

**Facilitated Collaborative Process
between Administration and Legislative Drafting Group
for Mass Care and Long-Term Navigation Decisions**

Implementation Status Update 041222

The workgroup is continuing to meet to maintain alignment and progress through implementation of the client / community focused approach for exit from mass care that was unanimously approved by the Mayor and Assembly in AR2021-350. The next meeting is April 13, 2022. Status updates since last report are in **bold**.

HIGHLIGHTS:

Mass care operations, including care at Sullivan Arena and ***the one remaining non-congregate shelter in an area hotel***, are targeted for closure by June 30. The goal of the transition is to take care of people experiencing homelessness and help them on a better path to independence, return Sullivan Arena to normal operations and do so in the most cost effective and efficient way possible. ***Two of the previously used area hotels have interim, temporary transitional housing units available for people leaving the Sullivan on the path to stable housing***. A target has been set to secure housing for 10 people every day between April 1 and June 30 to support the mass care exit strategy.

Site selection, purchase and sale negotiations, and operational considerations for the new locations take into account the most efficient overall cost of an effective homelessness prevention and response system. The operational costs for the new housing / shelters will be leveraged with available state and federal funding for housing stability.

- ***Single Adult Navigation Center – Design and procurement is proceeding for the navigation center. To date, a \$50,000 contract has been awarded to Roger Hickel Contracting through the competitive process for construction management. In accordance with Title 7 section 7.15.040, Assembly approval was not required. With a focus on the need for the Adult Shelter/Navigation Center to be operational before the Sullivan shelter’s June 30, 2022 closure, the Municipality is using a project delivery method process called Construction Manager/General Contractor (CMGC) that accelerates the design and construction process, shortens a project’s timeline, and reduces costs. Use of a CMGC process for a separate project was approved by the Assembly (AM 353-2020) on June 23, 2020. The Municipality currently is in negotiations for the project’s construction. The results from this process in terms of a contract award will come before the Assembly once the CM/GC process is complete.***

The Administration will submit an appropriation request for the remaining capital funding for construction at the April 12 Assembly meeting with public hearing on April 26. The MOA is conducting public Listening Sessions April 13 and 28.

The Construction Manager, Roger Hickel Contracting, solicited competitive bids for the manufacture of the structure and Sprung Structures was the successful bidder. The tensioned membrane structure will take 6-8 weeks to manufacture. The \$2M previously appropriated (AO2021-1165 December 7, 2021) for the facility is being released from the Alaska Community Foundation account to initiate the manufacturing process for the

structure. The manufacture of the structure will occur on a parallel path with final design in order to fast track the project for startup prior to June 30 mass care closure. The facility exterior will be a 29000 sq ft tensioned membrane structure. This footprint will provide shelter space for 200 beds with adequate space for navigation services and support. The interior design will also include contingency plans for emergency surge capacity of up to 130 additional beds. A critical path schedule and current cost estimate will be reviewed by the facilitation group.

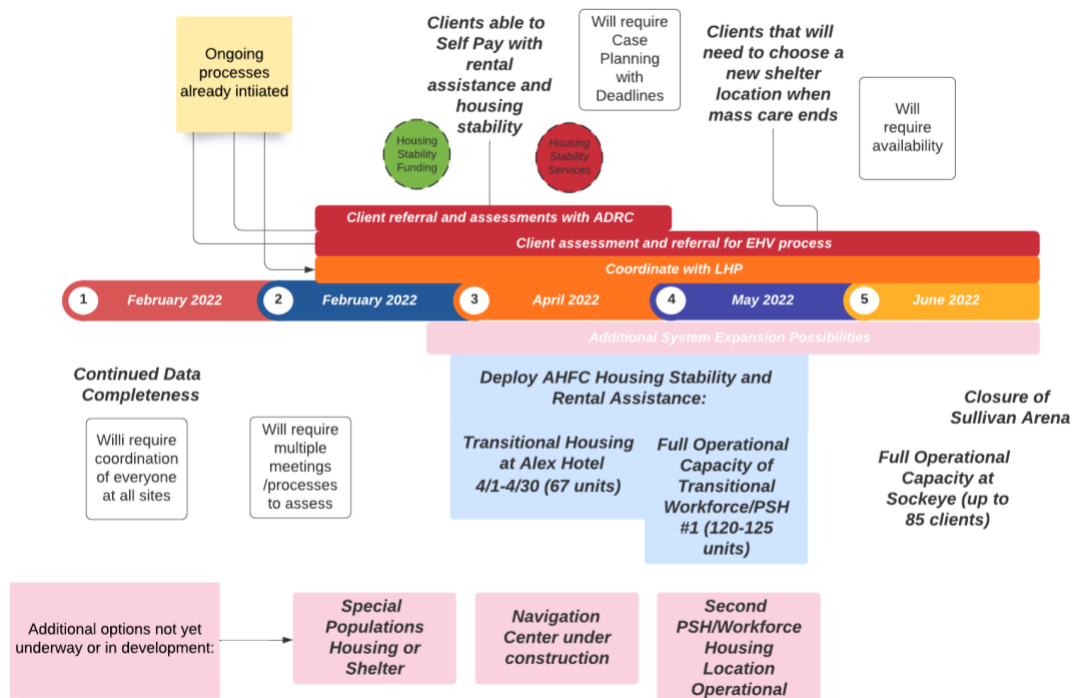
The project team is scheduling a collaborative effort with navigation center operations and design subject matter experts in the next couple weeks to help define the programs and services to be provided in the navigation center. This collaboration will help inform the final design of the navigation center.

- **Sockeye Inn Complex Care** –The facility is temporarily shut down through June 1 while Catholic Social Services (CSS) prepares for complex care operations.
- **Permanent Supportive (PSH) / Workforce Housing (WFH)** – A Purchase and Sales Agreement with a non-profit entity has been tentatively reached for a hotel conversion site with an agreement in principle to use the facility for transitional housing while the purchase is pending. The location will be shared once the Purchase and Sales Agreement is signed. A due diligence review will be conducted prior to finalizing the purchase. The estimated capital cost per room is significantly less than the cost for new construction and is less than the national average for hotel conversions.
- **Special Populations Housing** – Funding for potential master leasing for hotel rooms is being explored to serve this population.
- **Substance Abuse Treatment and Housing** – Salvation Army is continuing to work to secure full funding from the State of Alaska to repair the 68-bed treatment facility that was damaged in the 2018 earthquake. The workgroup is continuing to discuss other opportunities to close gaps in this area.

IMPLEMENTATION STATUS SUMMARY

System Overview: The mass care exit strategy aligns with and closes gaps in the Anchorage Homeless Prevention and Response System. The planned improvements will apply best practices for coordinated entry, navigation center shelters, behavioral and substance abuse treatment, and permanent supportive housing to most effectively support people experiencing homelessness, provide the most cost-effective homelessness prevention and response system and minimize adverse community impacts. The resulting enhanced system will provide compassionate and more effective care for Anchorage’s vulnerable people experiencing homelessness by providing wrap around support based on what each individual needs. Parallel activities are underway outside of the facilitated process to accelerate moving people into housing to reduce the need for temporary shelter beds. Collaborative funding will be obtained from a variety of sources including public-private partnerships.

Timeline: An integrated implementation effort is underway to support exit from mass care by June 30, 2022.



Funding Plan – It is inherent in the funding plan for the exit strategy that site selection, operational plans and transition plans support the most cost efficient and effective homelessness prevention and response system.

The closure strategy developed by the facilitated workgroup is not only less costly than earlier plans but also has the support of philanthropy and private funders who are contributing to the capital costs for the new housing and shelter sites; thereby reducing the cost to the Municipality of Anchorage (MOA).

To date, \$12,250,000 has been committed for the projects in the facilitated plan to exit mass care. Funders to date are the Municipality of Anchorage, Rasmuson Foundation, Weidner Apartment Homes, Chugach Alaska Corporation, Calista Corporation, Providence Health Services Alaska, and Premera Blue Cross. Funds are held in a special project fund account at the

Alaska Community Foundation to be expended as projects come online. Other philanthropic donors are contributing to operations, such as Doyon Corporation and the Alaska Mental Health Trust. Discussions are underway with other potential funders. Potential funders' decisions are highly dependent on their confidence in the ongoing support of both the Mayor and Assembly for the funding and implementation of the strategy.

The Assembly / MOA appropriated \$6M for capital investments into 3 planks of the exit strategy:

- Complex Needs Shelter (Sockeye Inn)
- Permanent Supportive / Workforce Housing (PSH/WFH)
- Single Adult Navigation Center Shelter.

In addition, MOA has requested \$15M from the State of Alaska in the 2022 Legislative Request to be used for the following 3 areas. Initial discussions between the Mayor and the Governor / Legislature have been positive.

- Permanent Supportive / Workforce Housing (PSH/WFH)
- Single Adult Navigation Center Shelter
- Special Populations Housing.

Funding for sustainable operations is being developed and is necessary to attract owners and operators willing to operate and sustain these sites once they are brought on-line. Operating fund sources include HUD (ESG, CDBG, Home), state, MOA, and philanthropy. Sources are tied to specific client needs and program requirements and require continued collaborative investigation to secure the needed funding. The workgroup is developing an overall operating finance plan to detail the anticipated operating costs and potentially available funds for both shelter and supported housing components of the strategy. The operational costs for housing / shelters will be leveraged with available state and federal funding for housing stability.

The working group will continue to consult with MOA Legal, Planning and Procurement to confirm requirements for purchase and operation for sites that include funding from the MOA.

The HUD Technical Assistance resource team 3 is actively engaged in support of the mass care exit strategy. The HUD team is bringing experience working with other cities in similar efforts to maximize access to federal programs for housing stability and increase access to affordable units for housing. A goal has been set to secure housing for 10 people every day between April 1 and June 30 to support the mass care exit strategy.

Complex Care Shelter: *(This site was previously referred to as Medical Fragile, Medical Convalescence. We have determined that the more appropriate terminology is “complex care”.)* The facilitated plan to exit mass care is to move people as quickly as possible out of mass care to more suitable shelters and ultimately to housing. Over 150 people with medical needs have been identified within the current homeless prevention response system. The Sockeye Inn was identified by the facilitation group as the site for sheltering and caring for persons experiencing homelessness with medical concerns and/or disabilities for whom a congregate shelter exacerbates risk.

The Sockeye Inn will provide shelter and more suitable care in approximately 61 units serving up to 120. This shelter will address a long-standing gap within the current continuum of care system.

The purchase of the Sockeye Inn by Ship Creek Community Assets II (SCCA II) closed on March 29, 2022. Funds for this purchase are a combination of private and public funding. The MOA contributed \$2M, and non-governmental funders paid the balance to cover the purchase price and closing costs. In addition, Doyon has agreed to provide beds, linens, storage units, and an automatic door access system for the facility.

The Catholic Social Services (CSS) Board committed to operate the Sockeye Complex Care facility. CSS will begin complex care operations on June 1, 2022. The facility will be temporarily closed from April 1 to June 1 while CSS prepares for complex care operations. Alternative housing was secured for all residents through the efforts of ACEH staff.

The estimated annual operating cost is \$3M - \$4M. AHD is drafting a proposed amendment to the city's HUD Consolidated Plan to secure \$1.2M in CDBG-cv funds. This is a 90-day HUD process that will be coordinated with the ACEH which is the HUD designated Continuum of Care (CoC) for Anchorage's shelter and homeless response system. The Assembly approved a \$1.0675M appropriation from the Alcohol Tax to support complex care operations on March 15.

Permanent Supportive Housing (PSH) / Workforce Housing (WFH): Clients served by PSH include people experiencing homelessness who can live independently with suitable support services. Clients served by WFH include employed individuals who are experiencing homelessness because they cannot afford available market housing. Several hundred units are required to meet the needs of existing mass care clients.

ACEH, as the community coordinator for analyzing and managing gaps in the homeless prevention and response system, is working with philanthropic partners to explore suitable sites and financing options for acquiring properties.

The Barratt Inn was identified by the facilitation group for potential conversion to approximately 90 workforce and supportive housing units. Negotiations with the owner have been halted because of the need for additional information from the owner to substantiate the level of renovation and cost required to make the facility safely operational. The timeline and cost for renovation need to be clearly determined and more fully assessed before proceeding any further.

A Purchase and Sales Agreement with a non-profit entity has been tentatively reached for an alternative hotel conversion site including an agreement in principle to use the facility for transitional housing while the purchase is pending. A non-profit entity has agreed to purchase the site for this purpose. The location will be shared once the Purchase and Sales Agreement is signed. A due diligence review will be conducted prior to finalizing the purchase. The estimated capital cost per room is significantly less than the cost for new construction and is less than the national average for hotel conversions.

Operating budgets and identification of sustainable funding sources (such as AHFC rental subsidies and housing stabilization funds) are under development with housing providers including RuralCap and NeighborWorks Alaska.

Efforts continue to identify additional units to fill anticipated capacity needs for the mass care exit strategy. There are other PSH projects underway in the community that may expand the availability of units that can support mass care exit.

Single Adult Navigation Center: The Single Adult Navigation Center will provide temporary shelter and other navigation support services for persons experiencing homelessness that are over the age of 25 and do not meet the criteria and/or capacity limits for other shelter or housing locations. Most of the clients served at this location are typically single adult men.

The center will have a design capacity of 200 beds with possible surge capacity up to an additional 130. The navigation center will be a low-barrier, service-enriched shelter focused on moving persons experiencing homelessness into permanent housing. The navigation center will provide temporary living facilities while case managers connect individuals experiencing homelessness to jobs, public benefits, health services, shelter, and housing.

The location selected is directly west of the originally proposed site of the Tudor Elmore Evidence lot between the Evidence lot and APD offices. Construction on the site will be less expensive and faster since the vehicles in the Evidence lot do not need to be relocated and there are fewer wetland concerns.

The current working estimate for construction of the shelter is \$9M; this is significantly reduced from the previous estimate by moving the planned site to eliminate the need for moving the evidence lot and reduce the costs for utilities and also by reducing the size of the facility from 1000 beds to 200 beds. The Assembly approved an appropriation of \$800K as a limited contribution to the area wide Capital Improvement Projects for preliminary design at the March 15 Assembly meeting (AR2022-72).

Design and procurement is proceeding for the navigation center. A \$50,000 contract has been awarded to Roger Hickel Contracting through the competitive process for construction management ([RFP 2022P007](#)). In accordance with Title 7 section 7.15.040, Assembly approval was not required. With a focus on the need for the Adult Shelter/Navigation Center to be operational before the Sullivan shelter's June 30, 2022 closure, the Municipality is using a project delivery method process called Construction Manager/General Contractor (CMGC) that accelerates the design and construction process, shortens a project's timeline, and reduces costs. Use of a CMGC process for a separate project was approved by the Assembly (AM 353-2020) on June 23, 2020. The Municipality currently is in negotiations for the project's construction. The results from this process in terms of a contract award will come before the Assembly once the CM/GC process is complete.

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The facility exterior will be a 29000 sq ft tensioned membrane structure. This footprint will provide shelter space for 200 beds with adequate space for navigation services and support. The interior design will also include contingency plans for emergency surge capacity of up to 130 additional beds.

AHD and ACEH will collaborate to draft navigation center operating best practices leveraging work that is already underway for the 3rd Avenue Navigation Center. This work will support

decisions regarding the programs and practices that will be provided at the Tudor Elmore Navigation Center to inform the detailed design of the physical facility and the future operating costs. ***The project team is scheduling a collaborative effort with navigation center operations and design subject matter experts in the next couple weeks to help define the programs and services to be provided in the navigation center. This collaboration will help inform the final design of the navigation center. A critical path schedule and current cost estimate will be reviewed by the facilitation group.***

Special Populations Housing: (Elderly, Women, LBGTQ+): A site location has not yet been identified; however, the workgroup is continuing to monitor other system enhancements planned and/or underway by other program providers that will be / may be serving this population (e.g., the Choosing Our Roots grant mentioned below). Funding for potential master leasing for hotel rooms to serve this population is also being explored by the facilitated workgroup.

Substance Abuse and Housing: Efforts are underway with the Salvation Army to return the 48th Avenue facility to service for providing 68 substance abuse treatment beds. The Boutet Company has completed the **100%** engineering package for renovating the existing location to repair 2018 earthquake damage and allow safe occupancy using State of Alaska funds. The Salvation Army is continuing to work to secure State of Alaska 2018 earthquake response funds to allow renovation work to begin. Other potential Salvation Army locations are also being discussed for return to service.

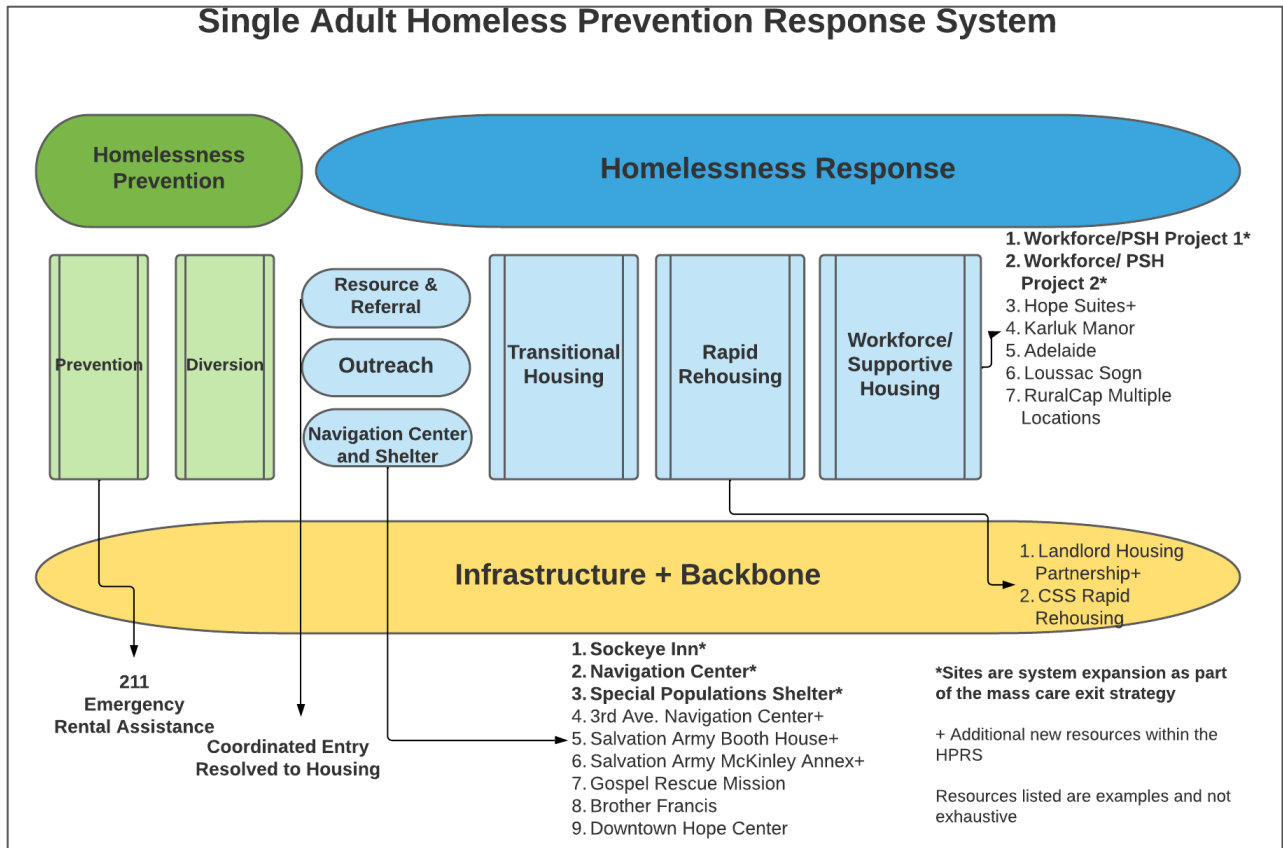
The workgroup is continuing to discuss other opportunities to close gaps in this area.

Other System Enhancements: In addition to implementation of the 5 planks of the exit strategy there is work ongoing by other partners in the homelessness prevention response system that create potential space for moving clients out of mass care. These include reopening and/or optimization of existing shelters to increase bed capacity (Salvation Army, Downtown Hope Center, and Brother Francis), improving the system for utilization of rental assistance and housing stability funds, and the United Way Landlord Housing Partnership incentives. Choosing Our Roots (COR) has a \$500K ARPA grant from AHD for 10 units of LBGTQ+ (age restricted) safe shelter/housing.

As previously communicated:

- Facilitated Process Clarification: The Assembly members who are part of the facilitated process committed to collaborate with the Administration members to develop the recommended strategy and guide implementation of the mass care exit strategy. The Assembly members maintain frequent communications with the rest of the Assembly to share status updates and opportunities to provide input. The Assembly members neither represents nor guarantee the votes of other Assembly members on the recommendations that result from the facilitated process.
- We continue working together with commitment to collaborative process.
- We share goals to end homelessness and belief that navigation is only one part of the continuum of care; housing always a goal; shelter will be a part of navigation plans.
- Not politically focused – it's about getting it right for the benefit of the community.

- Have agreed to a decision process that supports reaching agreement on quality decisions that are best for our community.
- Have agreed to a decision frame that includes problem statements, timeline, outcome goals, ranking criteria, alternatives to be considered and analysis to support decisions.
- Will socialize / communicate / vet progress with rest of Assembly and other key stakeholders and community partners to include Community Councils as discussions move forward.
- The mass care exit strategy aligns with and closes gaps in the existing Homeless Prevention Response System.



Envisioned System[#] After
 Mass Care Closure =
 Total Capacity | 172
 452 to housing
 623 to shelter/navigation
 97 to residential treatment

<u>Sockeye Inn Complex Care Shelter - 85 beds</u>	Brother Francis Shelter - 75 beds*	Gospel Rescue Mission - 43 beds	Salvation Army McKinley Annex - 15 women [%]
Salvation Army Booth House - 30 veterans [%]	<u>Special Populations Shelter - 120 beds^{^^}</u>	<u>Navigation Center - 200 beds~</u>	Downtown Hope Center - 55 beds for women
<u>Midtown Substance Misuse Treatment - 68 beds</u>	Clitheroe Substance Misuse Treatment - 29 additional beds for men	<u>PSH/Workforce Housing Project 1 - 115 units</u>	Hope Suites Housing - capacity for 72 women
	<u>PSH/Workforce Housing Project 2 - 115 units^{^^}</u>	Landlord Housing Partnership - 100 units*	Coordinated Entry Resolved to Housing - 50 clients

[#] As of 2/22/2022
^{*}estimated numbers
[%] March 1st planned opening
^{^^}No identified location
[~]RFP issued 1/28/2022

Bold underlined text indicates specific projects identified by the facilitation group as part of the mass care exit strategy