

## AO 2020-66 Frequently Asked Questions

### What would [AO 2020-66](#) allow the Municipality of Anchorage (MOA) to do?

If the Anchorage Assembly passes AO 2020-66, it would allow the MOA to begin the process to potentially purchase several new buildings to create a more balanced homelessness and treatment services system, including space for “Community Resource Hub” services and additional housing units. One of the facilities included would address needs for any member of the community by offering substance use disorder (SUD) treatment services and stabilization resources. In short, AO 2020-66 would provide the opportunity to make strategic investments to stabilize and quickly house adults without homes, and offer treatment services to all Anchorage residents who are struggling with drugs or alcohol.

### What are the four properties, and what will they be used for?

The MOA proposes to purchase three buildings for homeless services:

1. Midtown Alaska Club building becomes a daytime engagement center
2. America’s Best Value Inn in Spenard becomes bridge and supportive housing with 100 units
3. Bean’s Café’s primary location on 3<sup>rd</sup> avenue becomes an engagement center for people staying at the Brother Francis Shelter.

The fourth building, the Golden Lion Hotel in Midtown, would become a substance use disorder (SUD) treatment center, for anyone in the MOA in need of these services.



### How did the MOA identify and evaluate locations?

Led by the Real Estate Department, the MOA convened a team of internal experts that included the Housing and Homeless Services Coordinator, the Anchorage Health Department, the Planning Department, the Building Safety Department and private-sector specialists to develop a list of specific needs for the different social service uses that have been identified as key pillars of the [Anchored Home plan](#). The team started with a list of every hotel property in the Anchorage Bowl plus other residential and non-residential properties. From there, the MOA began comparing the properties against its list, removing or re-ordering properties based on how well they performed. From this refined list, the Real

Estate Department worked with its real estate consultants to evaluate and/or tour properties before identifying the ones with the most potential and presenting them to the Assembly.

The criteria used by the MOA to evaluate sites included guidance from the following:

- The Anchorage Assembly (AR 2018-167), to disperse social service facilities in areas other than downtown or Fairview;
- the Community Housing Management group’s “Suggestions for Physical Design Standards in Supportive Housing Developments”; and
- the “Physical Design Standards in Supportive Housing Settings” prepared by the MOA’s consultants.

### **What is the Anchored Home plan?**

The [Anchored Home plan](#) is the Anchorage community’s strategic roadmap to a time and place where homelessness in Anchorage is rare, brief and one-time. The Anchored Home plan benefited from input from more than 2,000 community members, businesses and agency representatives through a community engagement and public review period. The plan launched in 2018 and continues to guide our community in addressing homelessness, including the implementation of the [2020 Anchored Home priorities](#).

The Anchored Home plan is a partnership between several organizations seeking to end homelessness in Anchorage and is coordinated by the Anchorage Coalition to End Homelessness. The plan outlines the path forward and emphasizes four areas:

1. Prevention and Diversion
2. Housing and Support Systems
3. Public Health and Safety
4. Advocacy and Funding.

The Municipality of Anchorage is taking the lead on promoting Public Health & Safety in our community to support the Anchored Home Plan. The plan depends on partnerships with the public, private and non-profit sectors, to make Anchorage safe and supportive for all people who live here.

### **Assembly action informed the path forward**

In November 2019, the Assembly approved a budget amendment, with Administration support, providing \$735,000 for additional shelter capacity for 150 people. This amendment was passed unanimously. The MOA did not know where the additional capacity was going to come from at the time.

The Anchorage Health Department (AHD) put out a Request for Information (RFI) to find a provider to create the additional shelter capacity. It was issued on February 7, 2020 and scheduled to close on February 21. During that time, AHD received no proposals, so the deadline was extended for another two weeks. Still, AHD received no proposals even with that extension. So, AHD set up meetings with the organizations it thought would be interested in this work, and learned three important things:

1. Respondents were not interested in adding additional shelter capacity in the downtown area.
2. There was a strong desire that the Municipality also address rapid, bridge, and permanent supportive housing, supported by additional treatment options.

3. We were told there was significant interest in providing the additional shelter capacity, however, none of the providers would submit a proposal unless a specific location was identified and secured prior to a Request for Proposals (RFP) or RFI going out

**How much money will the MOA spend to purchase the properties, and where does the money come from?**

The MOA would be authorized to spend up to \$22.5 million to acquire the four properties. The money would come from two sources:

1. the federal government's CARES Act; and
2. proceeds from the ML&P sale to Chugach Electric.

First, the CARES Act funds are an appropriate source for the purchase and renovation of three of the facilities in this ordinance. There is a three-prong test based on the [guidance released by the Treasury Department](#).

1. These expenditures are incurred due to the public health emergency. This proposal is in direct response to the need to provide 6 feet of physical distancing, among other measures, within the MOA's shelter system. Roughly 400 beds were lost within the shelter system because of COVID-19. In addition, the Sullivan Arena is not a long-term solution.
2. The costs were not accounted for in the MOA's most recently approved budget. The MOA did not account for the need to find additional capacity because of COVID-19, in its budget.
3. The costs the MOA is incurring are in the period between March 1, 2020 and December 30, 2020. The proposed property acquisitions are designed to deal with an unbudgeted cost of necessary expenditures incurred due to the COVID-19 public health emergency.

Additionally, the Treasury Department's guidance provides a nonexclusive list of eligible expenditures. One of those is "expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions." It is clear Congress and the Treasury Department expects portions of the CARES Act funding local governments received would be used in these ways.

Second, \$15 million dollars from the ML&P sale is designated for treatment services and would pay for the purchase, renovation and partial operating costs of the Golden Lion Hotel.

The investments in these properties will cost less than keeping the Sullivan Arena as a mass-congregate shelter, which costs almost \$700 thousand per month. This monthly cost will increase by almost \$100 thousand with the onset of winter and the expenses associated with heating and upkeep. This means that operating homelessness services at the Sullivan Arena will cost more than \$9 million per year.

The estimated operating costs the MOA may be responsible for, to operate the properties is \$7 million:

- Alaska Club (daytime engagement center and overnight shelter) ~\$2.5 million
- America's Best Value Inn (bridge and supportive housing) ~\$1.5 million
- Bean's Café building (daytime engagement center for people staying at the Brother Francis Shelter) ~\$500,000
- Golden Lion (substance abuse treatment center) ~\$2.5 million

## **How will the MOA pay for the operating costs for these services?**

The operating costs of the properties will come from a combination of the following:

- Support from local philanthropic partners
- Medicaid and other insurance
- No more than 50% of operating dollars will come from the voter-approved alcohol tax
- Federal grants
- Yearly dividend payouts from the Municipal Trust Fund

## **Why does the MOA want to purchase these properties?**

Traditionally, Anchorage shelter locations have been overcrowded and were not able to connect individuals to support services. The main adult shelters at Brother Francis and Beans Café hosted nearly 400 people on the coldest days of the year. As a result, some people experiencing homelessness refused to go into shelter because of overcrowding, and instead chose to camp in parks, greenbelts and community spaces.

In March of 2020, the COVID-19 pandemic accelerated existing efforts to provide year-round, decompressed shelter. The MOA and its partners acted quickly to relocate more than 350 homeless adults to the Sullivan and Ben Boeke Arenas, which allowed for the 6-feet of spacing recommended by the CDC. Screening and medical resources were added, which to-date have resulted in zero known cases of COVID-19-positive persons staying at the mass shelter sites.

The move also allowed for the opportunity to create a “Community Resource Hub” in the parking lot of the arenas. For the first time in many years, service providers are able to meet people where they are and move them right into services and housing. The resource hub makes it easier for people experiencing homelessness to have access to services, such as getting into housing, finding a job, connecting to treatment, or the simple act of getting an ID. This has not happened for most adults experiencing homelessness before with this scale and success – before, people experiencing homelessness would need to travel to different parts of town for each of these services. That means many of them would have to walk or take the public transportation to each location. The Community Resource Hub at the Sullivan Arena has been very successful in connecting people with services and housing.

Bean’s Café, Catholic Social Services, Cook Inlet Tribal Council, Covenant House Alaska, Partner’s Reentry Center, Veteran’s Administration, RurAL CAP, Food Bank of Alaska, Anchorage Downtown Partnership and several other entities came together with the MOA to help re-house people at the mass shelter who had adequate income to pay rent or who were displaced by COVID-19 job loss or delays. This successful effort led to nearly 200 people being housed between mid-April and mid-June. Further efforts to connect individuals in the shelter to housing are constrained by limited availability of transitional and supportive housing units.

We now have a model for what successful shelter and a continuum of supported housing looks like. While the CDC-recommended six feet of spacing remains in place for the rest of 2020 and potentially through 2021 or until a COVID-19 vaccine is widely available, we have the opportunity to transform homeless services into a robust housing system in our community.

## **What is the public process?**

More than 2,000 community members, businesses and agency representatives through a community engagement and public review period provided input for the Anchored Home plan. The Anchored Home plan, its [2020 Priorities](#), and the recently announced “[Homeless Prevention and Response System Gap Analysis and 2021 Community Priorities](#)” authored by the [Anchorage Coalition to End Homelessness](#), provide direction as to next steps for increasing shelter and housing options, and support services.

The Assembly’s public process for AO 2020-66 is the same for any other MOA-led initiative. The AO was introduced at the Assembly meeting on June 23; public testimony began on July 14. Once the Anchorage Assembly closes public testimony, the body will debate and vote on the AO.

## **How can I share my input with the Anchorage Assembly?**

The public is encouraged to provide testimony on the phone. To do so, please email [Testimony@anchorageak.gov](mailto:Testimony@anchorageak.gov) by 2:00 p.m. on Tuesday, July 21, with your name, phone number, agenda item number/title (AO 2020-66) for which you wish to provide testimony. The Clerk will phone you at the number you provide, and you will have 3 minutes to share testimony on the item you wish to speak on. If you wish to provide written testimony, which will become part of the Assembly’s permanent record, please email comments to [Testimony@anchorageak.gov](mailto:Testimony@anchorageak.gov) by 2:00 p.m. on Tuesday, July 21. These comments will become part of the meeting record. Please share which agenda item you are providing testimony for.

The public also has the option to provide in-person testimony, but due to current federal, state, and local health department guidance and emergency measures, the number of people allowed in the Assembly Chambers will be limited. Please check the Assembly website at [muni.org/Assembly](http://muni.org/Assembly) to learn protocols for testifying in person.

## **What is the MOA’s plan to address homelessness? What other actions has the MOA and its partners been working on to address homelessness in our community?**

For the last five years, the MOA has worked with the ACEH and community partners to develop a homelessness response system that is informed by data. We now have a much clearer picture of how many people experience homelessness, who they are, and what supports they need to get housed and employed.

It has become clear that making a significant dent in adult homelessness will require:

1. Shelter space that allows individuals to stabilize.
2. Additional affordable housing units that will house people transitioning out of homelessness.
3. More behavioral health resources to serve the entire community and address underlying drivers of unsheltered homelessness.

Right now, we have a rare opportunity to address many of those needs at once through strategic investments.

Moving forward, the MOA is prioritizing the following:

- A bias toward housing: purchasing a hotel provides a way to easily convert units to housing.

- Limits on shelter numbers: preference is to keep the number of people at a shelter under 100, however, slightly higher numbers may be necessary.
- Wherever shelter or housing is located, ensure there is space to co-locate services and meeting areas: engagement services are included in each proposed location to continue providing access to housing programs, educational meetings, employment resources and positive social activities.
- Balance across the community: new locations are interspersed across the community; not concentrated at traditional downtown sites.

The MOA, ACEH and partners have been improving data and working towards balancing the adult homeless response system. Our community has a unique opportunity in front of it to provide adequate, safe adult shelter locations as a stopgap until more permanent housing options are available. The proposed building purchases are the next step in transforming the way Anchorage approaches the adult homeless response system.

### **What are the next steps?**

If this ordinance is approved, two things will happen concurrently. First, the Real Estate Department will begin negotiating with each of the parties on a purchase and sales agreement. This work will include time for due diligence on all four properties, time to negotiate a final sales price based on the due diligence work, and time to finalize all the closing documents. Second, the administration and AHD will begin putting together the RFPs for operating and managing each of these properties, which will result in contracts or management agreements that must be approved by the Assembly. There is a lot of interest in what will be included in these locations. The MOA is envisioning:

1. **Experience.** That includes job descriptions, demonstrated success operating/managing 24-hour facilities, oversight and accountability plans.
2. **Project approach/program design.** This includes a program narrative (what is your research-based program design, what level of service/treatment components, scope and length of treatment plan, number of clients served within each service line).
3. **Budget.**
4. **Outcomes of program design** (how are they measuring and tracking success, indicators of success, proposed performance measures for on-going reporting).
5. **Partner services** (indoor/outdoor recreation, transportation services).
6. **Neighborhood impact mitigation plan** (safety and security protocols that demonstrate clear tactics/strategies to minimize any negative community impact).

The RFP is a public document and providers/operators will have several weeks to put together their proposals. The administration will then be responsible for selecting the most qualified provider/operator for each of the locations. We will then negotiate a contract with each operator, and then the contracts go to the Assembly for approval. We fully expect these will require work sessions prior to approval.

### **I just found out about the proposed property acquisition. What kind of outreach or media attention has this received?**

- [Spenard Community Council](#)
- Midtown community conversation
- Homeless, Housing and Neighborhood Development

- Rogers Park Community Council
- [Anchorage considering Golden Lion Hotel for new treatment center](#)
- [City pursues purchase of four properties to relieve Anchorage homelessness](#)
- [Municipality could soon seek the purchase of four properties to address homelessness needs across Anchorage](#)
- [Anchorage wants to buy 4 properties to relieve homelessness](#)
- [Annual cost of operating new Anchorage homeless and treatment programs estimated at \\$7 million](#)
- [Public testimony on proposed city purchase of buildings for homeless services will extend into next week](#)
- [Assembly extends testimony on property purchase into next week](#)
- [The vote on two homeless services ordinances was delayed yet again](#)
- [Anchorage Assembly considers pushing controversial vote on building purchase to next week](#)
- [Public comment on controversial homeless housing, resources ordinance continues for second day](#)
- [For second straight night, Anchorage Assembly postpones vote on \\$22.5 M for homeless services location](#)
- [Second day of hearings on property purchases for homeless services ends without vote](#)
- [Continuing testimony on city purchase of buildings for homeless services pushes Anchorage Assembly hearing to third night](#)
- [New resources show homeless services offered and what's needed](#)
- [Anchorage Assembly vote on \\$22.5M for homeless services locations pushed back to Wednesday](#)
- [Anchorage Assembly hears hours of citizen opposition to purchase of buildings for homeless services](#)
- [Anchorage Assembly hears public comment on controversial transitional housing, homeless resources proposal](#)
- [Anchorage needs thousands more housing units and shelter beds to meet demand, report finds](#)
- [Assembly to vote on city purchase of 4 properties to provide homelessness resources](#)
- [Municipal plan to buy buildings for homeless services draws concerns ahead of vote](#)
- [Anchorage Assembly to decide whether city purchases 4 buildings for homeless and treatment services](#)
- [Assembly to decide whether to extend emergency grant to Catholic Social Services](#)
- [Annual cost of operating new Anchorage homeless and treatment programs estimated at \\$7 million](#)
- [How Bean's Cafe was transformed by the pandemic](#)
- [Mixed reaction to treatment center potentially taking place of Midtown hotel](#)
- [City considering Midtown Anchorage hotel for new alcohol and drug treatment center](#)
- [Assembly looks to expand where it can set up homeless shelters](#)

### **Where can I find more information?**

More information is available at [muni.org/homelessness](https://muni.org/homelessness) and [anchoragehomeless.org](https://anchoragehomeless.org)