



United Way of Anchorage

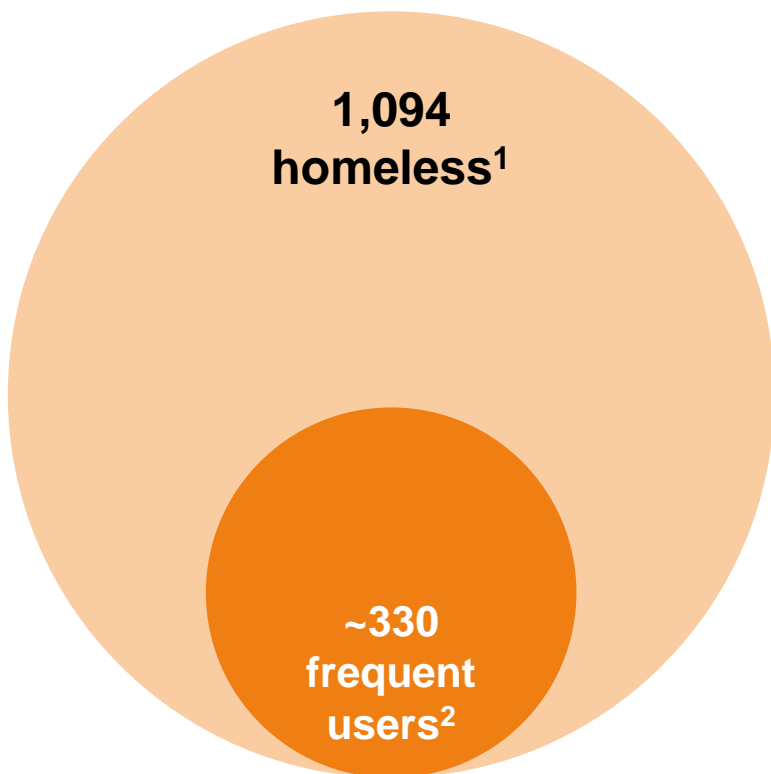


ANCHORED HOME PAY FOR SUCCESS PILOT GRANT APPLICATION TO ALASKA MENTAL HEALTH TRUST AUTHORITY

JANUARY 2019

AN OPPORTUNITY TO ADDRESS THE CHALLENGES OF HOMELESSNESS BY EXPANDING PERMANENT SUPPORTIVE HOUSING

Homelessness among the most vulnerable is particularly challenging and particularly expensive



Permanent Supportive Housing (PSH) is an evidence-based approach to addressing chronic homelessness



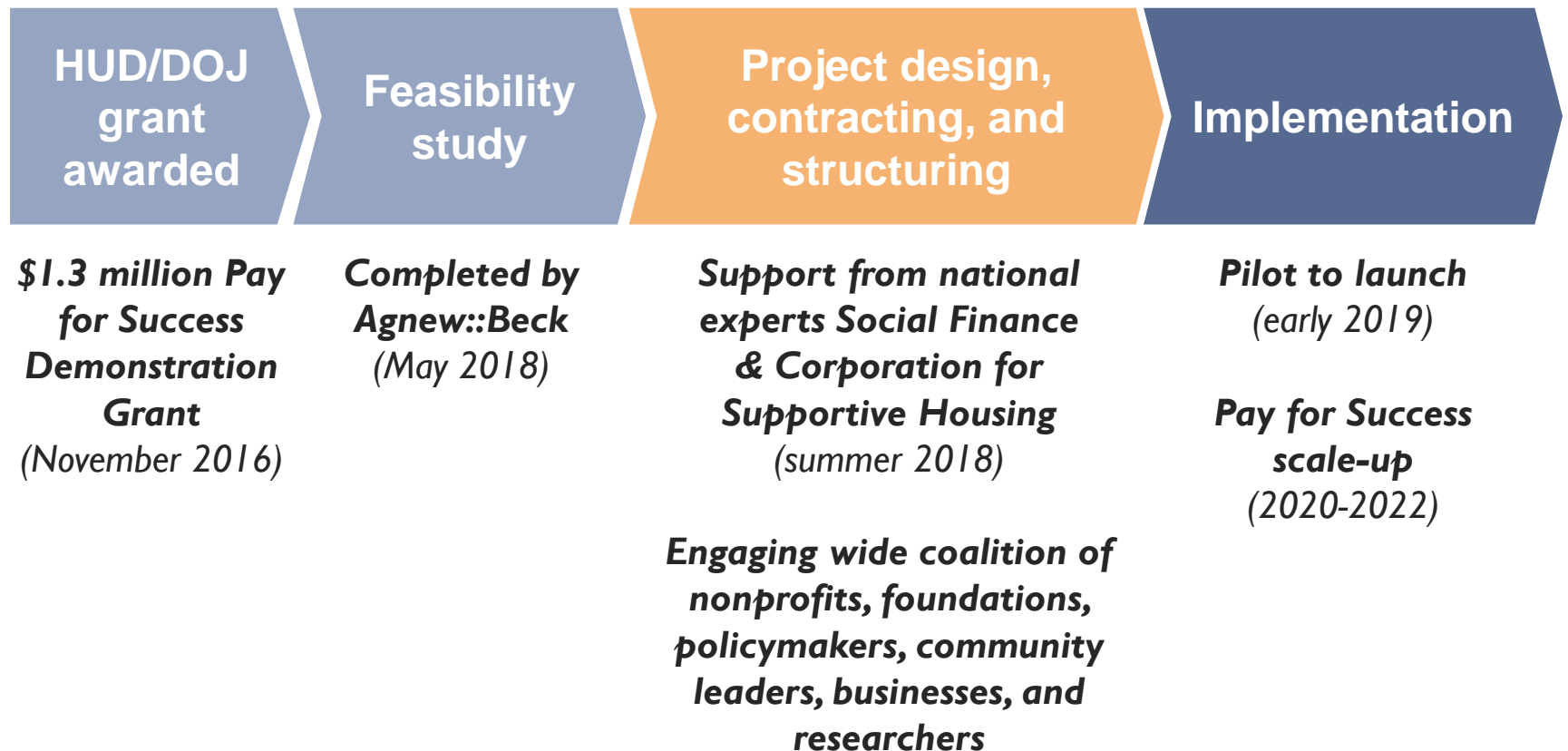
Source: USIACH, SAMSHA³

1. Anchorage HMIS, 2018 Point-in-Time Count. 2. Agnew::Beck, "Pay for Success Feasibility Study," May 2018. The target population includes individuals with 2+ releases from 9/2014-9/2017, and at least 1 within the most recent year; 3+ encounters with homeless services 1/2015-1/2018; and an estimated Vulnerability Index – Service Prioritization Decision Assistance Tool (Vi-SPDAT) of 9 or above. 3. "Implementing Housing First in Permanent Supportive Housing," United States Interagency Council on Homelessness, SAMSHA. Services include case management, substance use/mental health counseling, advocacy, and assistance locating and maintaining employment.

ANCHORED HOME PFS EXPECTED TO BEGIN HOUSING HOMELESS INDIVIDUALS EARLY THIS YEAR

About Anchored Home Pay for Success (PFS)

An **outcomes-based contract** paid on the basis of **improved housing stability, reduced justice involvement, and better health outcomes** for the highly vulnerable homeless – through a significant expansion of high-quality Permanent Supportive Housing



▶ ANCHORED HOME PFS TARGET POPULATION

Target Population Eligibility Criteria

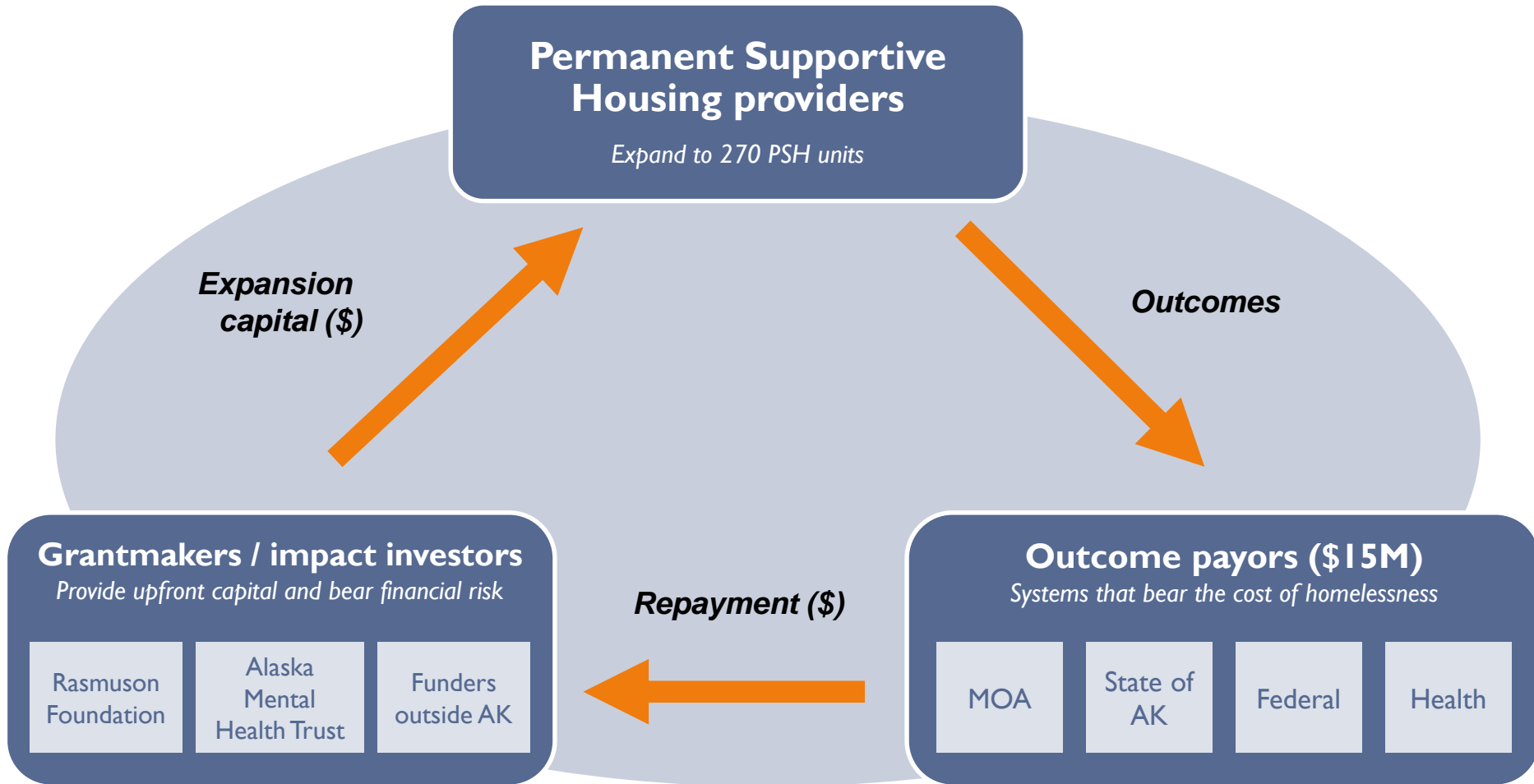
- 2 or more releases from prison in the past 3 years, at least one in the past 12 months
- Meet definition of “chronically homeless” OR homeless at least once in each of the last 3 years OR homeless for at least 12 months cumulatively in the last three years
- History of high-cost utilization of crisis services (e.g. emergency rooms) OR has significant health or behavioral health challenges

▶ ANCHORED HOME PFS BUDGET – SERVICE CATEGORIZATION

Service Delivery	Housing
Supportive Services ¹	Property Operations ¹
Professional Services	Salaries & Wages
Insurance	Fringe
Office/Program Supplies	Reserves
Telephone and Fax	Utilities (Electric, Gas, Water & Sewer, Refuse)
Electronic Communications	Maintenance/Repairs
IT Services	Janitorial Contract
Fees/Tuitions/Memberships	Landlord Mitigation Fund
Tenancy Support ¹	24-hour Landlord Hotline
Professional Services	Re-modeled units (Capital Budget)
Insurance	
Office/Program Supplies	
Food Costs	
Telephone and Fax	
Electronic Communications	
IT Services	
Fees/Tuitions/Memberships	
Service Delivery Ramp Up	
In-Reach, Out-Reach, and Dispatch	
List Management	

1. Based in part on RurAL CAP 2016 business plans; service categorization will be adapted to conform to national PSH budgeting standards

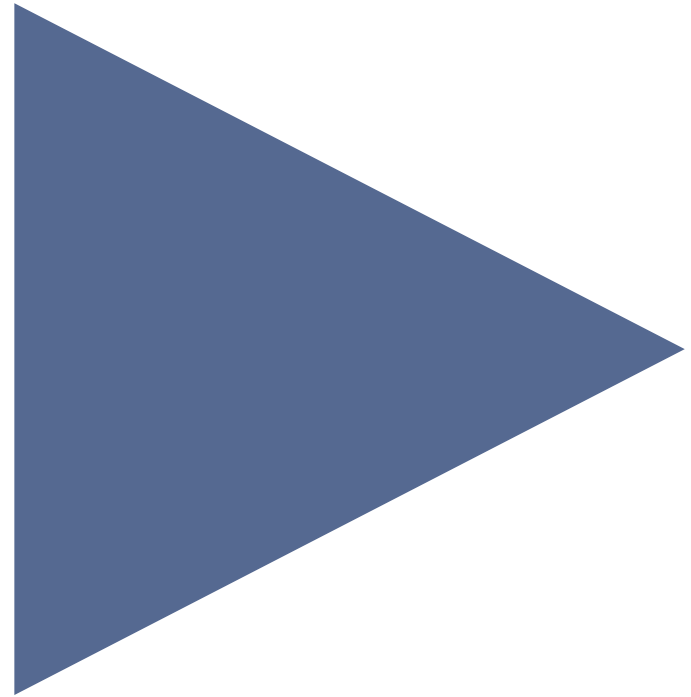
▶ ANCHORED HOME PFS STRUCTURE



Other key stakeholders:

- Anchorage Coalition to End Homelessness
- Alaska Housing Finance Corporation
- United Way of Anchorage
- Technical assistance from Corporation for Supportive Housing and Social Finance

▶ PILOT BUDGET DETAILS



ANCHORED HOME PFS BUDGET SUMMARY

Project Size	60
# Clients Enrolled (net)	55 ¹
Client Enrollment Rate	5 - 6 / month
New PSH Units	5 / month

Costs	\$2,389,475
Service Delivery	\$623,445
Tenancy Support	\$320,238
Supportive Services	\$103,208
Service Delivery Initial Ramp-Up	\$50,000
List Management	\$50,000
In-Reach, Out-Reach, Dispatch	\$100,000
Housing	\$436,000
Property Operations	\$351,000
Landlord Mitigation Fund	\$60,000
24-hour landlord hotline	\$25,000
Transaction Management	\$233,750
Indirect	\$46,280
Contingency Fund ²	\$50,000
Capital Budget ³	\$1,000,000

Funding Sources	
Service Delivery	\$623,445
Alaska Mental Health Trust Authority	\$500,000
Medicaid Billing	\$20,642
Rasmuson Foundation	\$102,804
Housing	\$436,000
Rasmuson Foundation	\$252,850
Rental Assistance	\$113,850
Tenant Rent	\$69,300
Rasmuson Foundation	\$80,643
<i>Rasmuson – CSH Capacity Building</i>	\$60,000
HUD/DOJ Grant Revenue	\$93,107
Rasmuson Foundation	\$46,280
Rasmuson Foundation	\$50,000
Rasmuson Foundation	\$1,000,000

<u>Total Budget Funding Request</u>	<u>\$2,032,577</u>
Rasmuson Foundation	<u>\$1,500,000</u>
Alaska Mental Health Trust Authority	<u>\$500,000</u>

1. Pilot Year enrollment projected to start in February 2019. Enroll 5/month from February to July 2019; 6/month from July to Dec 2019. Assume 10% annualized turnover.
2. Contingency fund is large in pilot year due to variability of various ramp-up scenarios and dependencies on other stakeholders' financial commitments to project
3. Assumes remodel of single site in pilot year; other capital expenses to be covered outside the PFS budget
4. The partners are aiming to fill the remaining gap (\$33K) using existing funding sources.

▶ COST BREAKDOWN – BUDGET REQUEST

Breakdown of costs of different budget categories less existing revenue sources (e.g. Medicaid billing, rental assistance, other grant revenue)*

	Pilot	
	Total	% Budget
Service Delivery <i>Supportive services and tenancy support</i>	\$633,794	31%
Housing <i>Property operations and other landlord supports</i>	\$265,849	13%
Capital Expenses <i>Estimated cost of potential single site remodel</i>	\$1,000,000	49%
Other <i>Transaction management, evaluation, indirect</i>	\$133,382	7%
TOTAL Funding Needed	\$2,032,577	

*Note: The cost of the \$50,000 contingency fund is allocated across service delivery (61%), housing (26%), and “other” (13%) based on the expected distribution of costs.

▶ PILOT BUDGET: CRITICAL DEPENDENCIES

Assumptions underlying three key cost drivers are subject to change based on various stakeholder commitments and service provider selection

	Category	Pilot Year Cost	Notes
Housing Renovation and Construction	Cost	~\$1,000,000	<ul style="list-style-type: none"> Assume this funding can cover renovation costs for one single site building in 2019 Contract negotiations in place for Midtown property renovation, pending final contract, greater detail on capital costs will be provided
Rental Assistance	Revenue	~\$91K	<ul style="list-style-type: none"> Assume 50% of active occupied units will have vouchers If 100% of units receive rental assistance (via AHFC or other sources), this would offset ~\$2.3M of project costs in the PFS years
Medicaid Billing	Revenue	~\$20K	<ul style="list-style-type: none"> Assume 20% of supportive services costs will be billable Contract negotiations with service providers pending; providers reported wide range of billing rates in interviews (5%-60%) Estimate will be refined once providers are selected