapped energy around collectively connecting health and housing solutions.
- The biggest remaining hurdles include local and state political will and regulations, gaps in the service delivery system and its capacity, an uneven sense of responsibility for addressing housing needs in Bozeman, and potential community opposition. COVID-19 may pose additional obstacles, as the pandemic continues to affect the national economy and state and local resources.

What Has Contributed Most to Progress?

Growing Support for Local Housing Needs

Bozeman is growing, but the scale of the challenge remains manageable. It has not grown so big, one partner noted, that you would need a large number of PSH units to support people experiencing chronic homelessness. The growing need for affordable housing in Bozeman may also make a partnership like HFV easier because an increasing number of community members recognizes its importance. One partner noted, "There is the recognition that no one organization can do it alone," indicating growing interest in collaboration around local housing issues and housing solutions for people experiencing homelessness.

Partners hear city officials say they want to see more affordable housing development in Bozeman. This may reflect changes in the opinions of local voters, who recently voted in city leaders and commissioners who support programs like HFV, including a new city commissioner who is familiar with similar initiatives.

As an example of increased local support, HRDC has partnered with the city to change zoning regulations, making it easier to site housing for people experiencing homelessness. The expansion of this rule allowed for transitional housing (with a clause for tiny homes) in all zones except light commercial or heavy manufacturing districts. Future projects will require only administrative approval. Public comment will still be received, but only owners of adjoining properties will be able to appeal the decision. “This was a big step forward for us,” said one partner. Previously, it had been challenging when these types of projects went up for public comment and faced public resistance. Most partners regard this change as a significant success.

Partnerships and Collaboration

I think we’ve already been strong partners with everyone who’s in the group. I think that’s been really helpful. There was already a level of trust in the relationship that was established before we started working on this, so we were able to build on that.

—Interviewee

Strong relationships across the small city made collaboration easier. Partners knew one another before implementation began, which made working together easier. One partner noted, “I’m friends with everybody that we’re working with.” Another partner echoed this: “I think that in some ways, it’s easier to do what we do in a smaller community, because you do know all the players intimately. You can call up the hospital CEO and you can...figure out a lot of that stuff, usually with one or two meetings.”

Growing trust among partners was essential. The first step was getting partners educated and familiar with each other. Although many of the partners knew each other before the project started, trust was enhanced through the FUSE meetings, which focus on partnership development. In particular, partners needed to trust that HRDC had a plan for how data would be used and collected and understand the project’s vision and why it is important. One partner said the in-person meetings fostered those relationships better than virtually or over the phone. Some noted that meetings during the data match process lacked enough relevant content for all partners, particularly those interested in seeing the tiny homes get built.

Having strong project leadership was essential. HRDC has the community's trust and is widely recognized for its work helping low-income residents in Bozeman. Project partners trust HRDC's capacity to lead the team and their vision for the project. One partner said, "Overall, I think [HRDC is in] a good position in terms of community trust. We certainly value them. The other partners at the table, I've only heard good things when they talk about HRDC, so I think we're in a good place."

Although many partners had worked together before, they were excited about playing new and innovative roles at the intersection of health and housing. Both FUSE and HFV enabled partners to engage in cross-system collaboration and planning. Early successes, such as the data match or construction of prototype homes, have helped maintain project momentum. Succeeding together in HFV may also lay the foundation for future collaboration. One partner said this project demonstrates to their organization's leadership that these types of cross-systems collaborations are possible and can be successful.

What Are the Biggest Remaining Hurdles?

Zoning, Policy, and Politics

The desire of some Bozeman residents to keep their city looking the same often conflicts with the desire to create more affordable housing. Compared with other cities in Montana, development standards in Bozeman are higher because people want the city to continue looking a certain way. This includes limits on density and parking requirements that limit housing supply. Partners also shared that no one wants to lose their view of the mountains and that many residents want to preserve the character of historic areas. There are a few tall buildings in Bozeman, but most residential development remains low density. Almost 80 percent of residential structures have no more than 4 units, while only 12 percent have 10 units or more.³⁹ Another partner noted that developers continue to build larger, single-family properties because there continues to be demand.

Some partners also expressed concern about the city's current response to homelessness issues more generally. One partner noted that although the city seems to support HFV, people experiencing homelessness are often removed from city parks. Another partner said they thought the state and federal government needed to provide more funding, so the responsibility of homelessness and housing affordability does not fall on the municipal government, which has limited funding to address these challenges.

The city government does not believe it has adequate tools to address the growing need for affordable housing—tools available at the county and state level. “There’s severe limits on what can be raised,” explained one partner. Some policies, such as levying special taxes or requiring building permit fees, require state approval, and the state’s two-year legislative cycle can slow progress. Certain state laws may also constrain affordable housing development. For example, the state’s recreational vehicle law limited feasible sites for HFV, as it would have required changing state law to overcome limitations. But one partner noted that when Bozeman’s population hits 50,000, the city will have easier access to funding because it will be eligible for direct funding across a range of federal and state programs for the first time. For example, the city will receive more money for transportation directly as a new entitlement jurisdiction, but those funds will no longer go directly to existing providers such as HRDC, and the funding process may become more politicized.

Perceptions of Bozeman within the state can also make the funding environment challenging. Bozeman is seen as a wealthy city—median household income for renters is \$46,114 in Gallatin County, compared with \$37,785 in the state—and this perception often overshadows the challenges the city faces with housing affordability, including the fact that more than half of renters spend more than 30 percent of their income on rent. This can make it challenging to get additional resources. “We were in a competition,” one partner said, “and we were able to get some money; this was more senior housing. But sometimes, just because of our status, our perceived status in the state, it makes it difficult for us.” Another partner said, “I think other cities basically are saying, ‘You guys need to deal with your own stuff.’”

Gaps in the Service Landscape

HRDC is highly capable but lacks the capacity and resources to address all the challenges individuals and families experiencing homelessness and poverty face in Bozeman. There are some advantages to having a single organization run so many programs, including a high level of coordination across services. But it also means HRDC cannot rely on other organizations when it does not have sufficient capacity to address the needs of low-income residents. This challenge is also reflected throughout the partnership, where each organization plays a unique role in the community. One partner noted, “I think that it is hard, if you only have one service provider doing all of these different things. We have one hospital, we have one community health center, we have one HRDC.”

Partners also identified local gaps in mental health services and support for substance use disorders. One partner said the public mental health system has been defunded and that services have

been reduced. In particular, the state eliminated case management services for mental health. Meanwhile, people seeking treatment for substance use disorders have to drive to Billings, almost 150 miles away. One partner explained,

Our public mental health system has been gutted. We have no public substance use disorder treatment. It's just about all run on the private sector. A lot of the folks that we're talking about have significant diagnoses in those two areas. Being able to bring the resources to bear, to make them successful, in any venue, whether it's housing or who knows what, jobs, whatever, is very difficult.

CHP helps fill this gap but does not have enough space to do as much as it would like. CHP has experienced increased demand for behavioral health services, while demand for physical health services has remained the same.

Between the spring and fall interviews, shifts in the provision of mental health services suggest the potential for increased access in the future. Partners said that a new mental health provider, Providence, is starting to increase services. Meanwhile, CHP will also have more behavioral health offerings once it moves to its new location. Some partners think HFV could “close the gaps” in Bozeman’s service landscape.

Uneven Sense of Responsibility for Solutions

[The argument is always] “it’s someone else’s problem.”

—Interviewee

Anchor institutions—such as hospitals and universities—recognize that affordable housing is a challenge but do not see a clear role for themselves in addressing the problem. One partner explained that the university sees its mission as education, not housing, even while its students struggle within and significantly affect Bozeman’s housing market. Meanwhile, the hospital has had informal conversations with the city about raising wages to help employees afford to live in Bozeman, but it has not thought about the issue from a land and development perspective. One partner said the hospital has resources that could be mobilized for housing but may struggle to figure out what its role is.

The Bozeman Community Housing Action Plan notes that more action is necessary from major employers and landholders. Some partners hope that collecting data from future HFV residents will show how housing can help the people they serve. In particular, they hope that data may inform additional action. Another partner said that so far, the HFV partnership has involved middle-management partners but that more action from anchor institutions may require organizational leaders to be more engaged. In the spring interviews, one partner noted that the school district—another large local employer—and Billings Clinic are having conversations about creating housing. It is an early but promising first step on the path to get large employers such as the school district thinking about providing affordable housing.

The large land holdings that belong to anchor institutions make some partners wonder if they could do more. One partner noted that the hospital system owns more land than anyone else in Bozeman. Some have tried to get anchor institutions to entertain using land for PSH, but they have not been interested. Meanwhile, others advocate for anchor institutions to keep their land for other valuable purposes, including open space and potential future expansion within a growing market. Universities and school districts are also subject to Montana state laws, which govern their ability to transfer land.

Community Perceptions

Partners worry that the broader community misunderstands who is homeless and why people become homeless. One partner explained that Bozeman's homeless population is diverse and often invisible, making it difficult for the community to understand the problem. There may also be misperceptions about people experiencing homelessness—that they either do not want to work or are moving in from outside Bozeman. In reality, many people experience homelessness because they do not earn enough to pay rent in the city where they live or because they face chronic health issues.

The community also has a history of resisting the siting of homeless facilities in their neighborhood. Partners have come to expect pushback on all homeless projects, explaining that many people do not want a homeless project close to a school or in a residential neighborhood and have safety concerns and fears about having homeless adults near their children. There is also local stigma around behavioral health issues and fear of how such a facility might affect property values. All these factors can make it challenging to find an uncontentious location.

So far, the community seems supportive of HFV. Partners are still collecting private donations from the community and are optimistic that HRDC might receive less resistance for tiny homes than other types of projects. One interviewee said, “My sense [is that] the community wants to support it.” Another

partner said that although the community has resisted shelters in the past, a village of tiny homes, with everyone living in their own unit, might be different. But others spoke more cautiously, positing that people have not been as focused on HFV but will focus on it once HRDC announces the site.

Challenges Related to COVID-19

Because of COVID-19, the partnership has shifted its attention to more immediate needs. This has caused the following unanticipated changes:

- HRDC shut down the Warming Center early. In the future, HRDC may need to find an alternative to congregate shelter or a way to deconcentrate people staying in shelters. People are also uncertain about what future shelter needs will look like and how much funding they will require.
- After a period of offering camping supplies and a campsite, HRDC signed a contract to lease a hotel with the capacity to house up to 60 people experiencing homelessness.
- HRDC experienced increased demand at the food bank and shifted to a drive-through-only service. It has also transitioned to a pick-up-only service at the Fork & Spoon (the pay-what-you-can café), while making deliveries to seniors.
- Organizational COVID task forces are taking important and necessary staff time.
- The project may not receive as much funding from high-wealth individuals and philanthropies affected by the economic downturn.
- The economic toll on the city and its residents may slow project progress.

11. Assessing Progress and Looking Forward

Chapter Highlights

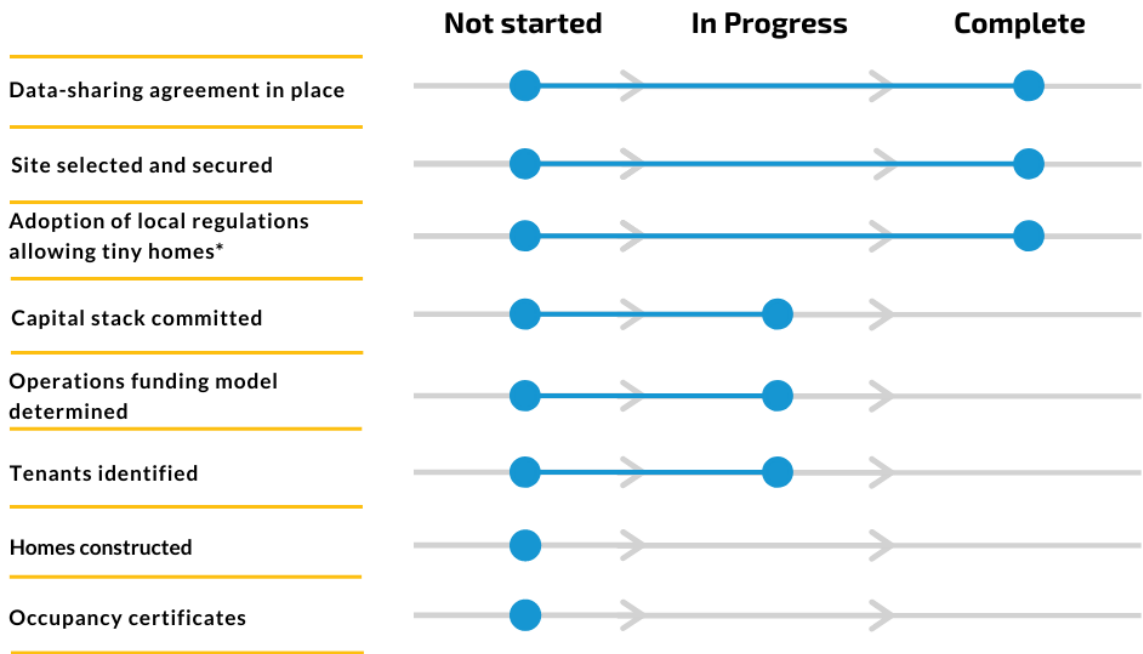
- HFV is on track to meet its goals for pilot implementation. Partners have executed data-sharing agreements, HRDC has identified funds and purchased a site capable of supporting construction of at least 12 tiny homes, and tenant and service provider identification has begun.
- HFV has already affected the organizations involved in HFV through shifts in thinking about housing and health, capacity building within organizations, and opportunities for peer learning. Partners disagree on whether HFV has already affected community perceptions of affordable housing and people experiencing homelessness, but they are optimistic that it may do so in the future.
- Next steps for HFV implementation include strengthening the partnership by working toward a single, shared vision for HFV among project partners, agreeing on the exact population to target, improving communication, getting deeper buy-in from partners, and increasing the number of partners cautiously. Now that the Wheat Drive site for HFV has been confirmed, partners should anticipate community opposition and identify local champions for the project. Questions about housing design, construction, and habitability remain, and partners will need to monitor pilot outcomes and explore the implications of trauma-informed design. Next steps also include finalizing cost estimates, exploring new funding models and identifying additional funding streams, determining the best mix of services, considering resident safety and security, deciding whether to provide services on site or off site, and selecting the appropriate service delivery model.

Is the Initiative On Track to Achieve Its Goals?

HFV is on track to build at least 12 units by the end of the pilot period, despite some early delays (figure 3). HRDC executed a data-sharing agreement with health and criminal justice partners by January 2020. Although securing a site for the tiny homes was targeted for December 2019, HRDC had signed a contract by early 2020 to lease the Wheat Drive building where services will most likely be offered and

entered a due diligence period to evaluate the purchase of the two neighboring lots. In June 2020, HRDC closed on the purchase of these two lots. It has worked with the city to adjust local zoning codes for tiny homes and shelters and continues to work with state government on the adoption of tiny-home standards within the state building code. Development of capital and operations funding models are proceeding on schedule, and tenant identification strategies are under consideration.

FIGURE 3
Progress Chart on Year 1 of Housing First Village Pilot Implementation, June 2019–June 2020



* Local regulations in Bozeman have been updated, but because of COVID-19, we were unable to learn about the state's agenda for tiny-home regulations.

Initial Impacts on Partners and the Community

After one year of implementation, HFV has already affected project partners. Collaborating organizations have learned from one another, moved toward a shared understanding that housing supports health, built their internal capacity, and laid the foundation for future collaboration. Partners are also hopeful that HFV can shift the narrative around homelessness in the broader community. These changes are discussed below.

Partners see housing as important to health. A core set of partners saw stable, affordable housing as a critical strategy to addressing the health needs of people experiencing homelessness before

participating in this partnership. During the pilot, additional partners expressed increased commitments to addressing housing as critical to health and well-being. For example, Bozeman Health now wants to find ways to remedy its current practice of discharging people to homelessness. One partner noted, “It’s really hard to be healthy and to thrive without having stable housing.”

Sharing data builds compassion and capacity. Sharing data has helped partners build capacity, through a greater understanding of people experiencing homelessness, their target population, and areas where they can improve their data collection. In the future, shared data could be used to help the hospital explore factors that affect health. One partner noted that the data they collected could support their own grant writing activities. Another partner said that sharing data made their organization feel more comfortable entering into these types of collaborations.

Peer learning is essential for mobilizing new models of trauma-informed housing and communities. Through visits to other tiny-home communities, MSU was better able to understand best practices around tiny-home design, construction, and site layout. FUSE participants also shared their data matching processes with other Montana communities, which helped stakeholders understand the roles they can play in matching data and providing services. Peer learning has also helped community stakeholders, CSH, and MTHCF envision and advocate for building state-level capacity around sharing data and providing services. Speaking of the HFV tiny-home design, one partner mentioned, “I would say the major milestone...is having a building design that’s fully accessible, fully compliant, and works as a permanent housing structure.... [A]ny other community can pick this up and...[it] should be replicable.” Partners will be able to share their design with other communities in a how-to guide after the pilot period ends. Their process may be a model for communities in Montana and beyond who hope to build tiny-home communities as PSH.

Collaboration is key to changing narratives and changing minds. Partners believe HFV could shift the narrative about who experiences homelessness, though only some believe this shift has happened. One partner said, “It will be challenging, but it’s a conversation that the community needs to have.” Other partners underscored the importance of educating the community as soon as possible. Participation in HFV gave MSU students the opportunity to learn more about homelessness. Partners observed that working on HFV opened their eyes to the experiences and challenges of homelessness. Since HFV, the MSU design school has developed other low-cost housing options, including low-cost housing for teachers.

Next Steps in Aligning HFV with PSH Best Practices

The first year of implementation has already provided insights into how tiny homes can be used for PSH. Although HFV implementation is following PSH best practices in many areas, there is room for improvement by clarifying practices and adopting some that have been overlooked. Below are recommendations building on what HFV has achieved in its first year.

Goals and Target Population

- **Work toward a single, shared vision for HFV among all project partners.** Develop a theory of change for how the housing and service supports will affect tenant outcomes, and identify all inputs needed from each partner to reach these shared goals.
- **Agree on the exact target population.** Decide how individuals will be identified and how they will be recruited based on their needs and the planned types of housing and services. During the screening process, potential tenants should learn about the benefits and challenges of living in a tiny home to ensure they will be a good fit for HFV.

Project Partners

- **Continue to improve communication.** Continue partner meetings and email updates that launched in early 2020 after partners expressed feeling disconnected from HFV progress. Include project goals, timelines, and ways partners can support next steps. This has been a successful strategy, with interest likely to pick up because of COVID-19 and its impacts on people experiencing homelessness and Bozeman's housing and service delivery system.
- **Get deeper buy-in from partners on HFV.** Once a concrete theory of change is developed, get partners to commit to the inputs they need to provide for project and tenant success—whether staff, space, or other resources. Establish memorandums of understanding or other agreements to make commitments official.
- **Expand the table cautiously.** Decide how to include additional partners based on tenants' needs balanced against the additional effort associated with coordinating a larger partnership. For example, ensure that critical service gaps such as addiction services are filled, and conversations with this partner are already under way. Other members can be added as long as HRDC can maintain strong and frequent communication and coordinate effectively among all members.

Siting the Housing

- **Anticipate community opposition and identify local champions for HFV.** Communicate clearly with the broader community, from messaging about the real causes and consequences of homelessness and highlighting the stories of real people, to addressing site-level concerns and opposition early in the process. Find partners who can be champions, whose social networks are outside those of the project leaders, to spur community support.
- **Monitor the outcomes of using a single site for the HFV pilot.** Be willing to make corrections to ensure tenants are integrated into the larger community. Apply lessons learned to current and future development projects, including the expansion of HFV on the current site or consideration of different sites for future expansion.

Housing Design, Construction, and Habitability

- **Explore the implications of trauma-informed design on tiny homes and the community.** Have someone experiencing homelessness or who has experienced it in the past visit the model and stay in it to provide feedback before HFV construction. Host a community event focused on site layout and design that invites individuals experiencing homelessness, as MSU did on the model unit design before building it, to ensure a balance of privacy and community and that the site plan meets all future tenants' needs.

Financing

- **Finalize cost estimates to secure necessary funding.** Develop complete per unit capital and operating cost estimates, based on the land's actual purchase price and total number of units, and estimated per person service costs.
- **Consider other public capital and rental assistance funding options for developing PSH.** Explore federal government funds available through the state of Montana, including the HOME block grant and the National Housing Trust Fund, which provided \$3.1 million and \$3.0 million, respectively, to the state for fiscal year 2020.
- **Explore new funding models for capital.** Investigate emerging hospital and health plan investments in affordable housing—including land donation or trades, loans, investment pools, and grants—to see how they might work for HFV.

- **Identify service funding streams.** Understand how funding partners deliver services and analyze the ability to direct those funds to HFV tenants. Seek additional funding for other services not already provided and funded.

Services

- **Determine the appropriate mix of services based on tenants' most likely needs.** Make sure the right service providers and funding resources are available.
- **Consider tenant safety and security.** Assess the possibility of on-site safety needs and how to secure tenant service-related data that may be stored on site.
- **Decide whether to provide services on site or off site.** In collaboration with partners, think about balancing ease of tenant access with available physical space and service delivery costs associated with providing all, some, or no services directly on the Wheat Drive site or adjoining property.
- **Select an appropriate service delivery model.** Consider existing models for coordinating services, providing case management, or assembling service teams to meet tenants' needs.

Evaluating Next Steps

This study is the first of two reports focused on HFV implementation. In June 2021, the Urban Institute will publish a second report focused on the outcomes achieved by that time, exploring the intricacies of financing and the development of a tiny-home community, identifying potential tenants, and securing and braiding resources to support services. We will continue to assess project implementation according to PSH best practices to inform the field on the efficacy of tiny homes as permanent supportive housing as implemented in Housing First Village.

Appendix A. Detailed Research Questions

The process study seeks to understand the implementation of HFV in Bozeman, Montana, focusing on opportunities and challenges in regulatory changes, partnerships and data sharing, community outreach and education, site selection, zoning, tiny-home design and habitability, and securing funding from private and public sources. Key research questions include the following:

1. **What is HFV?**
 - a. What are the primary program components and services? Are some essential and others more optional?
 - b. What are its major goals and strategies? Do they change significantly over time, and if so, why?
2. **Who are the primary partners engaged, how are partnerships structured/formalized, and how do they change over time?**
 - a. How do partner goals and interest in the project evolve over time? How is trust being built?
 - b. What types of data-sharing agreements and commitments (e.g., funding, service delivery, training) are negotiated, and what benefits or challenges do they yield?
3. **What implementation opportunities and barriers does the project face, and how does it overcome them?**
 - a. Zoning and regulatory challenges?
 - b. Data sharing?
 - c. Community perceptions, outreach, and education?
 - d. Site location and acquisition?
 - e. Tiny-home design and habitability?
 - f. Developing and funding capital stack?
 - g. Development and funding operating stack?
 - h. Tenant identification, outreach, and tracking?

4. **How do initial results compare with progress toward pilot outcomes (construction of homes, identifying tenants, and model for funding operations) over time?**
 - a. If different, why might variations be occurring?
 - b. How are differing values and perspectives among key stakeholders influencing the process of HFV?
5. **How is the larger system and environment responding to the initiative—including shifts in local policies, politics, or economic environment—and how do partners respond to these shifts?**
 - a. Are there any major shifts in local policies, politics, or economic environments that affect the success of HFV?
 - b. How are partners responding to these shifts, such as changing commitments, scope, or the way they work?
6. **What lessons can others learn from HFV about how to design, finance, and implement a similar program? How can it be sustained, scaled, and replicated?**
 - a. What is the long-term sustainability of this model?
 - b. Could it be scaled or replicated elsewhere?

Appendix B. Existing Bozeman Special Needs Housing and Shelter

TABLE B.1

Overview of Existing Special Needs Housing and Shelter in Bozeman

	Target population	Beds and units	Use
Western Montana Mental Health	People experiencing mental and behavioral health challenges	10 units	Permanent
		10 beds	Transitional
		15 beds	Emergency
Family Promise	People experiencing homelessness	4 units	Transitional
		12 beds	Emergency
REACH	People with developmental disabilities	28 beds	Permanent
		20 beds	Transitional
		1 bed	Emergency
		10 units	Unknown
Haven	People experiencing domestic violence	10 beds	Emergency
HRDC	People experiencing homelessness	10 units	Transitional
		40 beds	Emergency

Source: City of Bozeman, “[Housing Programs Tools Summary](#)” (City of Bozeman, MT, 2019).

Notes: Emergency = short-term housing for people experiencing acute needs; transitional = housing intended to bridge the gap between emergency housing and long-term stability, sometimes with time limits on tenure; permanent = housing intended to be permanent or until a resident chooses to move elsewhere. There was a discrepancy between the Community Housing Action Plan and our interview data for the number of permanent units at Western Montana Mental Health, so we present the information from our data collection.

Notes

- ¹ Jenny Xie, “10 Tiny House Villages for the Homeless across the U.S.: Case Studies for a Trending Idea,” *Curbed*, July 18, 2017, <https://www.curbed.com/maps/tiny-houses-for-the-homeless-villages>, Google search, “tiny houses for the homeless,” accessed August 6, 2019, <https://www.google.com/search?q=tiny+houses+for+the+homeless&tbm=nws&cad=h>; and T. R. Goldman, “In Detroit, Tiny Homes Are More Than a Lifestyle Trend,” *Politico*, July 11, 2019, <https://www.politico.com/magazine/story/2019/07/11/housing-detroit-tiny-homes-trend-227274>.
- ² “Supportive Housing 101: What Is Supportive Housing,” CSH, accessed July 20, 2020, <https://www.csh.org/supportive-housing-101/>.
- ³ “Case Study: Heartbreak and Lessons Learned,” University of Washington, AIMS Center, accessed July 20, 2020, http://aims.uw.edu/case-study-heartbreak-and-lessons-learned?utm_source=AIMS+Center+Newsletter&utm_campaign=0f148b5a1f-AIMSCenterNewsletter_April_2015&utm_medium=email&utm_term=0_5e264f9d0f-0f148b5a1f-352895369.
- ⁴ Donna Bryson, “At the Intersection of Architecture and Mental Health: Trauma-Informed Design,” *Denverite*, April 29, 2019, <https://denverite.com/2019/04/29/at-the-intersection-of-architecture-and-mental-health-trauma-informed-design/>; “Lessons from Completed Projects: Case Studies,” Design Resources for Homelessness, accessed July 20, 2020, <http://designresourcesforhomelessness.org/foundation-information/>; and Daliah Singer, “Using Trauma-Informed Design, Buildings Become Tools for Recovery,” The Colorado Trust, accessed July 20, 2020, <https://www.coloradotrust.org/content/story/using-trauma-informed-design-buildings-become-tools-recovery>.
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