

Empowering Lives Through Sustainable Tiny Home Villages

Executive Summary

Homelessness is not a failure of individuals—it is a failure of systems. In communities such as Owensboro, Kentucky, individuals and families face persistent barriers to stable housing, employment, healthcare, and long-term independence. This proposal presents a **self-sustaining Tiny Home Village** designed to provide permanent housing, wraparound support, and economic opportunity for formerly homeless individuals and families.

The village is intentionally designed to balance **compassion with structure, dignity with accountability, and ambition with financial realism**. It provides permanent housing without arbitrary eviction, while maintaining clear community standards supported by individualized plans, on-site services, and graduated intervention when challenges arise. The goal is long-term stability—not temporary shelter.

Development is structured in **phases** to ensure operational stability, regulatory compliance, and responsible stewardship of capital. This approach reduces upfront risk, allows systems to be validated in real-world conditions, and enables measured expansion as occupancy stabilizes and services mature.

The village will ultimately accommodate up to **150 residents**, including single adults, single parents with children, and small families, in private, durable, tornado-resistant tiny homes. Each unit includes a private bathroom and kitchenette, with layouts designed to preserve privacy, family cohesion, and independence. A minimum of 10% of homes will be ADA-accessible.

To ensure long-term sustainability, the village integrates **on-site food production, resident employment, and community-based enterprises**. Greenhouses and hydroponic systems reduce food costs while providing vocational opportunities. Resident-run services—such as landscaping, cleaning, maintenance, contracting, and light auto repair—create income streams that support both the community and individual residents. These enterprises are introduced gradually, aligned with resident readiness and local demand.

A hybrid solar energy system is planned to significantly reduce long-term utility costs and improve resilience. Solar deployment is phased to reflect permitting and interconnection timelines, with increasing offsets over time and full operational benefits realized once systems are fully commissioned.

Residents are supported through **mandatory participation in therapy, recovery accountability, workforce development, and personalized stabilization plans**, delivered through a combination of on-site staff and formal partnerships with local service providers. Transportation access, communal spaces, optional shared meals, and community activities foster connection, belonging, and mutual support.

Financial modeling intentionally uses **conservative assumptions**, including realistic construction costs, staffing needs, and revenue ramps. Operations are projected to reach break-even within five to six years, excluding one-time capital expenditures, with long-term surpluses reinvested into services, maintenance, and future village development.

Beyond addressing homelessness locally, this village is designed as a **replicable platform**—a model that can be scaled to additional communities using standardized designs, operational playbooks, and partnership frameworks. With the right collaborators, this initiative has the potential to reduce homelessness more effectively and affordably than traditional shelter-based systems while restoring stability, dignity, and opportunity to those it serves.

The Problem: Homelessness Requires Permanent, Structured Solutions

Homelessness stems from intersecting failures: housing shortages, mental health gaps, insufficient wages, and fragile support networks. In Owensboro and Daviess County, housing shortages of **3,000–3,800 affordable units** and visible unsheltered populations highlight the need for alternatives beyond short-term shelters. Statewide in Kentucky, homelessness continues to rise, with families and children disproportionately affected.

Traditional shelters—while necessary—often lack permanence, stability, and economic pathways, leading to **recidivism rates approaching 50%**. Evidence increasingly shows that **permanent housing with structured support** is both more humane and more cost-effective than emergency-only responses.

Our Solution: A Phased, Self-Sustaining Tiny Home Village

Core Principles

- **Permanent Housing First**, not time-limited shelter
- **Structured Accountability**, not punitive eviction
- **Dignity, Privacy, and Family Stability**
- **Financial and Operational Realism**
- **Scalability and Replication**

Language Clarification

This model adopts a “*no arbitrary failure*” philosophy:

Residents are not evicted for inability to pay, relapse, or setbacks. Instead, structured accountability, graduated support, and individualized intervention plans are used to preserve housing stability while maintaining community standards.

Phased Development Plan

Phase 1: Pilot Village (40–50 Units)

- Validates zoning, community integration, service delivery, and cost assumptions
- Reduces upfront capital requirements
- Enables early outcomes and data collection for funders

Phase 2: Expansion (30–40 Units)

- Added once occupancy stabilizes and systems are proven
- Expands job training and social enterprise capacity

Phase 3: Full Build-Out (Remaining Units)

- Achieves long-term scale (up to 100 total homes)
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Housing Design (Cost Assumptions)

All units are private, durable, and designed for long-term occupancy.

| Unit Type | Quantity | Cost per Unit | Notes |
|---------------------------------|----------|-------------------|---------------------------|
| Single Occupancy (80–120 sq ft) | 70 | \$32,000–\$38,000 | Private bath, kitchenette |
| 2-Bedroom (200–300 sq ft) | 20 | \$55,000–\$70,000 | Single parent households |
| 3-Bedroom (300–400 sq ft) | 10 | \$75,000–\$90,000 | Family units |

- **10% ADA-modified units** included
 - Construction reflects tornado-resistant materials and utility efficiency
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Food Security & Sustainability (Conservative Ramp)

- Greenhouses, hydroponics, and limited aquaponics introduced in **phases**
- Primary objective: **cost offset first**, revenue second

- Surplus sold locally only after internal food needs are met

Projected impact:

- 30–40% food cost reduction by Year 3
 - Gradual skill development for residents
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Solar & Utilities (Risk-Adjusted Rollout)

- Solar deployment phased to reflect permitting and interconnection timelines

| Year | Utility Offset |
|---------|----------------|
| Year 1 | 0–20% |
| Year 2 | 40–60% |
| Year 3+ | Up to 100% |

Savings are conservatively modeled to ensure financial resiliency.

Employment & Resident Enterprises (Phased Launch)

Rather than assuming immediate productivity, on-site businesses are staged:

Early-Stage (Years 1–2)

- Landscaping
- Cleaning services
- Internal maintenance

Growth-Stage (Years 3–5)

- Contracting & repairs
- Light auto maintenance
- Expanded agriculture sales

Revenue expectations are **modest initially and scale with resident readiness**, not idealized outputs.

Support Services & Staffing

Recognizing the intensity of mandatory therapy and accountability:

- Increased staffing assumptions
- Formal partnerships (MOUs) with:
 - Local healthcare providers
 - Mental health nonprofits
 - Workforce agencies
 - Telehealth platforms

This reduces burnout risk while maintaining service quality.

Financial Overview

Capital Costs (Full Build-Out)

| Category | Estimated Cost |
|------------------------------|----------------|
| Land & Site Prep | \$150,000 |
| Housing Construction | \$4.5–5.6M |
| ADA Modifications | \$100,000 |
| Food Infrastructure | \$600,000 |
| Solar (Net of Incentives) | \$2.9–3.2M |
| Transportation & Equipment | \$100,000 |
| Permits, Design, Contingency | \$500,000 |

Total Capital Range: \$8.9–10.2M (phased, not upfront)

Operating Costs

| Category | Annual Cost (Stabilized) |
|--------------------------|--------------------------|
| Staffing | \$1.1M |
| Food (Net of Production) | \$450k |
| Utilities (Post-Solar) | \$80k |
| Maintenance | \$180k |
| Programs & Services | \$200k |
| Insurance, Admin, Misc | \$300k |

Total: ~\$2.31M annually

Revenue Ramp (Conservative)

Year Revenue

| | |
|---|--------|
| 1 | \$500k |
| 2 | \$900k |
| 3 | \$1.5M |
| 4 | \$2.1M |
| 5 | \$2.6M |
| 6 | \$3.2M |

Operating breakeven projected **between Years 5–6**, excluding capital costs.

Risk Disclosure (Explicit)

- Zoning & neighborhood approval delays
- Licensing for food and trades
- Workforce readiness variability
- Cash-flow gaps during scaling

Mitigation includes phased growth, diversified funding, and conservative modeling.

Strategic Positioning for Funders

This project is:

- **Cost-disciplined**
- **Phase-controlled**
- **Outcomes-driven**
- **Replicable**

It offers funders high-impact leverage with reduced execution risk.

Long-Term Vision

Following stabilization, the model can be:

- Replicated in other Kentucky cities
- Licensed as an operational framework
- Used as a regional alternative to shelter-heavy approaches

Closing

This plan reflects realism, accountability, and humility—while preserving ambition and compassion. It is intentionally designed to meet the scrutiny of public agencies, foundations, and impact investors without sacrificing mission integrity.

With the right partners, this village can serve as both a local solution and a national example.

Phase 1 Pilot Budget Summary

Capital Budget (One-Time Costs)

| Category | Estimated Cost Range | Notes |
|--------------------------------------|-------------------------|--|
| Land Preparation & Infrastructure | \$250,000–\$350,000 | Utilities, grading, roads, drainage |
| Tiny Home Construction (40–50 units) | \$1,600,000–\$2,100,000 | Mixed unit sizes, private bath & kitchenette |
| ADA Modifications (≥10% units) | \$60,000–\$90,000 | Accessibility compliance |
| Community & Service Buildings | \$250,000–\$350,000 | Offices, therapy rooms, storage |
| Food Infrastructure (Pilot Scale) | \$180,000–\$250,000 | Greenhouse, hydroponics, storage |
| Furnishings & Equipment | \$120,000–\$180,000 | Beds, appliances, office equipment |
| Design, Permits, Legal, Engineering | \$180,000–\$250,000 | Zoning, inspections, compliance |
| Contingency Reserve (~10–12%) | \$300,000–\$430,000 | Construction & regulatory risk |

Total Phase 1 Capital Cost: \$3,200,000 – \$4,100,000

Operating Budget (Annual – Stabilized)

| Category | Annual Cost Range | Notes |
|-------------------------------------|---------------------|---------------------------------------|
| Staffing & Case Management | \$520,000–\$650,000 | Case managers, admin, on-site support |
| Clinical & Partner Services | \$180,000–\$240,000 | Therapy, recovery accountability |
| Food & Supplies (Net of Production) | \$160,000–\$210,000 | Supplemental to pilot food systems |
| Utilities & Communications | \$120,000–\$160,000 | Grid electricity, water, internet |

| Category | Annual Cost Range | Notes |
|-----------------------------------|--------------------|--------------------------------|
| Maintenance & Repairs | \$90,000–\$120,000 | Facilities, grounds |
| Insurance & Professional Services | \$80,000–\$110,000 | Liability, audit, legal |
| Transportation & Fuel | \$40,000–\$60,000 | Resident access & services |
| Administrative & Miscellaneous | \$60,000–\$90,000 | Software, compliance, overhead |

Total Annual Operating Cost: \$1,200,000 – \$1,400,000

Pilot Funding Structure

| Item | Amount |
|-------------------------------------|-----------------|
| Capital Funding Required (One-Time) | \$3.2M – \$4.1M |
| Operating Reserve (24 Months) | \$2.4M – \$2.8M |

Total Phase 1 Funding Target: \$5.6M – \$6.9M

Cost Per Resident (Pilot)

| Metric | Estimate |
|--------------------------|--------------------|
| Residents Served | 60–80 |
| Annual Cost per Resident | ~\$17,000–\$23,000 |

Financial Controls

| Control | Purpose |
|----------------------------|------------------------------|
| Phased Occupancy Ramp | Prevents early cost overruns |
| Capital Contingency | Absorbs construction risk |
| Partner Service Agreements | Limits staffing growth |
| Quarterly Financial Review | Ensures budget discipline |

Phase 1 Timeline (12–24 Months)

Phase 1 Pilot Milestones

| Timeframe | Milestone | Key Outcome |
|--------------|---|--|
| Months 0–2 | Site Control Secured | Land option/lease finalized; initial site due diligence complete |
| Months 1–3 | Zoning & Regulatory Approvals | Zoning confirmation, permits initiated, community engagement completed |
| Months 2–4 | Design & Engineering Finalized | Site plans, unit designs, infrastructure layouts approved |
| Months 3–5 | Vendor & Contractor Procurement | Construction, utilities, and service vendors contracted |
| Months 4–6 | Site Preparation Begins | Grading, utilities, foundations, access roads underway |
| Months 5–9 | Tiny Home Construction | 40–50 units constructed or delivered |
| Months 7–10 | Community & Service Buildings Completed | Offices, therapy rooms, storage operational |
| Months 8–11 | Staffing & Partner Onboarding | Case managers hired; MOUs with service partners executed |
| Months 9–12 | Initial Occupancy (Cohort 1) | First residents housed; support services active |
| Months 12–15 | Stabilization Period | Occupancy ramp-up; program adjustments based on data |
| Months 15–18 | Full Pilot Occupancy Achieved | 40–50 units occupied; operations stabilized |
| Months 18–21 | Pilot Performance Evaluation | Outcomes measured; cost and staffing validated |
| Months 21–24 | Expansion Readiness Decision | Go/no-go decision for Phase 2 expansion |

Evaluation Checkpoints

Checkpoint Focus

| | |
|----------|--|
| Month 6 | Construction progress & budget adherence |
| Month 12 | Early resident outcomes & service delivery |
| Month 18 | Financial sustainability & staffing efficiency |
| Month 24 | Expansion viability & replication readiness |

Phase 1 Outcomes & Metrics

Resident Stability & Housing Outcomes

| Metric | Target Range | Measurement Method |
|----------------------------|---------------|---------------------------------------|
| Housing Retention Rate | 85–90% | Occupancy records at 6, 12, 18 months |
| Average Length of Stay | 12+ months | Resident tenure tracking |
| Unplanned Exits | <10% annually | Exit logs and case reviews |
| Family Household Stability | ≥85% retained | Household tracking |

Health, Recovery & Wellbeing

| Metric | Target Range | Measurement Method |
|---|--------------|---|
| Participation in Therapy/Case Plans | ≥90% | Attendance and compliance logs |
| Reduction in Emergency Service Use | 25–40% | Self-report + partner data (when available) |
| Recovery Plan Engagement (where applicable) | ≥70% | Case manager reports |
| Connection to Primary Care | ≥80% | Partner verification |

Employment, Income & Benefits

| Metric | Target Range | Measurement Method |
|---------------------------------|----------------------|--------------------------|
| Participation in On-Site Work | 60–70% | Work assignment tracking |
| Employment or Benefits Secured | 50–65% | Income verification |
| SSI/SSDI Applications Submitted | As eligible | Case records |
| Income Stability Improvement | Qualitative increase | Case reviews |

Operational & Financial Performance

| Metric | Target Range | Measurement Method |
|------------------------------|------------------|-------------------------|
| Cost per Resident (Annual) | \$17k–\$23k | Financial statements |
| Budget Variance | ±5–8% | Quarterly budget review |
| Staffing Utilization | Within plan | Time & service logs |
| Partner Services Utilization | ≥75% of capacity | MOU reporting |

Phase 1 Risks & Mitigation

Development & Regulatory Risks

| Risk | Potential Impact | Mitigation Strategy |
|-----------------------------|---------------------------|--|
| Zoning or permitting delays | Schedule extensions | Early engagement with planning officials; phased approvals |
| Neighborhood opposition | Political or legal delays | Community outreach; pilot-scale framing |
| Utility connection delays | Occupancy lag | Temporary service solutions; schedule buffers |

Construction & Cost Risks

| Risk | Potential Impact | Mitigation Strategy |
|----------------------------|-------------------|--|
| Construction cost overruns | Budget pressure | Competitive bidding; contingency reserve |
| Supply chain delays | Schedule slippage | Multiple vendors; advance procurement |
| Weather-related delays | Timeline shifts | Seasonal planning; schedule float |

Operational & Staffing Risks

| Risk | Potential Impact | Mitigation Strategy |
|----------------------------------|-------------------------|--|
| Staffing burnout | Service disruption | Conservative staffing ratios; partner services |
| Inconsistent resident engagement | Program strain | Individualized plans; graduated interventions |
| Turnover in key roles | Operational instability | Cross training; documentation |

Financial & Funding Risks

| Risk | Potential Impact | Mitigation Strategy |
|------------------------|--------------------|-------------------------------------|
| Cash-flow gaps | Operational risk | 24-month operating reserve |
| Delayed reimbursements | Liquidity pressure | Reserve policy; diversified funding |

Underperforming early revenue Budget shortfall Revenue not relied on in Phase 1

Program & Community Risks

| Risk | Potential Impact | Mitigation Strategy |
|-----------------------------|----------------------|---|
| Behavioral incidents | Safety concerns | Clear community standards; rapid support escalation |
| Rule enforcement challenges | Erosion of norms | Consistent policies; staff oversight |
| Low initial trust | Slower stabilization | Gradual intake; orientation period |

Evaluation & Expansion Risks

| Risk | Potential Impact | Mitigation Strategy |
|----------------------------|----------------------|--|
| Inconclusive pilot results | Expansion hesitation | Defined metrics; evaluation checkpoints |
| Overexpansion pressure | Mission drift | Go/no-go decision gates |
| External economic shifts | Cost increases | Conservative assumptions; adaptable pacing |