

Homelessness & Alcohol Tax Budget

Assembly Work Session
October 25, 2024

What we'll cover

1. Homelessness

1. Background context
2. 2025 summary

2. Alcohol Tax

1. Background context
2. 2025 proposed (working draft)

Mayor LaFrance's 2025 Budget Goals

1. Address **homelessness** head-on.
2. Expand and align Anchorage's **crisis response** services.
3. Improve and invest in **snow removal**.
4. Invest in **traffic calming and safe public spaces**.
5. Support **childcare and early education**.
6. **Get the basics right:** Continue core MOA constituent work; improve recruitment & retention to ensure day-to-day services.

Health and Homelessness Strategy:

The administration's Health and Homelessness Strategy includes the following three-year goals:

1. Significantly reduce unsheltered homelessness through low barrier shelter and connections to housing
2. Increase access to behavioral and physical health services
3. Add new housing and increase access to existing housing
4. Harness community partnerships, funding, and data to increase impact

	First 100 Days <i>October 8, 2024</i>	6 months <i>December 31, 2024</i>	12 months <i>June 30, 2025</i>
UNSHELTERED AND SHELTER	<ul style="list-style-type: none"> ✓ Launch Anchorage Police Department HOPE (Homeless Outreach, Prevention, and Engagement) Team ✓ Increase outreach to camps before abatement ✓ Strengthen internal coordination among municipal departments ✓ Work with Anchorage Coalition to End Homelessness (ACEH) and other partners to coordinate shelter and housing resources for people moving from camps, prioritized by vulnerability ✓ Maintain 200 beds at E 56th Avenue Congregate Shelter ✓ Work with Anchorage Health Department (AHD) to complete RFP process and execute contracts for 400 beds of non-congregate shelter before winter 	 <ul style="list-style-type: none"> • HOPE Team and outreach partners continue engagement with camps before abatement • Address issues related to vehicles when moving to shelter • Identify and launch warming sites for November-February • Maintain 200 beds at E 56th Avenue Congregate Shelter • Launch 400 non-congregate beds • Establish peer, transportation, and other navigation partnerships to increase movement from shelter to housing • Use Homeless Management Information System (HMIS) data to work with AHD and ACEH to monitor flow of people from unsheltered to shelter to housing, adjusting resources as needed • Develop and release RFP for rapid re-housing operator for approximately 75 people 	 <ul style="list-style-type: none"> • Establish consistent low-barrier winter services, including congregate and non-congregate shelter, rapid re-housing, and case management • Continue to engage peer, transportation, and navigation partners with people moving from camps • Explore and launch legal parking sites available from May through October 15, 2025 • Maintain 200 beds at E 56th Avenue Congregate Shelter • Maintain at least 50 non-congregate beds • Identify and launch additional low-density, low barrier, year-round shelter and transitional housing options (i.e., tiny homes, palette shelters, and other innovations) • Identify opportunities for day shelter and community spaces for people experiencing homelessness
HEALTH	<ul style="list-style-type: none"> ✓ Establish a Behavioral Health provider workgroup and host initial meetings ✓ Assess the availability of behavioral health treatment in Anchorage today ✓ Support the establishment of a care coordination group for the highest utilizers of the Anchorage Crisis Collaborative 	 <ul style="list-style-type: none"> • Maintain and monitor active referral network to behavioral health services and a care coordination group for highest utilizers of the Anchorage Crisis Collaborative • Expand and support access to physical health providers serving individuals with complex needs • Support development of a full behavioral health crisis continuum and connection to community services • Maintain relationship with Anchorage therapeutic courts to increase referrals for treatment 	
HOUSING	<ul style="list-style-type: none"> ✓ Develop Mayor LaFrance's Housing Strategy that includes housing for low- and extremely low-income households 	 <ul style="list-style-type: none"> • Continue to implement Mayor LaFrance's Housing Strategy • Leverage public-private partnerships to increase the supply of housing units for very low-income households • Increase access to rental subsidies • Identify and plan to redevelop blighted and abandoned properties 	
DATA, FUNDING, COORDINATION	<ul style="list-style-type: none"> ✓ Develop and submit budget proposals for MOA funding of safety net services for Q4 2024 and 2025 ✓ Re-establish relationship with the Homelessness Leadership Council ✓ Develop strong working relationships with the Assembly Housing and Homelessness Committee, ACEH, and other safety-net providers ✓ Convene i-Team and GIS team around homelessness data collection and reporting ✓ Apply to Bloomberg Philanthropy Collaboration Track ✓ Launch regular updates to Assembly and the public ✓ Reengage the Housing, Homeless and Neighborhood Development (HHAND) Commission 	 <ul style="list-style-type: none"> • Establish relationships with advocacy and funding partners, including: Alaska Healthcare and Hospital Association, Alaska Behavioral Health Association, Alaska Mental Health Trust Authority, and other business and philanthropy leaders • Develop relationships with Tribal Health Organizations throughout Alaska • Develop relationships with neighborhoods, faith-based, and community organizations to increase engagement to address homelessness • Develop legislative priorities and participate in advocacy with state and federal delegations • Evaluate MOA and partner expenditures related to homelessness and health, and develop MOA budget proposal for 2026 • Work with funding partners to fully leverage MOA funding with other sources 	

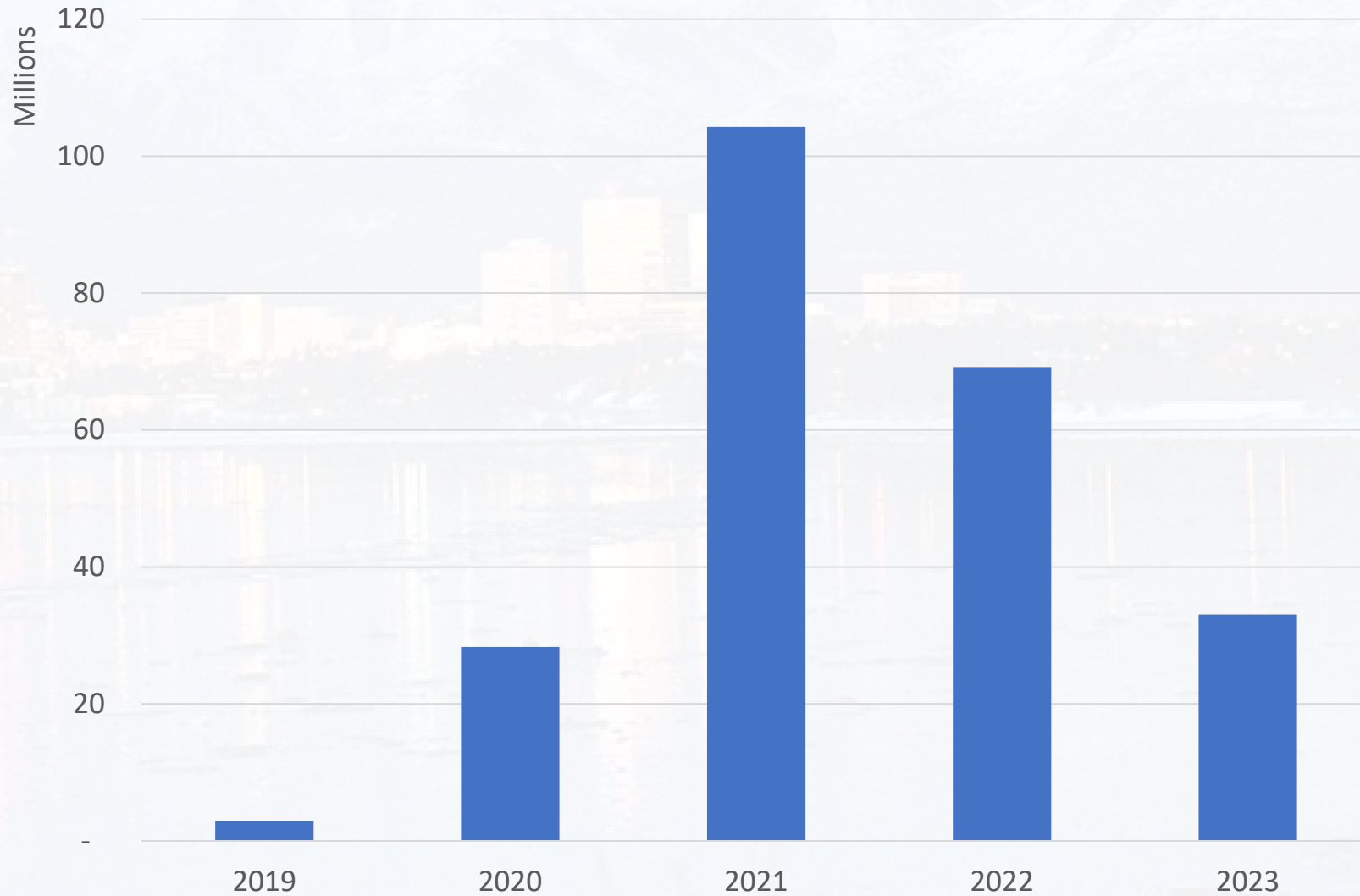
Homelessness Funding: 2025 Highlights

Activity	Amount	Source
Congregate Shelter at 56 th <i>Match State grant</i>	\$3,504,604	General Government Operating Budget
Congregate Shelter at 56th	\$4,000,000	State grant
Non-congregate winter shelter	\$4,452,288	Alcohol Tax
Non-congregate shelter	\$256,152	CDBG-CV
Unified Funding Proposal	\$4,032,000	Alcohol Tax
Healthy Spaces: Abatement and cleanup	\$724,260	Alcohol Tax
Homelessness prevention	\$166,518	ESG

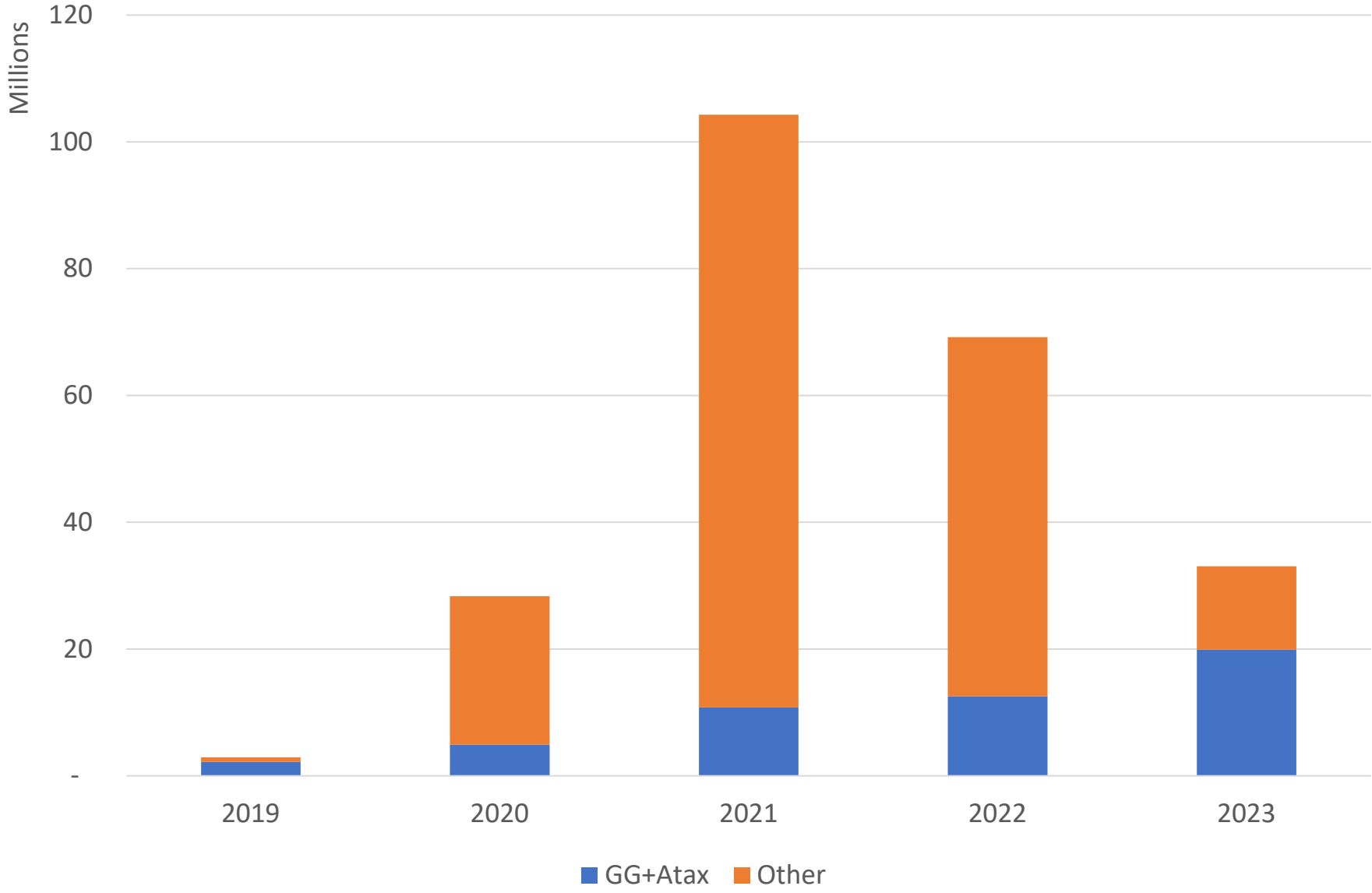
Homelessness Funding: Sources

<i>Municipal Funds</i>
General Government
Alcohol Tax
<i>State Funds</i>
E.g., shelter grant
<i>Federal Funds</i>
HUD Emergency Solutions Grant (ESG)
HUD Community Development Block Grant (CDBG)
<i>Emergency Federal Relief Funds</i>
CARES Act
American Rescue Plan Act
FEMA

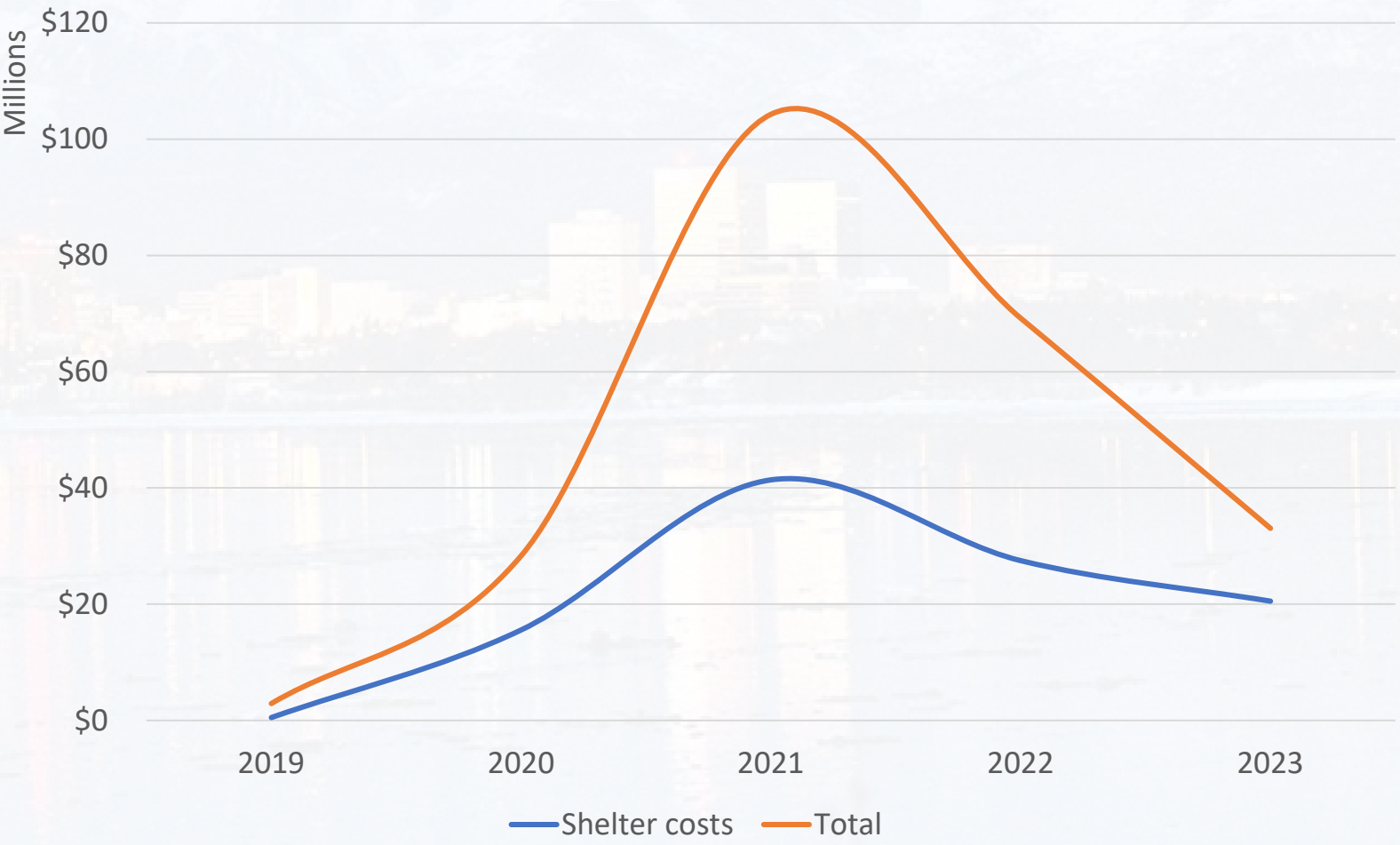
MOA Spending on Homelessness by Year



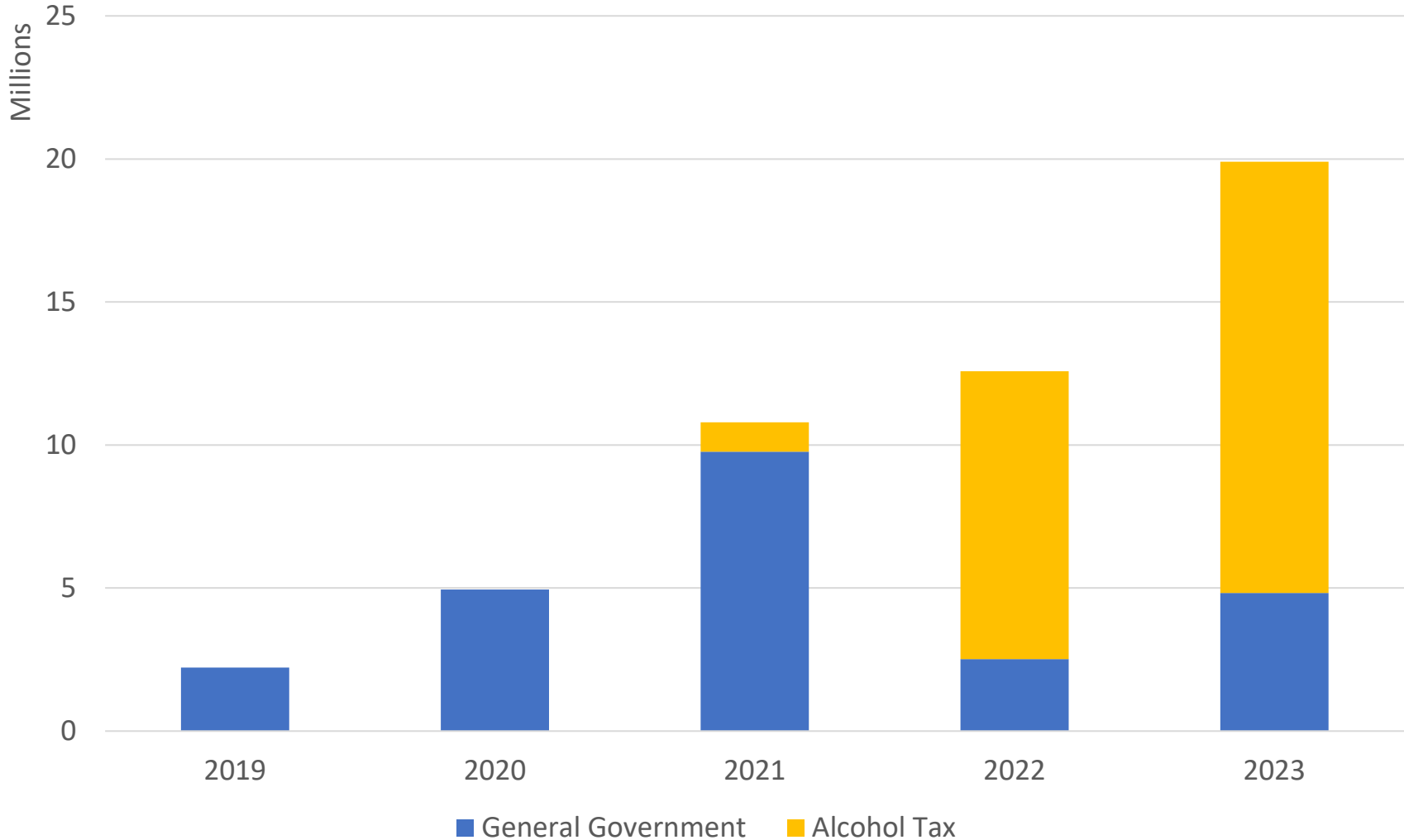
Spending on Homelessness: Muni Sources vs. Total



Total by Year: All Homelessness vs. Shelter



Spending on Homelessness: **General Government** vs. **Alcohol Tax**



A scenic view of a city at sunset with mountains in the background and a lake in the foreground. The sky is a mix of orange, yellow, and blue. The city lights are visible, and the mountains are silhouetted against the sky. The lake reflects the city and the sky.

Alcohol Tax

Alcohol Tax: Trends

Fund Center	Description	Description	2021 Total	2022 Total	2023 Total	2024 Total
101300	Assembly Alcohol Tax	ASM-ATax-Outreach & Education	-	-	200,000	50,000
101300	Assembly Alcohol Tax	ASM-ATax-Strategic Planning	-	-	250,013	250,000
101300	Assembly Alcohol Tax	Housing Initiatives	-	-	-	50,000
101300	Assembly Alcohol Tax	Program	-	100,000	-	-
107100	Equity & Justice Alcohol Tax	Program	142,748	44,117	-	-
111200	Mayer Alcohol Tax	Program	50,000	-	-	-
115500	Legal First Responders	Program	239,618	241,581	267,989	288,706
122200	Real Estate Services	ACEH Anchored Home Next Step Pilot Prog	-	-	-	-
134300	Rav Mgmt Alcohol Tax	Program	213,482	264,461	277,800	303,611
137200	CFO Homelessness, MH & Substance Misuse	Program	1,600,000	1,600,000	-	-
244400	AHD Mental Health & Substance Misuse	SM-Recover Alaska	-	-	100,000	-
244400	AHD Mental Health & Substance Misuse	SM-Volunteers of America	-	-	100,000	100,000
244400	AHD Mental Health & Substance Misuse	SM-American Foundation for Suicide Prev	-	-	30,000	-
244400	AHD Mental Health & Substance Misuse	Anch Safety Center Community Patrol	-	-	-	1,145,000
244400	AHD Mental Health & Substance Misuse	MH SM Mobile Case Management Grants	-	-	-	330,000
244400	AHD Mental Health & Substance Misuse	Program	-	-	-	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	Salvation Army Treatment Center	100,000	-	-	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	CSS Complex Care	-	1,067,500	1,830,000	1,830,000
244500	AHD Homelessness (w MH&SM in 2021-2022)	Navigation Center	-	1,300,000	-	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	United Way- Landlord Housing Partnership	-	500,000	-	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	Emergency Sheltering	-	5,169,752	907,138	4,426,324
244500	AHD Homelessness (w MH&SM in 2021-2022)	ChristianHthAssoc-FamilyEmrgySheltrServ	-	350,000	550,000	550,000
244500	AHD Homelessness (w MH&SM in 2021-2022)	CSS BrotherFranShltr-Adult EmrgShltr Svcs	-	433,000	670,000	670,000
244500	AHD Homelessness (w MH&SM in 2021-2022)	AnchCoalition-EndHomeless ExpandedOutreach	-	1,720,000	1,850,000	700,000
244500	AHD Homelessness (w MH&SM in 2021-2022)	Pay for Success/Home for Good	-	-	1,800,000	996,000
244500	AHD Homelessness (w MH&SM in 2021-2022)	Covenant House	-	-	930,000	730,000
244500	AHD Homelessness (w MH&SM in 2021-2022)	Restorative Reentry Services	-	-	23,548	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	Alex Hotel Operations	-	-	598,261	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	Alex Hotel Leased Units	-	-	608,920	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	Sullivan Arena Operations	-	-	1,818,546	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	Aviator Hotel	-	-	1,323,789	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	AAHLT Housing Assistance	-	-	250,000	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	CSC Providence	-	-	1,000,000	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	Homelessness Sheltering and Housing	-	-	1,300,000	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	Homeless Cold Weather Shelter Ops	-	-	50,000	-
244500	AHD Homelessness (w MH&SM in 2021-2022)	ECWS Non Emergency Transportation	-	-	-	77,676
244500	AHD Homelessness (w MH&SM in 2021-2022)	Modular Units as Transitional Shelters	-	-	-	500,000
244500	AHD Homelessness (w MH&SM in 2021-2022)	AR 2024-1008 Emergency Sheltering	-	-	-	875,237
244500	AHD Homelessness (w MH&SM in 2021-2022)	ACEH Anchored Home Next Step Init Pilot	-	-	-	1,500,000
244500	AHD Homelessness (w MH&SM in 2021-2022)	Program	1,653,666	761,729	679,079	672,440
244600	AHD Child Abuse/SADVP	Early Education Grants	-	1,999,850	1,974,850	2,282,127
244600	AHD Child Abuse/SADVP	Evidence-Based Grants	-	2,000,000	3,810,000	1,817,000
244600	AHD Child Abuse/SADVP	APD DV Overtime	-	50,000	-	-
244600	AHD Child Abuse/SADVP	EBG - Victims for Justice	-	-	125,000	225,000
244600	AHD Child Abuse/SADVP	EBG-Abused Women's Aid in Crisis (AWAIC)	-	-	125,000	225,000
244600	AHD Child Abuse/SADVP	EBG-Standing Together Against Rape(STAR)	-	-	125,000	225,000
244600	AHD Child Abuse/SADVP	Evidence-Based Grants/WIC	-	-	190,000	183,000
244600	AHD Child Abuse/SADVP	Anchorage Childrens Trust	-	-	-	1,750,000
244600	AHD Child Abuse/SADVP	AR 2023-3135 Eklutna After School Progm	-	-	25,000	25,000
244600	AHD Child Abuse/SADVP	Program	4,045,715	370,288	67,675	67,675
244700	AHD Alcohol Tax	HD Equity Technical Asst for ATax Progra	-	150,000	-	-
352000	Anchorage Fire & Rescue	Program	-	-	-	-
353200	AFD First Responders	Early Education/Evidence Based Grants	-	-	-	-
353200	AFD First Responders	PFAS Response Equipment	-	-	100,000	-
353200	AFD First Responders	Program	1,628,606	2,657,504	1,961,169	-
450200	APD First Responders	APD-Alcohol Tax-MET	-	-	225,601	-
450200	APD First Responders	APD Training Modules	-	-	-	550,000
450200	APD First Responders	Program	922,885	1,089,741	600,590	664,059
511700	CD Alcohol Tax	Golden Lion Housing	-	-	250,000	-
511700	CD Alcohol Tax	Program	-	-	-	-
536000	LIB Homelessness, MH & Substance Misuse	Program	-	333,825	348,952	364,040
536100	Library Child Abuse/SADVP	Best Beginnings Grant	-	-	150,000	250,000
536100	Library Child Abuse/SADVP	Program	99,470	125,333	128,357	114,341
551200	P&R Homelessness, MH & Substance Misuse	Program	614,954	662,514	634,290	658,419
			11,711,144	23,191,185	28,256,567	25,443,655

Alcohol Tax: Administration Perspective

The administration is:

- Committed to applying alcohol tax revenue to voter-approved uses
- Focused on strategically prioritizing the biggest challenges
- Putting the Alcohol Tax into the bigger picture of priorities and goals
- Shifting away from direct grants to organizations to competitive bids
 - Some of this appears in the 2025 budget; some will be part of a conversation ahead of the 2026 budget
- Communicating more clearly about what the alcohol tax is going toward

Alcohol Tax: Funded Priorities

The 2025 proposed Alcohol Tax budget funds the following key priorities:

- ***Bring the Mobile Crisis Team to 24/7 operations***
- ***Fund Emergency Cold Weather Shelter*** as part of the regular budget process
- ***Invest in housing***, to move away from the seasonal shelter crisis
- ***Increase funding for camp cleanup*** through Healthy Spaces
- ***Continue to support grants to providers*** addressing and preventing child abuse, sexual assault, and domestic violence in 2025
- ***Continue to support Municipal staff*** who are operationalizing Alcohol Tax goals in the Police and Health departments and the Municipal Attorney's Office

Alcohol Tax: 2025 Proposed (working draft)

Description	Amount
Emergency Cold Weather Shelter: Winter shelter operations, non-congregate, through competitive bid	\$4,452,288
Unified Funding Proposal Supports safety net services via community providers, including shelter beds and outreach: <ul style="list-style-type: none"> - Catholic Social Services - Christian Health Associates - Brother Francis Shelter - Anchorage Coalition to End Homelessness - Covenant House Alaska 	\$4,032,000
Municipal staff implementing Alcohol Tax goals (program operations)	\$1,765,124
Mobile Crisis Team to 24/7	\$1,396,640
Housing: Housing and case management through competitive bid	
Evidence-based grants for providers	\$1,000,000
Camp Abatement: Healthy Spaces	\$724,260
Direct grants to address domestic violence and sexual assault	\$675,000
Training modules for Anchorage Police Department	\$550,000
Alcohol Tax collection and enforcement	\$312,763

Related Work Funded via Other Sources

Related priorities funded in the General Government Operating Budget:

- Fully fund the Anchorage Safety Patrol, and shift to the Anchorage Fire Department
- Match the State grant to continue operating the year-round congregate shelter at 56th Ave

Related priorities funded in the Anchorage Childcare and Early Education Budget:

- Early childhood education and literacy programs (Early Literacy, Best Beginnings)
- Childcare sector stimulus payments (operational grants)
- Pilot projects to innovate in the childcare and early education sector
- *Early education grants to support pre-K classrooms in Title 1 schools*

Summary

The administration is committed to a funded strategy to address homelessness. This means tackling the immediate challenges before us (such as a need for cold weather shelter this winter) while also planning for a future where we need fewer expensive emergency services to begin with.

The Municipality's spending on homelessness has increased over the last 5 years, but so has its share in funding local solutions to homelessness, as federal relief sources close out.

The 2025 proposed budget is a step toward sustainability, funding basic safety net services alongside new investments in critical components like housing and crisis response services.

Special revenue sources like the Alcohol Tax will be most effective when leveraged with other fund sources.