

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

Implementation Status Update 050422

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 **May 11, 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 members of the facilitated process are working to address the questions and concerns of the Assembly for the Tudor Elmore Navigation Center. There will be an Assembly work session May 9 prior to the regular Assembly meeting on May 10 where the resolution AR-2022-111S will be considered.

- **Single Adult Navigation Center** – *The Administration conducted listening sessions with the public on April 13 and 25. Updated design, cost and schedule information was presented at the special Assembly meeting on April 28. The Assembly approved AR-2022-146 on April 28 setting policy for the Tudor Elmore navigation center to be limited to 150 bed capacity and shut down the emergency shelter when functional zero is achieved. The Assembly deferred consideration and public hearing for the appropriation resolution AR--2022-111(S) to May 11 to allow time to consider the new project design, cost and schedule estimates and other information. The rough order of magnitude (ROM) cost estimate provided at the April 28 Assembly meeting was \$13.4M which includes \$11.9M construction cost and \$1.5M internal furnishing cost. The estimate for annual operating cost provided by the Administration is \$5M. The updated construction schedule shows that the completion date is delayed to November 4. The Administration provided a preliminary plan for securing interim housing / shelter for mass care clients from June 30 through November. The Administration is working to refine the cost and schedule estimates and interim housing plan. An Assembly work session is scheduled on May 9 prior to the May 10 regular meeting. The members of the facilitated process are working with the Administration to understand the updated information and assist in preparation for the May 9 work session to address Assembly questions and concerns.*
- **Sockeye Inn Complex Care** – *The facility is getting ready to re-open on or about June 1. The owner, SCCA II, and the operator, Catholic Social Services (CSS), need Title 16 authorization from AHD to begin operations while the Conditional Use Permit process is underway.*
- **Permanent Supportive (PSH) / Workforce Housing (WFH)** – *A Purchase and Sales Agreement for the purchase of the Guest House Inn by First Presbyterian LLC has been tentatively reached for a hotel conversion site providing 120 housing units. 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. The facility will be leased for transitional housing while the site due diligence is underway before the sale is completed. This will move people from the Sullivan Arena into transitional housing and then help them move on to permanent housing.

The Assembly passed a resolution on April 26 to use federal funds that the MOA had specifically set aside to move people from mass care to housing. The Assembly approved resolution AR-2022-148 on April 26 to suspend Title 7 procurement rules and appropriated \$1.9M for interim operations by homeless service provider 99 Plus 1 (currently providing services at the mass care congregate and non-congregate locations) at the Guest House for 90-120 days. The next step is for the Administration to issue a contract to 99 Plus 1 for this operation. This is very time sensitive to move people quickly due to the June 30 Sullivan closure date. In addition, the Assembly passed resolution AR-2022-155 on April 28 to suspend Title 7 procurement rules so that MOA could contract with homeless service provider 99 Plus 1 to rapidly move additional people out of Sullivan Arena mass care into available housing other than the Guest House interim operations. The funds in both resolutions must be expended by September. This resolution was subsequently vetoed by the Mayor requiring that the contract follow normal procurement processes.

- **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 expects secure full funding from the State of Alaska **by May 18** to repair the 68-bed treatment facility that was damaged in the 2018 earthquake.

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 centers, emergency 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: *The Administration intends to close mass care by June 30, 2022. An updated timeline is needed based on the updated schedule for construction of the navigation center.*

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.

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: 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. The complex care shelter will address a long-standing gap within the current continuum of care system by providing shelter and care for persons experiencing homelessness with medical concerns and/or disabilities for whom a congregate shelter exacerbates risk.

The Sockeye Inn was purchased by Ship Creek Community Assets II (SCCA II) on March 29, 2022 and will be operated by Catholic Social Services (CSS). The Sockeye Inn will provide 61 units serving up to 120 people. Over 150 people with medical needs have been identified within the current homeless prevention response system.

The facility is temporarily closed while CSS prepares for complex care operations. Alternative housing was secured for all residents during the temporary closure through the efforts of ACEH staff. CSS will begin complex care operations on or about June 1, 2022. ***The owner, SCCA II, and the operator, Catholic Social Services (CSS), need Title 16 authorization from AHD to begin operations while the Conditional Use Permit process is underway.***

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 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.

A Purchase and Sales Agreement for the Guest House Inn by First Presbyterian LLC has been tentatively reached for a hotel conversion site The facility will be leased for transitional

housing while the while the site due diligence is underway before the sale is completed. This will move people from the Sullivan Arena into transitional housing quickly and then help them move on to permanent housing. This hotel conversion will provide 120 housing units serving approximately 120 to 240 individuals. 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.

The Guest House will be leased for transitional housing while the site due diligence is underway before the sale is completed. This will move people from the Sullivan Arena into transitional housing and then help them move on to permanent housing.

The Assembly passed a resolution on April 26 to use federal funds that the MOA had specifically set aside to move people from mass care to housing. The Assembly approved resolution AR-2022-148 on April 26 to suspend Title 7 procurement rules and appropriated \$1.9M for interim operations by homeless service provider 99 Plus 1 (currently providing services at the mass care congregate and non-congregate locations) at the Guest House for 90-120 days. The next step is for the Administration to issue a contract to 99 Plus 1 for this operation. This is very time sensitive to move people quickly due to the June 30 Sullivan closure date. In addition, the Assembly passed resolution AR-2022-155 on April 28 to suspend Title 7 procurement rules so that MOA could contract with homeless service provider 99 Plus 1 to rapidly move additional people out of Sullivan Arena mass care into available housing other than the Guest House interim operations. The funds in both resolutions must be expended by September. This resolution was subsequently vetoed by the Mayor requiring that the contract follow normal procurement processes.

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.

The Barratt Inn was previously 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.

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 navigation support services and temporary shelter 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 navigation center will be a low-barrier, service-enriched shelter focused on moving persons experiencing homelessness into permanent housing and will provide temporary living facilities while case managers connect individuals experiencing homelessness to jobs, public benefits, health services, shelter, and housing.

Resolution AR-2022-146 was approved at the April 28, 2022 Assembly whereby the MOA commits to striving to achieve “functional zero” in reducing homelessness in a 2-year period after the navigation center is operational, and shutting down the shelter portion of the

navigation center once “functional zero” has been achieved. The capacity for the center was reduced from 200 beds with 130 surge capacity to 150 beds with emergency surge capacity of 50 by this resolution.

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, 2022 Assembly meeting (AR2022-72). A \$50,000 contract was awarded to Roger Hickel Contracting through the competitive process for construction management ([RFP 2022P007](#)). 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 (AO2021-116S December 7, 2021) for the facility is being released from the Alaska Community Foundation to initiate the manufacturing process for the structure. The manufacture of the structure is planned to occur on a parallel path with final design in order to fast track the project for startup.

The current working capital estimate for construction of the shelter is \$13.4M including \$11.9M construction costs and \$1.5M for internal furnishings. This estimate is based on the design of a 29,000 sq ft tensioned membrane structure to be fabricated by Sprung Structures and installed at the Tudor Elmore site between the APD offices and the evidence lot.

The estimate for annual operating costs provided by the Administration at the April 28 Assembly meeting is \$5M.

The current schedule provided by the MOA project manager indicates that the navigation center will not be available prior to June 30 mass care closure so the Administration has drafted an interim plan for providing shelter to individuals from June 30 until the navigation center opens in November.

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 Navigation Center to inform the detailed design of the physical facility and the future operating costs. ***The project team is planning a collaborative effort with navigation center operations and design subject matter experts 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.***

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. ***Funds are expected to be available on or about May 18.*** Other potential Salvation Army locations are also being discussed for return to service.

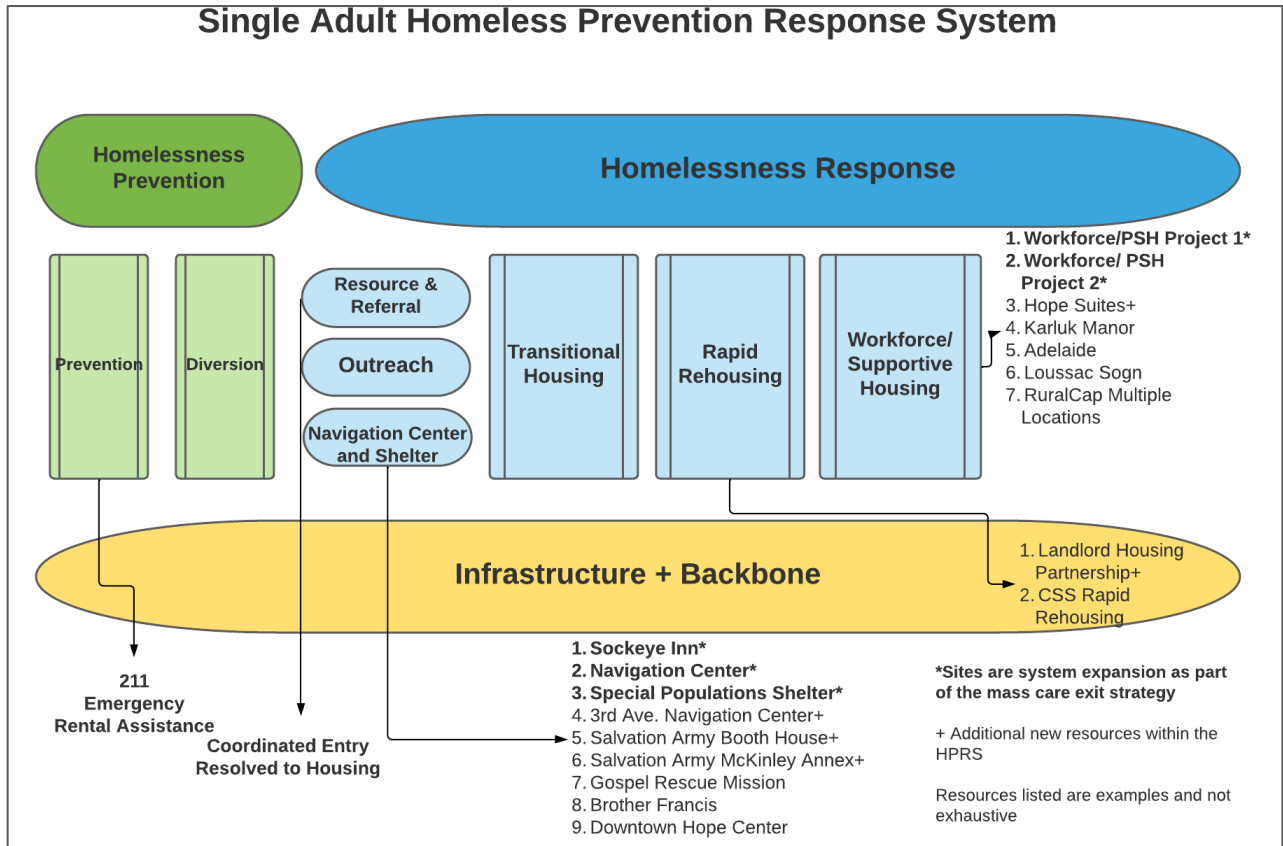
The workgroup is continuing to discuss other opportunities to close gaps in this area.

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 LGBTQ+ (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.

Single Adult Homeless Prevention Response System



Envisioned System# After Mass Care Closure = Total Capacity 1172

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

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This exhibit to be updated with current information reducing the navigation center to 150 beds and the planned acquisition of the Guest House for 120 units of PSH.