

Submitted by: Assembly Members Rivera,
Volland, and Bronga
Prepared by: Assembly Budget Analyst and
Assembly Counsel's Office
For reading: December 5, 2023

**ANCHORAGE, ALASKA
AR No. 2023-421**

1 **A RESOLUTION OF THE ANCHORAGE ASSEMBLY APPROPRIATING ONE**
2 **MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) FROM THE**
3 **ALCOHOLIC BEVERAGES RETAIL SALES TAX FUND (206000) FUND**
4 **BALANCE TO THE REAL ESTATE DEPARTMENT 2024 OPERATING BUDGET**
5 **AND FIVE HUNDRED THOUSAND DOLLARS (\$500,000) FROM THE**
6 **ALCOHOLIC BEVERAGES RETAIL SALES TAX FUND (20600) TO THE**
7 **ANCHORAGE HEALTH DEPARTMENT 2024 OPERATING BUDGET, ALL**
8 **WITHIN THE ALCOHOLIC BEVERAGES RETAIL SALES TAX FUND (206000),**
9 **AND AUTHORIZING GRANT AGREEMENTS WITH THE ANCHORAGE**
10 **COALITION TO END HOMELESSNESS FOR THE ANCHORED HOME NEXT**
11 **STEP PILOT PROGRAM (\$1,500,000) AND TO RESTORATIVE AND REENTRY**
12 **SERVICES FOR OPERATIONS COSTS OF ITS PALLET SHELTER PILOT**
13 **PROGRAM (\$500,000).**
14

15
16 **WHEREAS**, on November 15, 2023 at the Assembly Housing and Homelessness
17 Committee the Anchorage Coalition to End Homelessness (ACEH) presented their
18 Anchored Home Next Step pilot program as a new approach to housing in
19 Anchorage; and
20

21 **WHEREAS**, the next steps of the program include:

- 22 • Data: more accurate identification of who is experiencing homelessness
23 through taking data and coordinated entry into the field and analyzing data
24 for system service utilization
- 25 • Equity: identified inequities for housing placements versus most vulnerable
26 in the system and shift to person centered planning process
- 27 • Funding: braided and leveraged funding to support housing
- 28 • Coordination: braiding and leveraging system assets to create funding plans
29 based on individual needs
- 30 • Housing: unit acquisition strategy identified + hotel conversions + housing
31 navigation over the summer for document readiness
- 32 • Supportive Housing: streamlining process to access permanent supportive
33 housing
- 34 • Support Services: diversified funding identified as well as a case
35 management strategy to overcome workforce challenges; and
36

37 **WHEREAS**, the Next Step is a public private partnership model that uses existing
38 investment in new way coupled with individuals accessing subsidies and other
39 person-centered supports. Total funding needed for the Next Step is \$4,630,350;
40 ACEH has identified \$2,221,350 in funding sources and needs to fill a \$2,409,000

1 funding gap; and
2

3 **WHEREAS**, ACEH has been a central partner in implementing the Anchored Home
4 plan adopted by AR 2020-338, As Amended, and in the efforts to end homelessness
5 for years, and is uniquely situated as the source for the requirements of the
6 Municipality's grant for the support of Anchored Home Next Step; and
7

8 **WHEREAS**, Restorative and Reentry Services (RRS) has worked on a Pallet
9 Shelter Pilot Program as a form of transitional housing and has obtained private
10 funding to meet their capital needs and need operational funding support; and
11

12 **WHEREAS**, \$500,000 would cover the first year of operating costs to provide
13 transitional housing for 30 to 45 clients; and
14

15 **WHEREAS**, pursuant to Anchorage Municipal Code Section 7.70.010, the
16 Assembly may appropriate funds to nonprofit organizations if the purpose of the
17 nonprofit is to foster the general community welfare of the Municipality;
18

19 **NOW, THEREFORE, THE ANCHORAGE ASSEMBLY RESOLVES:**
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21 **Section 1.** That an amount not to exceed One Million Five Hundred Thousand
22 Dollars (\$1,500,000) of Alcoholic Beverages Retail Sales Tax Fund (206000) Fund
23 Balance is hereby appropriated to the Real Estate Department 2024 Operating
24 Budget for a direct grant to the Anchorage Coalition to End Homelessness for the
25 Anchored Home Next Step Pilot Program, all within the Alcoholic Beverages Retail
26 Sales Tax Fund (206000).
27

28 **Section 2.** That an amount not to exceed Five Hundred Thousand Dollars
29 (\$500,000) of Alcoholic Beverages Retail Sales Tax Fund (206000) Fund Balance
30 is hereby appropriated to the Anchorage Health Department 2024 Operating Budget
31 for a direct grant to Restorative and Reentry Services for operations costs of its
32 Pallet Shelter Pilot Program, all within the Alcoholic Beverages Retail Sales Tax
33 Fund (206000).
34

35 **Section 3.** That the Municipality of Anchorage may enter into a direct grant
36 agreement under AMC 7.70.010 in an amount not to exceed One Million Five
37 Hundred Thousand Dollars (\$1,500,000) with the Anchorage Coalition to End
38 Homelessness for the Anchored Home Next Step Pilot Program.
39

40 **Section 4.** That the Municipality of Anchorage may enter into a direct grant
41 agreement under AMC 7.70.010 in an amount not to exceed Five Hundred
42 Thousand Dollars (\$500,000) with Restorative and Reentry Services for operations
43 costs of its Pallet Shelter Pilot Program.
44

45 **Section 5.** That the Assembly finds the Anchorage Coalition to End Homelessness
46 and Restorative and Reentry Services qualify for the appropriations and direct
47 grants provided herein under AMC section 7.70.010C., and are uniquely situated to
48 meet the Municipality's requirements for the purposes of these appropriations and
49 direct grants.
50

1 **Section 6.** This resolution shall be effective immediately upon passage and
2 approval by the Assembly.

3
4 PASSED AND APPROVED by the Anchorage Assembly this _____ day of
5 _____, 2023.

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7
8
9 _____
Chair of the Assembly

10 ATTEST:

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12
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14 _____
Municipal Clerk

15
16 Real Estate \$1,500,000
17 Anchorage Health Department \$500,000
18



MUNICIPALITY OF ANCHORAGE
Assembly Information Memorandum

No. AIM 232-2023

Meeting Date: December 19, 2023

1 **From:** ASSEMBLY MEMBER RIVERA

2
3 **Subject:** AR 2023-421: A RESOLUTION OF THE ANCHORAGE
4 ASSEMBLY APPROPRIATING ONE MILLION FIVE HUNDRED
5 THOUSAND DOLLARS (\$1,500,000) FROM THE ALCOHOLIC
6 BEVERAGES RETAIL SALES TAX FUND (206000) FUND
7 BALANCE TO THE REAL ESTATE DEPARTMENT 2024
8 OPERATING BUDGET AND FIVE HUNDRED THOUSAND
9 DOLLARS (\$500,000) FROM THE ALCOHOLIC BEVERAGES
10 RETAIL SALES TAX FUND (20600) TO THE ANCHORAGE
11 HEALTH DEPARTMENT 2024 OPERATING BUDGET, ALL
12 WITHIN THE ALCOHOLIC BEVERAGES RETAIL SALES TAX
13 FUND (206000), AND AUTHORIZING GRANT AGREEMENTS
14 WITH THE ANCHORAGE COALITION TO END HOMELESSNESS
15 FOR THE ANCHORED HOME NEXT STEP PILOT PROGRAM
16 (\$1,500,000) AND TO RESTORATIVE AND REENTRY SERVICES
17 FOR OPERATIONS COSTS OF ITS PALLET SHELTER PILOT
18 PROGRAM (\$500,000).

19
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21 For the Assembly's consideration relevant to the above Resolution, please see the
22 attached Pallet Shelter Proposal from Restorative and Reentry Services, LLC, and
23 the *Anchored Home- The Next Step* presentation.
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31 Prepared by: Assembly Counsel's Office

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33 Respectfully submitted: Felix Rivera, Assembly Member
34 District 4, Midtown
35
36

Restorative and Reentry Services, LLC

3734 Mount Blanc Circle

Anchorage, Alaska 99508

cathleen@restorativeentryservices.com

monica@restorativeentryservices.com

(907) 342-5380

Project Name: Pallet Shelter Proposal
Date: November 28, 2023
Submitted by: **Cathleen McLaughlin JD/MBA**
Monica Gross MD/MPH

I. Introduction

For adults living in chronic unsheltered homelessness their path out of homelessness is often not simple or linear. Some of the highest users of emergency services, Anchorage Safety Center and low-barrier shelters have had permanent housing but lost it due to a wide variety of reasons. Many of these individuals have experienced extreme trauma. This trauma can contribute to mental health or addiction challenges. Many individuals who have lived in chronic unsheltered homelessness have developed incredible resiliency and coping skills that are needed to survive on the street, but are not able to live independently and/or alone in permanent housing.

Many who live outside in Anchorage are communal, where sharing and co-living is a way of life. Individuals in chronic unsheltered homelessness living in ‘survival mode’ need more than anything, a place to rest. By default, RRS estimates between 50-70 per night find places to rest nightly at Anchorage’s current safety net which includes Anchorage Safety Center, area hospital waiting rooms, the airport, covered bus stops, and in doorways or near warm buildings they cannot enter. Some choose these places to warm because they are unable or unwilling to access emergency cold weather shelter programs.

Interim Supportive Housing gives individuals the opportunity to build more agency- the ability to take more control of their lives. Some individuals living in chronic unsheltered homelessness who are moved directly into permanent housing may have a difficult time adjusting. Some individuals may move between survival mode and shelter many times before being ready to accept sustainable housing. Alaska is a **Housing First** state, but we must also recognize that it is a philosophy that is based on flexibility, individualized supports, client choice, and autonomy.

Pallet Shelter Communities provide an opportunity for **Interim Supportive Housing** that is cost effective, dignified, rapid response and adaptable. Anchorage Pallet Shelters will be operated with community partners who will collaborate with residents to provide a life-sustaining and safe environment. The Pallet Shelter community will be built using Pallet Shelter Dignity Standards including supportive services, hygiene facilities, transportation, safety and access to food and water.

II. The Current Challenge of Homelessness

- Chronic adult homelessness is a reality in Alaska, affecting individuals from all corners of the state, and concentrating in our urban areas including Anchorage.
- Existing infrastructure and system gaps hinder progress in providing timely, coordinated and collaborated support and housing to those in need.
- Services must be right time, right place, and right level- wait lists don't work.

III. An Integrated Homeless Response

An Integrated Homeless Response Matches Client Need with Level of Service



- We must establish touchpoints for people experiencing chronic adult homelessness so that individuals can move from survival to stabilization to sustainability. If an individual lapses, there should be safety nets in place so that they do not fall to complete unsheltered homelessness. A Pallet Shelter community will provide a valuable touch point for some of Anchorage's most vulnerable homeless.

IV. Pallet Shelter Proposal

Overview of the Proposed Budget

The proposed budget for Pilot capital and operating costs for one year to house 30 - 45 clients in Pallet Shelter Interim Supportive Housing is \$850,000:

1. Capital Budget \$350,000 (covered by community and philanthropic donations) and
2. First-year annual operating budget of \$500,000.

Sources of Revenue for Capital Costs:

Private Social Impact Funding

Philanthropy
Business Organizations
Community members, including local church groups, wanting to support innovative solutions to address homelessness

Capital costs:

Pallet Shelters x 30 @
Pallet Shelter Transport from Seattle to Anchorage
Pallet Shelter Community Room/Hygiene Room/Dining area (pre-existing building)
Site Preparation- Electricity to each Shelter
Installation of Pilot Pallet Shelter community

Operating Costs

Supplies	\$10,000
Food (approx. \$10/day/client)	\$110,000
Garbage/Utilities/Wi-Fi	\$46,000
Maintenance	\$100,000
Staffing (\$19,500/month)	\$234,000

TOTAL \$500,000 per year

As clients move to permanent housing, other clients would transition into Pallet Shelter and stability. Ongoing operating costs are estimate to be \$500,000 dollars annually or \$14,000 - \$17,000 per occupied unit per year.

V. Conclusion

A Pallet Shelter Community will provide a level of housing and services support for some of Anchorage’s most vulnerable homeless, moving from a place of survival to stabilization. These individuals are currently costing Anchorage a lot in emergency services. Investing in a Pallet Shelter community will be cost-effective and life-sustaining.

If you have any questions, please feel free to contact us at your convenience.

Respectfully submitted,

Cathleen N. McLaughlin JD/MBA

907-342-5380

cathleen@restorativeentryservices.com

Monica Gross MD/MPH

907-957-0542

monica@restorativeentryservices.com

The solution to
homelessness is housing.
Everyone is housing ready.
Housing First is the key.





Communities succeeding in reducing homelessness take a coordinated approach, moving from a collection of individual programs to a community-wide response that is strategic and data driven. Communities that have adopted this approach use data about the needs of those experiencing homelessness to inform how they allocate resources, services, and programs and deeply coordinate those efforts as a whole system built to drive reductions in the rates of people experiencing homelessness.

Housing is the Solution and the **NEXT STEP**.

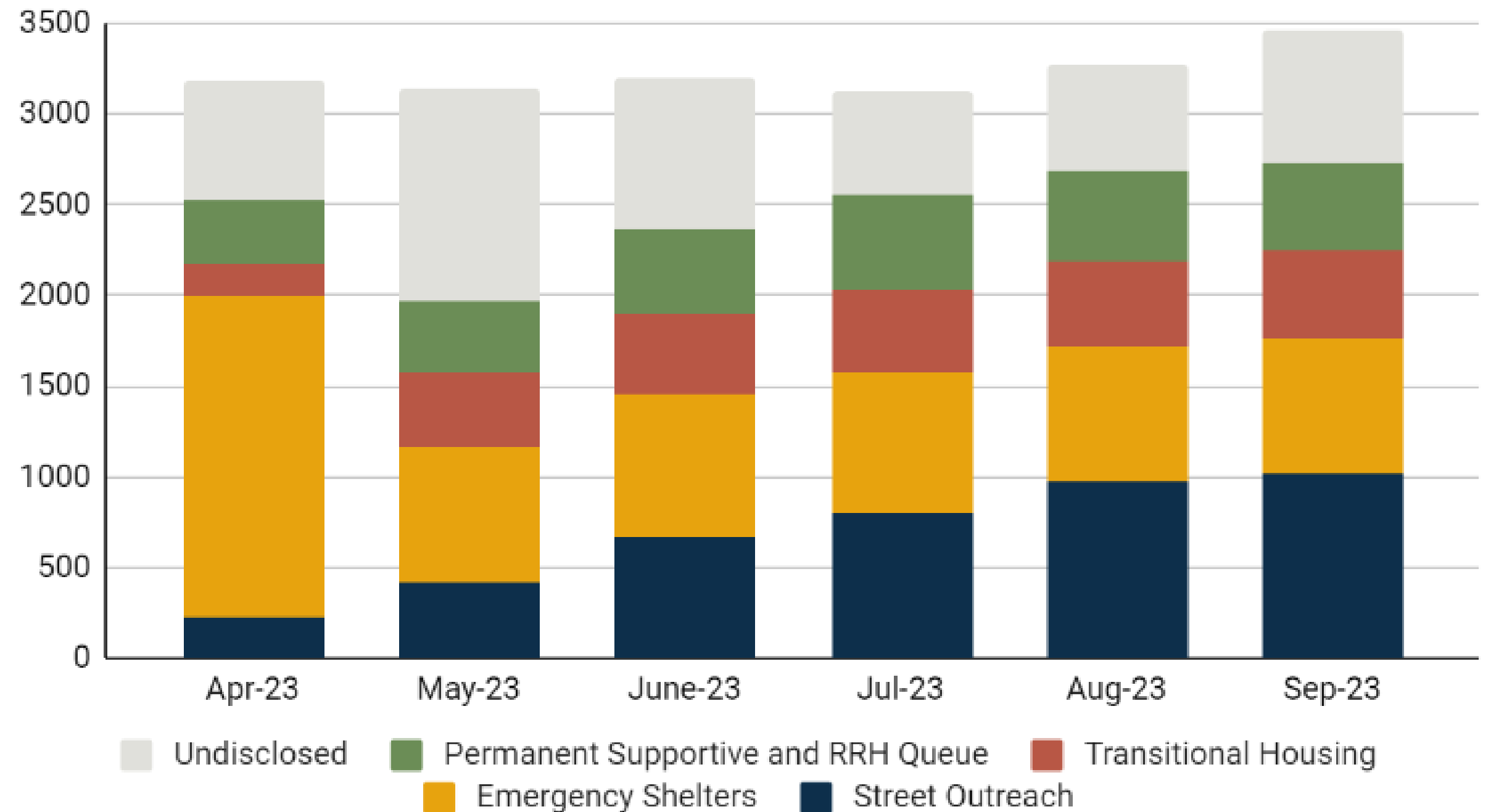
**HOMELESSNESS IS THE RESULT OF NOT
ENOUGH HOUSING.**

2,478 permanent housing units are needed to fill the housing gap in Anchorage.

Where were unhoused people served by the end of the month?

Movement through the system is fluid - where people go depends on season, providers, housing options, etc

Where People Are Staying by Project Type



In September 2023: 3,086 people experiencing homelessness utilized services 3,265 times

Expanded Street Outreach

By the Numbers:

- 952 People Engaged a total of 2,484 times
- 734 were new to a street outreach program
- 121 People exited over the summer
- Over 65 People moved into permanent housing

Expanded Street Outreach

By the Numbers:

- Over **13,000** basic needs items provided such as food, hygiene and first aid items, and clothing and winter gear
- Over **100** medical contacts weekly, including **327** medical referrals to specialized services



Piloting a New Approach to Housing

The biggest barrier to housing in Anchorage is finding units. What if the system bought its way into the market to ensure units were available as needed with sufficient incentives and supports to landlords to ensure that people experiencing homelessness can be competitive in even a tight housing market.

What does that look like?
THE NEXT STEP

The Foundation for the NEXT STEP

Data: more accurate identification of who is experiencing homelessness through taking data and coordinated entry into the field and analyzing data for system service utilization

Equity: identified inequities for housing placements versus most vulnerable in the system and shift to person centered planning process

Funding: braided and leveraged funding to support housing

Coordination: braiding and leveraging system assets to create funding plans based on individual needs

Housing: unit acquisition strategy identified + hotel conversions + housing navigation over the summer for document readiness

Supportive Housing: streamlining process to access permanent supportive housing

Support Services: diversified funding identified as well as a case management strategy to overcome workforce challenges

What we need:

This financial model is the all-in cost for housing 150 individuals assuming no subsidies or outside contributions.

Housing and supports, plus all costs associated with leasing up and moving into a unit with the necessities.

\$78.27 per day cost for housing, utilities + supports for 1 year.

\$69.23 per day cost housing + supports for 1 year.

Current approximate per day expense for Emergency Cold Weather Shelter \$90.00 - \$100.00

The NEXT STEP in action: Vouchers and Rental Assistance

When individual resources, such as vouchers are used, the per person cost is reduced.

**Total per person out of Pilot cost to secure housing
\$570.00 per person or \$11,400.00 for 20 individuals**

Leveraged assets – not paid by the Pilot is \$25,227 per person or \$504,540 for 20 people

The NEXT STEP in action: Existing Housing Programs

When individual resources, such as permanent supportive housing (PSH) are used, the per person cost is reduced.

**Total per person out of Pilot cost to secure housing
\$0.00**

Leveraged assets – not paid by the Pilot per person \$30,869.00 or \$308,690 for 10 people

How do we pay for it?

The **NEXT STEP** is a public private partnership model that uses existing investment in new way coupled with individuals accessing subsidies and other person-centered supports.

Total Funding Needed	\$4,630,350
Current Funding Sources	\$1,065,000
Individual Funding Sources	\$1,156,350
Funding Gap	\$2,409,000

MEASURING SUCCESS

The metrics below have been established to help gauge progress in the **NEXT STEP**:

- Number of people experiencing literal homelessness in Anchorage
- Percentage of people exiting to permanent housing destinations
- Returns to homelessness
- Percentage of people experiencing homelessness into HUD and other subsidized housing programs

Everyone deserves a safe home

ANCHORAGE IS A HOUSING FIRST COMMUNITY.

When housed, people have a platform to address all their needs, no matter how complex.

The goal – Reduce Anchorage's unhoused population by 150 during this winter.

Are you ready to join us in taking the **NEXT STEP?**

The **NEXT STEP PILOT** gives us a roadmap to quickly and sustainably move people to **housing**, creating flow in emergency shelter and other homelessness response services.