



MUNICIPALITY OF ANCHORAGE
Assembly Information Memorandum

No. AIM 224-2021

Meeting Date: December 7, 2021

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From: ASSEMBLY MEMBER WEDDLETON

Subject: AO 2021-116: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY REAPPROPRIATING AN AMOUNT OF SIX MILLION DOLLARS (\$6,000,000.00) AS A CONTRIBUTION FROM THE AREAWIDE GENERAL CAPITAL IMPROVEMENT PROJECTS (CIP) FUND (401800), PREVIOUSLY APPROPRIATED FOR PROPERTY ACQUISITION BY AO 2020-99, AS AMENDED, AND NOW REAPPROPRIATED FOR EXPENDITURES TO IMPLEMENT THE MASS CARE EXIT 6 STRATEGY ADOPTED IN AR 2021-350.

For the Assembly’s consideration; please see the attached “Initial Implementation of the Mass Care Exit Strategy” describing in detail the plans for the funding provided by AO 2021-116.

Prepared by: Assembly Counsel

Respectfully submitted: John Weddleton, Assembly Member
District 6, South Anchorage, Girdwood, and
Turnagain Arm

# INITIAL IMPLEMENTATION OF THE MASS CARE EXIT STRATEGY - AO 2021-116

AR 2021-350 adopted a mass care exit strategy, which identified a 5-prong approach that includes 1) Medical Convalescence, 2) Workforce Housing and Permanent Supportive Housing, 3) Adult Navigation and Shelter, 4) Special Population Shelter with navigation, and 5) Substance Misuse Treatment.

AO 2021-116 provides an initial investment by the Municipality of \$6 million dollars to be leveraged with philanthropic investments. This secures the public private partnership funding the client community approach to exiting mass care and providing long term services.

These funds come from the roughly \$11 million in the CIP allocation from AO2020-99.

**These leveraged funds allow for the following either directly or through coordinated efforts:**

**Directly funded by AO 2021-116:**

## **1. Purchase of the Sockeye Hotel for a Medical Convalescence Facility for up to 120 clients . (\$2M)**

- Services will include personal care assistance (PCA/PCS) to help clients with activities of daily living - toileting, bathing, basic hygiene.
- Assist clients to become Medicaid eligible for PCA/PCS services or assisted living homes.
- Operational dollars are a combination of FEMA during mass care draw down and then alcohol tax/AHD operating dollars, Medicaid and philanthropy.
- Property initially held through agreement with JL Properties.

## **2. Purchase of the Barrett Hotel for Workforce and Permanent Supportive Housing for up to 120 clients. (\$1.2M)**

- Partnership with existing providers of permanent supportive housing, which is a program that will pay for client rent and supportive services.
- Workforce micro units funded by Emergency Rental Assistance set aside for shelter to lease. Lease payments will pay for overall property management and light touch case management.
- Workforce micro units also eligible for housing voucher placements.

## **3. Funding for the design or design/manufacture of the Single Adult Navigation Center with Shelter for up to 200 clients with a 130 surge capacity at Tudor and Elmore. (\$2.8M)**

- Design contract will be awarded via the RFP process. RFP scheduled to be issued December 9, 2021 with responses due by January 17, 2022.
- Design or a design/manufacture contract will require Assembly approval.
- Potential construction capital dollars available through the approximately \$5 million remaining in the CIP fund previously appropriated in AO 2020-99.

## Ordinance Highlights

- Medical Convalescence location identified with up to 120 clients and under contract for purchase.

- 93 units of Workforce and Permanent Supportive Housing

- Utilizes a Funders Collaborative to hold funds from all sources

- Leverages other investments in the overall strategy to address homelessness in Anchorage



**Unresolved Need:**

**4. Special Population Shelter Location(s) for up to 200 clients.**

- Still need to identify site(s).
- Shelter services for elders, couples and LGBTQIA+ clients.

**Complementary Municipal Investment:**

**5. Recent Appropriation of \$100,000 design funding for Salvation Army Substance Misuse Treatment Facility approved by the Assembly on November 23, 2021.**

- Resumes operation of 68 residential beds for substance misuse.
- Expected construction early 2022.
- Approximately 165 clients served per year.
- Leverages state funds for construction costs already obtained by Salvation Army

The number of clients served annually depends on the length of stay at a facility as well as the capacity. The length of stay at a navigation center with shelter averages about 4 weeks. The length of stay for medical convalescence and work force housing is much longer.

| <u>Population</u>                                   | <u># Proposed Beds</u> | <u>Average Length of Stay</u> | <u>Utilization Assumption</u> | <u>Clients Served per Year</u> |
|---|------------------------|-------------------------------|-------------------------------|--------------------------------|
| <u>1) Medical Convalescence</u>                     | <u>120</u>             | <u>144</u>                    | <u>100%</u>                   | <u>304</u>                     |
| <u>2) Workforce and Supportive Housing</u>          | <u>120</u>             |                               |                               |                                |
| <u>3) Single Adults with Navigation</u>             | <u>200</u>             | <u>26</u>                     | <u>100%</u>                   | <u>2,808</u>                   |
| <u>4) Special Population: LGBTQ+, Elders, Women</u> | <u>200</u>             | <u>66</u>                     | <u>100%</u>                   | <u>1,106</u>                   |
| <u>4) Substance Misuse Treatment</u>                | <u>68</u>              | <u>90</u>                     | <u>100%</u>                   | <u>276</u>                     |
| <u>Total - Routine Occupancy</u>                    | <u>708</u>             | <u>326</u>                    | <u>100%</u>                   | <u>4,494</u>                   |
| <u>Surge Capacity in the system</u>                 | <u>130</u>             |                               |                               |                                |
| <u>Total - Occupancy at Surge Levels</u>            | <u>838</u>             |                               |                               |                                |

**SPECIAL PROJECTS FUND: PUBLIC PRIVATE PARTNERSHIP**

The funds, once appropriated, will be deposited via grant agreement to an entity into a separate fund specifically for the purpose of implementing the mass care exit strategy. The Special Projects Fund will be governed by ordinance appropriating funds and a governance group consisting of the 1) the Mayor or designee; 2) chair of the Assembly's Committee on Housing and Homelessness and 3) Representative from the Rasmuson Foundation on behalf of the philanthropic funders. Notice of approved expenditures from the Special Projects Fund will be provided within 30 days to the respective investors.

**WHAT'S NEXT?**

- **12/6/2021 Public Hearing**
- **Updates on expenditures from the funders' collaborative**