



Ending Veteran Homelessness and Suicide
in Alaska

Project Feasibility Report
Request for Phase I Funding

VA Motto

*To care for him who shall have borne the battle
and
to care for his widow and his orphan*

A. Lincoln

*“22 American veterans commit suicide every day,
many were homeless”*

Summary, Impact, Timing and Duration

- This is NOT a custodial project/program where we simply house the homeless to ‘get them off the street’
- This project/program will actually solve veteran homelessness in Alaska
- This is a ‘transitional’ (up to two years) and ‘long term/permanent (no time limits) supportive housing project’
- *This is a onetime request*
- This project is financially self-sustainable in 18 months
- This project fully addresses the fundamental aspects and needs of veterans and their families in need, because they stood guard for America and liberty, including: population and individual identification, characterization, psychological/medical/emotional/economic/social/physical aspects.
- This project presents
 - historical and current activities aimed to assist Veterans and their families and the organizations/key players behind them,
 - a structured new approach to solving veteran homelessness including major infrastructure for transition and long term, the rationale behind this with a focus on community socialization, rehabilitation, jobs with major community infrastructure support, economic analysis, and financial forecasts pointing of sustainable self-funding beyond the transition
- This project identifies the root causes of veteran homelessness and suicide, not just the symptoms

“If I had my choice, I’d live in a cabin in the woods.”





The enclosed vision, strategy and plan is solid and far-reaching towards the mission of ending Veteran homelessness and suicide. It is highly comprehensive, has a solid long term historical foundation and a broad framework of active partners on all fronts. It needs only somewhat minor funding to kick-start this vision and to have all elements coalesce quickly into a beneficial and self-funding lifestyle for our vets. The payback in terms of recovered and saved Veterans lives is enormous. An additional benefit is solid financial payback.

**Ric Davidge, Founding Chairman
Alaska Veterans Foundation, Inc.**

VetVillageAK

• Project Development/Feasibility Report

Why?

Following the death of five homeless veterans on the streets and in the woods of Anchorage, the Alaska Senate held statewide hearings on the issue of veterans' homelessness. Following those hearings, the Alaska Legislature requested that the Alaska Veterans Foundation provide a fully developed proposal for the development and operation of a project/program we had suggested in those hearings that we believed would end veteran homelessness in Alaska starting in Anchorage. Although not requested, a reimbursable grant was provided the Foundation by the state to accomplish this proposal. This is our presentation/report.

Although it was completed and submitted to the legislature in late 2016, the state after review insisted on an independent third-party review and asked that we resubmit after that was completed. An RFP was issued, and Agnew::Beck was hired to do this review. A copy of their report is available upon request as it is lengthy. For the most part the review was very supportive of the proposal, with some minor changes and suggestions. These are addressed in this update.

We are very encouraged by the support of Governor Walker and his staff, the Anchorage Mayor and Assembly and the Anchorage community as expressed in a long list of letters of support. We also have growing support among members of our legislature on both sides of the aisle and in both houses as well as the full support of our Congressional delegation and the US Department of Veterans Affairs.

Important Qualifier

This is NOT a custodial facility VetVillageAK is about finding homeless or transitioning veteran's, getting them off the street, finding them jobs and doing so while we keep them warm and safe – in a cabin. Work is a requirement, not an option. The Agnew::Beck report identified the need to differentiate between requirements for transitional and permanent supportive housing. While transitional housing can require participation in programs or employment, the Housing First model (which HUD-VASH rental assistance vouchers are based on) does not allow barriers to or conditions like work on staying in housing.

Remember, no veteran is *forced* to live and work at VetVillageAK. They can leave at any time and it is our goal to assist them in returning to the general community when they want. If a veteran needs time and help to get ready for work, we are here. Every mental health professional we have talked with who has worked with veterans say the same thing, 'work is the most successful therapy for homeless veterans'. We are already working with the White House and our Congressional delegation to have this project declared a **pilot project** because it requires work. Recent actions by the new federal administration to require work for welfare and federal healthcare/Medicaid are supportive of this objective. Without work we do not accomplish the goal of **'ending'** veteran homelessness – instead we become the same old 'get them off the street' concept.

Preface

The homeless are financially expensive. Yes, counterintuitive, but true. And the homeless in Anchorage, now the center for homelessness in Alaska, are very costly (about \$80,000 to \$100,000 per homeless per year) to the Municipality and its property tax payers first and the State of Alaska next. There are other 'costs' of homelessness in Anchorage that continue to cause our city to be looked at differently, as more and more homeless stand on street corners or in front of stores asking for or demanding money. When visitors comment about their feelings about Anchorage, this is very often brought up with the following question. "What are you doing about this?"

On the street, a chronically homeless adult male (average life span is 10 years since becoming homeless) will cost the local community as much as \$1M. Two completely independent studies (Reno, NV and Sidney, Australia) revealed this. Over the past decade more studies across the United States confirm this. But off the street they are far less expensive and more likely to get a job and rejoin civil society with a little professional assistance. Although we yet do not have an Anchorage study on the cost of homelessness, we are confident that the cost ranges between \$80,000 and \$100,000 per homeless person a year. (including public funding for emergency services to include ambulances and hospital care, the Anchorage Safety Center, cleanup of illegal camps, the Brother Francis Shelter, detox services, alcohol counseling, mental health services, the soup kitchen, Beans Café, etc.) The purpose and function of VetVillageAK is to get homeless veterans off the street but even more importantly into a community of veterans that will enable them to find hope, work, and a future without public assistance. This is not a 'custodial' setting, we expect residents to work or get job specific training/education to remain as tenants in the village.

Homelessness in Alaska is not often a choice, as some casually suggest. As a matter of fact, it is more often a death sentence. This has clearly been the case over the past decade as many homeless veterans have died on our streets, in wooded areas, and other hopeless spaces in Anchorage.

Cash flow from operations is positive right out of the gate at year one. To really see the statewide impact, one also needs to add the elimination of cost to this figure. MOA savings add to the positive cash flow overall and this computes to a very large number in a very short period. In fact, the State contribution is paid back in savings in less than two years.

The financial picture is based on the number of Veterans housed times \$100,000 per Veteran, plus income from operations. This is an amazing positive financial swing from a Statewide perspective. Millions right out of the gate, and in perpetuity.

Why we have added 'Ending Veteran Suicide' to this proposal

One of the requirements for all Village staff is training and certification to recognize and intervene any apparent interest in self-harm by one of our veterans or a member of their family. Recently in the course of my recertification and that of Veteran Service Officers I oversee, it became apparent that the symptoms are very similar to those we see with homeless veterans. This changes nothing in our cost profile, but certainly adds important value to our work. Alaska has the highest per capita number of veterans in America.

Status Update 2018

New Site: For those who have read previous editions of this proposal, we thought it would be helpful to highlight the changes since. We have identified and are now in the process of assisting the Alaska Mental Health Trust acquire a large parcel adjacent to other property they own in Eagle River that they have agreed to make available to the Foundation for the development of VetVillageAK/Anchorage. The purpose/function and programs of the Village are well within the purpose/function of the Trust. A new site development plan is included in this update and we will advise the Legislature and the Governor once the land has been conveyed to the Trust for this purpose and when it will be available for project work. This site is far less expensive to develop than the previous two sites studied and much closer to the VA Clinic, jobs, and other services needed by the Village.

- **Third Party Independent Project/Program Review**

In early 2017, at the request of the State, we issued an RFP requesting bids and proposals from qualified groups in Alaska that could provide a timely and knowledgeable project/program review of this proposal for the Legislature and the Alaska Department of Military and Veterans Affairs. The proposal provided by Agnew-Beck (A-B) of Anchorage was accepted by the Foundation's Board of Directors and a contract with A-B was signed on February 4, 2017 to start that review with an obligation of \$75,000 and a planned end date of August 31, 2017. This was extended until late October '17 to address minor revisions based on the Foundations' feedback on the draft report.

As of this date, we have about \$1,000 remaining of the \$300,000 state grant that will be used to cover publication of the proposal. Although initially we didn't think the expense of these \$75,000 was necessary, after reviewing the proposal and the work sessions and discussions with Agnew-Beck we are very pleased with this development as we believe it will resolve questions that have been asked over the past two years. This independent review confirmed our proposal with some adjustments to cost but not its intended effectiveness. The most important discoveries were the application of HUD-VASH vouchers ONLY to long term supportive housing and not transitional housing. Also, that the VA Grant and Per Diem program ONLY applies to transitional (24 months) housing and not to any HUD-VASH housing. This required a significant adjustment to our income stream projections and thus our operating cost base. The other was the insistence by the VA that we cannot require work for any tenants in HUD-VASH housing, but can for transitional housing. As we point out this is directly contrary to all the professional advice we received from VA mental health workers. "Work is the best therapy" we heard this often, loud, and without any objections. So, we turn and will work that end in Washington DC to get an exception as a pilot project that requires work. There is significant interest in this effort in most other states as we interact with state leaders in the veteran communities. We will also make some minor adjustments to our cost estimates and income projections – which we address much more fully later in the proposal.

- **Alaska Department of Military and Veterans Affairs**

After many years of work and discussion it remains the position of the Board of Directors of the Foundation, that once VetVillageAK/Anchorage is built and functional it should be transferred over to the Alaska Department of Military and Veterans Affairs for its future operation and management. The Board was concerned with long term continuity with this specific project and wanted to ensure that we had an experienced and knowledgeable entity to take the keys from us when the project is ready. This has been discussed with the Office of the Commissioner and the Director of Veterans Affairs and they have raised concerns with respect to the impact this project/program would have on their budget in the face of limited state resources. Considering this concern and the recommendation of Agnew-Beck we have initiated

discussions with other providers such as Cook Inlet Housing to see if there is the possibility of some type of partnership in facility development for example. Cook Inlet Housing has long shown an interest in working on the homeless veteran issue by providing housing. We will continue to update these efforts as we proceed.

It is the hope and desire that the Foundation continue to participate in appropriate ways in the project/program provided they wish to. Of immediate Foundation interest is the immediate and full implementation of the five-year grant strategy for this project.

Because of recent death and board members leaving Alaska, the Chairman has rebuilt the board and its leadership with younger very qualified veterans from Anchorage and Fairbanks. A list of board members is enclosed. We are still attempting to find a board member in SE Alaska, but this rebuild has achieved our goal of a truly statewide Veterans Foundation as originally conceived. Included in this new team is an extraordinary man, retired Lt. Col. on faculty at the University of Alaska Fairbanks campus who has agreed to accept the position/responsibilities as President/CEO of the Foundation. Ric Davidge will continue as the Founding Chairman and we likely always be active in ending veteran homelessness and suicide. It's the curse of a medic who lived through combat in Viet Nam '65.

As a result, we also now have an offer by a landowner in Fairbanks with an appropriate property for the development of a VetVillage in that area. We also have been presented with a possible donation of a large property east of Wasilla that can serve the valley. The objective, when such projects become real, is to have them funded by private and public grants as well and other sources. We DO NOT anticipate any request from the state for additional funding for this expansion.

- **The Alaska Mental Health Trust**

Given that there are several large tracts of land now owned by the Trust adjacent to the proposed new site in Eagle River, and given the specific mission of the Trust and their ongoing assistance in our development of this project, we believe the land, if conveyed from JBER to the Trust for this project, should remain in the Trust's portfolio as a project that is meeting their organizational and legal objectives. The mental health component/relationship is obvious, but is addressed more in depth later in this update. The other reason for this property to remain in Trust ownership is that it enables them to access significant developable property they already own in the area that otherwise would be difficult and expensive to do. There may also develop an interest by the Trust in allowing compatible commercial services in this area that can provide work to residents.

- **The Alaska Department of Military and Veterans Affairs (DMVA)**

If the site remains on JBER, we think the lease agreement between JBER/DOD and the state should be headed by the DMVA. The mission of ending veteran homelessness and suicide clearly falls under the function/purpose of the DMVA. We discuss this further in more detail later in the proposal.

Funding – where will the money come from – short and long-term

This is the key question on the minds of every individual who is seriously committed to the wellbeing of our Veterans, and the question is answered in detail. In fact, an exhaustive study, strategy and plan for funding is in place in this document. The *initial funding is straightforward* as out lined below. The *longer-term self-funding* is multifaceted and fairly complex yet *well-defined with solid commitments* from the various key players and parties.

Following is a concise answer to 'the money thing', addressing cost/savings/rationale/sources of funding/self-sufficiency An exhaustive treatment is found elsewhere in this extensive document. Remember, there are many committed entities and key players enabling this project both short and long term in conjunction with minimal one-time initial funding.

- **How much does this cost?**

\$9 Million which includes the cost of construction (\$7.8 M), equipment/vehicles/furniture (\$890,000) and one year's operating cost (\$565,425). This allows the village to then qualify for VA and other federal and private grants. But we must be built and in operation to qualify – so it's about Alaska *leveraging* new federal funds into the Anchorage economy to end veteran homelessness and reduce suicide in Alaska. This means the actual capital cost to the state **after reimbursements** could be only **\$2.7 million** for construction.

- **How much does this save the Municipality of Anchorage?**

For every homeless person taken off the street the MOA and its property tax payers, will save on average \$80,000 to \$100,000 a year in actual costs. (APD, AFD, ambulances, community service vehicles, counseling, shelters, food providers, jail time, halfway houses, attorneys, emergency rooms, hospital care, mental health facilities, detox centers, municipal services, non-profit services, etc.) The Village will house 100 homeless in three or less years.

That's a **savings of about \$10 Million a year - every year**, for the MOA and its property tax payers. With a potential village concept expansion on private property in Mat-Su and Fairbanks, up to another 100 veteran and **non-veteran** homeless may also be taken off the streets of Alaska, given jobs, and find hope again.

- **Why should the State of Alaska invest in this project?**

To *leverage* significant new federal funds that otherwise would not come into the Anchorage economy for this purpose. These men and women, in full knowledge of the dangers that faced them, volunteered to stand guard for America but are now Alaskans who need help. Alaska has the highest per-capita number of veterans, number of homeless veterans, and number of veteran suicides in America.

- **Where will the legislature get the money?**

The State of Alaska has been taxing alcohol consumption for decades generating now about \$40Million a year. But only about half of that is spent on 'alcohol counseling' and only about half of that money realizes the goal as less than half of those assigned, do not finish their program. (Legislative Research two reports provided) The remainder of the \$40Million (\$20Million) falls into the general fund and is spent on things not consistent with the stated public purpose of this tax. This one-time appropriation is fully consistent with the purpose of this tax especially since well over 90% of the homeless veterans we have interviewed admit to alcohol abuse or addiction as their medication of choice and often one of the 'causes' of their being homeless.

- **How can you claim the village is financially self-sustainable in 18-20 months?**

- HUDVASH vouchers for each of the long term/permanent housing units covers the difference between cost and the occupant's ability to pay
- Each tenant must give up to 30% of their income to offset their cost in the village
- The VA Grants and Per Diem program provides \$45.79 a day for every housed veteran in transitional housing

- The VA Grants and Per Diem program will reimburse up to 65% of the cost of construction. That's about \$5.7 Million which will be either returned to the state or reinvested into cabins depending on the legislative language
- Commercial leases paid by the companies that co-locate in the village
- The sale of products grown in the commercial nursery at Farmer's Markets
- Income from the sale of products created in the wood products manufacturing facility
- The Foundation for years has earned about \$30,000 in local donations. In 2017, with the sponsorship of Tudor Bingo, the Foundation now receives an additional \$10,000 - \$20,000 per quarter or \$40,000 to \$80,000 of new income a year. VetVillageAK is the top priority of the Foundation and plans on providing \$100,000 a year in support to this program.
- The Foundation has a national professional grant consulting firm that has identified dozens of large public and private grant sources over a 5-year schedule for both development and operation that this project specifically qualifies for.

YES, in almost every case the first or second question is, "Where will the money come from?" We think we have answered the question. It's now up to the state legislature, the Governor, and Congress to do it.

There continue to be efforts by more municipalities, including the Municipality of Anchorage, and even the state to initiate or increase alcohol taxes. We have sympathy with the municipalities who are shouldering the real daily cost of some of the problems caused by alcohol abuse and addiction such as homelessness, but the state?

STATEWIDE PAYBACK PERSPECTIVE

Cash flow from operations is positive right out of the gate at year one. To really see the statewide impact, one also needs to add the elimination of cost to this figure. MOA savings add to the positive cash flow overall and this computes to a very large number in a very short period of time. In fact, the State contribution is paid back in savings in less than two years.

The financial picture is based on the number of Vets housed times \$100,000 / Vet, plus income from operations. This is an amazing positive financial swing from a Statewide perspective. Millions right out of the gate, and in perpetuity.

As is explained, we are not allowed to have any alcohol in the village to retain some VA financial assistance. We therefore provide an AA meeting at least 6 nights a week in the Village. AA is free and with a five-year success rate unmatched by any government program.

It is our position, and one shared by many legislators from both parties, and our supporting organizations including CHARR, that a portion of the income from the state's alcohol tax be applied to a project/program that achieves a responsible return of the state's investment.

This one-time appropriation is fully consistent with the purpose of the alcohol consumption tax.

Summary of Request

(If the site is state or private)

Phase I cost:	Site (estimate)	\$ 50,000	annual lease
	Site preparation (roads, water, sewer, gas, building pads) (w/in-kind donations this may be less than \$50,000)	\$ 704,950	
Structures	Main Building two-story w kitchen, offices, 25 living units/5 ADA	\$5,787,784	
	Long-term Supportive/Permanent - 5 cabins w/1 laundry/well house	\$ 200,000	(prefer 25 cabins)
	Shop (3 bays + carpenter/mechanical + apartment)	\$ 200,000	
	Nursery	\$ 25,000	
	Total Construction Cost	\$7,808,234	
	VA Grant: Capital <i>Reimbursement (up to 65%)</i>	- \$5,075,352	
	[Cost after reimbursement	[\$2,732,882]	
	Vehicles	\$ 70,000	
	Equipment	\$ 220,000	
	Furnishings	\$ 600,000	
		\$ 890,000	
	Operating Budget (start by late 2018)	\$ 565,425	
	TOTAL Phase I Requested:	\$9,263,659	
		<i>[minus VA reimbursement of \$5,075,352]</i>	
	Total onetime cost to state	\$4,188,307	

What is our Return on this Investment?

[It costs the MOA \$60,000 to \$80,000 per homeless person on the street]	
@ 30 homeless veterans off the street in warm, safe, productive new start:	savings is \$1.8M to \$2.4M
@ 100 homeless veterans off the street in warm, safe productive new start:	savings is \$3M to \$10M
VA Capital Grant/reimbursement (capital construction costs) up to 65% or est.	\$5,075,353
VA Per Diem @ \$43+ per day per transitional housed veteran	
@ 30 veterans, the annual income to village is	\$ 470,850
Every veteran is encouraged to work/30% of their income based on \$10 pr hr	
@ 30 veterans, annual income to village is	\$ 187,200
@ 100 veterans, annual income to village is	\$2,080,000
HUD-VASH Vouchers (cabin rents are on average about \$800 month w/veteran income at \$20,800 @ \$10 hr, or \$1,600 per month, 30% of their contribution	\$6,240
@ 30 veterans they contribute \$480 towards rent, balance comes from HUD-VASH	\$320 pr month or \$9,600 yr
@ 100 veterans contributing \$480 towards rent, balance comes from HUD-VASH	\$320 pr month or \$32,000 yr
INCOME from onsite Industries	
Full commercial rent, estimate at \$1,000 pr acre will yield about	\$50,000 a year

There are many variables in this program/project’s approach. The numbers provided are our best professional estimate.

If the selected site on JBER remains in federal Department of Defense ownership but is leased under new federal law, the cost savings are significant. We estimate a savings of about \$2,000,000 in start up cost alone.

Who are the homeless?

Nationally we know that about 80% of the homeless – we rarely see. The transitional programs developed nationally and locally over the past 50+ years really do work. Most of the time their homeless situation is the result of some unforeseen occurrence that they were not financially ready for. Death of a spouse, divorce, loss of a job – these are common triggers into homelessness. They are in and out in a very short time. They find work and a new home usually in less than 60 days. Yes, they may sleep in a car or couch provided by friends, or even a shelter, but they are back as contributing members of the community quickly. Nationally, we have essentially solved this part of the challenge. There is more we can do in prevention here and an important part is to teach money management, so they are ready when they face an upset, and we as a community, state and nation are making some progress here.

It's the 20% chronic or culturally displaced homeless who we recognize on the Anchorage streets, in the shelters, in the woods, picked up by the fire department or the police, in jails, in the emergency rooms, asking for money, laying on the sides of our roads, tucked up against our businesses asleep or passed out, urinating or defecating on the front doors of businesses or worse, and in hundreds of illegal wooded area 'camps'. And of this 20% chronic homeless, about **80% have serious mental disabilities**, not with just one diagnosis but often two or more – disabilities that **limit their cognitive ability to care for themselves**. They most often self-medicate to deal with their mental symptoms. "It numbs the pain." But it also reduces their ability to learn how to cope. We also know that this group is often unable to plan, unable to set goals, unable to pursue them, and unable to manage money – at least without ongoing help. The loss of these learned but generally normal behaviors along with their mental disabilities cripples them from being able to function in our 'normal' western construct. Their most immediate needs, out of necessity, determine their mind set – which is survival. Where is my next meal? Where will I sleep tonight? How/where can I get warm and/or dry? This is what they can and do focus on. It's how they survive each day on often cold wet even below zero nights.

Out of the homeless in general, **veterans are over represented**. Out of the chronic homeless, again we find that veterans are over represented. Why?

Overwhelmingly this is due to mental health conditions which are the result of combat or other trauma related Post Traumatic Stress (PTS) and sometimes minor traumatic brain injury (TBI). But this PTS is not limited to just combat experience it also includes sexual trauma in service (MST) and other traumas. Yes, both male and female. The incidence of reported male-on-male sexual assaults now exceed those male-on-female reported. How many are not reported? The estimates range from 30 to 40%.

In addition to the visible homeless veteran population we see in Anchorage, there are also veterans, in fact there are many, who although technically homeless – have chosen a different life style. These, mainly men, have chosen to live in the wilds of Alaska. They are fully mentally competent. They live a subsistence life style. Yes, they have chosen this way of life. They do this to isolate. They no longer embrace the western construct of work, home, family, car, etc. These are the new 'mountain men' of Alaska. None of them that we know have a substance abuse problem. We know these men because we often help them find work in the summer. Coming in from the wild for a few summer months to earn some cash. Sometimes they stay in low cost hotels, but more often they camp in the woods around Anchorage, so they can save their money. Yes, for them "homelessness is a choice," but for our purposes these men are not homeless. They have chosen a different definition of 'home'. What they call 'Alaskan living'. And they are happy with that

choice. We respect that choice and look forward to seeing them every spring. A number who now know of this proposal are interested in joining our community during the summer and helping work on site.

VetVillageAK, is a project initiated under the leadership and financial support of the Alaska Veterans Foundation, Inc. and Viet Nam Veterans of America Alaska State Council and Chapter 904, at the request of the Alaska Legislature to specifically focus on homeless veterans statewide and on a smaller scale transitioning rural/remote veterans who often face difficult cultural choices upon separation from service. The state stepped up five years ago and asked the Foundation to develop a very specific proposal to ‘end veteran homelessness in Alaska’, starting in Anchorage, for its consideration and then surprisingly provided a ‘pre-development reimbursable’ grant to assist in that work.

- **Why Anchorage is now considered the center of homelessness in Alaska**

In addition to Anchorage being the largest city in Alaska – when you combine the Municipality of Anchorage with the Mat-Su Borough, which is just across the river (so to speak) what is referred to as South Central Alaska holds an overwhelming number (well over half) of all Alaskans. Anchorage is also now the largest Alaska Native Village in the state, and for a couple of years we have watched the homeless population in Anchorage rapidly increase with a growing and disproportionate number of rural/remote Alaskans – mostly from north-western villages. In just the past decade, the rural population of Alaska has shrunk by 20+%. In 2015 a serious effort was made by many groups to try and figure this out. What we discovered is that in October of every year, when the Permanent Fund Dividend is issued to all Alaskans who qualify, between 200 to 300 remote Alaskans start showing up at the shelters and support kitchens in Anchorage, often, they would show up in groups in taxis for breakfast at Beans Café and then hang around the shelter for the day connecting with friends. After a few days, some run out of money and move out of the low-cost hotels they could only afford with their PFD and move into the shelter or a homeless camp. This behavioral trend continues every October of every year.

So, what is going on? Interviews with this growing number of Alaska’s homeless, most from remote northwestern villages, revealed that they were using their PFD to buy a one-way plane ticket to Anchorage because it was cheaper to come to Anchorage and stay in the shelters then pay their heating bills back home in their villages. It is reported common for several families in remote villages to live together during winter months to reduce their cost of heating. No, this was not a uniform story, but it continued to be clear that this was now what Anchorage can expect every October. The problem then is that they run out of money and can’t get back home even if they wanted to. There are some nonprofits working on helping these folks get back home when they want to return. But this is now a pattern of homeless migration that we will have to contend with in Anchorage – the center for homelessness in Alaska. This growing flood of remote citizens is crowding out those who have been living in Anchorage – even on the street and causing the circle of homeless persons to grow into midtown Anchorage and beyond. Now the shelters and support services are overburdened even in midsummer when in the past this was only experienced in the cold of winter. The Municipality of Anchorage and the Anchorage Coalition to end Homelessness is attempting to address this challenge. Further complicating this effort is the cultural conflict between a remote village world and that of our western urban community. Work is not generally a 9-5 forty-hour week in remote villages. This is not to suggest that they don’t work. They certainly do when the fish are running, or the caribou are close etc. But that is a culture with a far different sense of time and space than midtown Anchorage. A much different understanding of work that would enable them to better survive in a urban community. Not an easy problem to solve.

- **Why just veterans?**

We have been asked this question now several times. First, we are not just doing this for veterans but also the families and the spouses of veterans who find themselves homeless. Obviously, we are the Alaska Veterans Foundation and veterans and their families are our focus and mission, but this is also because, because of their service to our nation, the very fact that they volunteered to stand guard for America, and that we as a nation made a promise to them – *‘if injured in service we will care for you’* they have earned access to a large bundle of benefits and services (about 40) non-vets cannot. Clearly the most popular tool now is the HUD-VASH (section 8) housing voucher that has helped reduce the number of homeless veterans on the streets nationally and in Anchorage in the past decade. While these are veteran specific programs, leveraging VA long-term and transitional housing funds will significantly improve support to all of Alaska’s homeless and reduce local community emergency services and incarceration by over 50% (Corporation for Supportive Housing). VetVillageAK Phase I option 1 qualifies for 35 - 50 “project specific” HUD-VASH vouchers. These vouchers are only for long term supportive housing and not for the transitional housing. The VA has separate grant funding for transitional housing for up to 24 months. But, we must go to Washington D.C. to secure these project specific grants/vouchers and we will prevail with the support of the US Dept. of Veteran Affairs, our State – and the unwavering support of our Congressional Delegation. Timing is good, given the growing number of VA scandals across the nation and the desire and willingness to look to others to solve these challenges – as the VA again tries to ‘fix itself’, this project has high national interest. America and Alaska now really see the challenges facing so many veterans. Alaska is fortunate to have a good VA presence – but only as a result of the timeless work by our veterans’ service organizations and our congressional delegation and their staffs.

- **How many homeless veterans are there in Alaska and in Anchorage?**

The VA has claimed for years that there are 600 homeless veterans in Alaska. But, based on our experience we didn’t believe that number, it just felt too high. So, we participated a number of times in the twice annual Point-in-Time-Count run by the Municipality and the Coalition to End Homelessness and continue to receive these reports twice annually. *We go out into the camps around Anchorage and meet and interview the homeless* offering them incentives. Many willingly came in to the Eagan Center for voluntary screening and services. We’ve interviewed dozens of homeless veterans and began to talk with and listen to them about what they needed and importantly – we sat and just listened to them tell us their stories. We learned a great deal – much not contained in the official VA literature. And it is from these intimate discussions, that we have designed VetVillageAK with its ‘sense of community’ and work requirement.

We can account, in Anchorage, for between 80 and 90 homeless veterans based on these two annual counts - one in summer and one in winter. This has been about the same for some time. Directly because of the efforts by the office of the Mayor in Anchorage per our requests, the 2015 count found 22 chronic homeless veterans and 120 meeting the definition of homeless. So, our outside program/project target number for Anchorage is 90. But we didn’t want to provide 90 homes and find out we have too many. So, we start with 30 units, twenty-five in the main building and five cabins, and then we grow seasonally by adding cabins based on demand and our success.

Recently, due to the personal commitment of the Mayor and the efforts of his staff of the MOA, they have done more to get homeless veterans off the streets than any mayor we have worked with. We are delighted with this mayor’s initiative and its continuance and with the initiative of the Anchorage Assembly who have formed a special committee on housing and the homeless, but as we point out that is not our objective. Yes, we need to get them off the street, but remember that *homelessness is more a symptom than ‘the cause’*.

Our proposal is to actually **end** veteran homelessness and hopefully also have a positive impact in reducing the number of veteran suicides in Alaska. The other value of the MOA's initiative is that we now know where to find 'homeless' veterans in Anchorage, we know their names and possibly contact information in the same way we do with the VA Domiciliary. Our effort here will be to contact them and let them know that VetVillageAK/Anchorage is available, and this community of veterans is willing and able to help them 'cure' or manage the real cause of their difficulties. If they decide to move to the Village, this then opens a rental in the town for others and helps expand the housing supply for the homeless. We think this is a very positive and welcome development and look forward to continuing our cooperation with the MOA on this effort.

Ideally in developing this project we would want to **start with our main building that provides 25 single living units.** These can be used as transitional housing or long term supportive housing depending on the needs of the veteran. This two-story building also houses our kitchen (capacity to feed 100 three times a day). Five ground floor rooms are fully ADA compliant with wheelchair access. This building also has an office for the Village Director, a private office for our full time Veteran Service Officer, an office for our Chief Case Worker, and a guest office for visiting service providers. It has a Board/conference room that doubles as an emergency care facility. It also has a Day Room, a part of which doubles as the mess hall, connected to the kitchen and a gym. Again, always enabling a *sense of community*.

Outside of the two-story, you will notice that very few cabins have a mini kitchen and in the 25 rooms in the main building only a microwave. This was in response to strong recommendations from our long time successful mentors in the lower 48. So why do we need a general kitchen? Some can't cook for themselves or be responsible with fire, but mostly it is to encourage greater socialization, rebuilding veteran camaraderie, that *sense of community* which is essential to their recovery and life time success. We learned this by listening to our partners across America in successful homeless veteran programs. Combat veterans tend to isolate from the general society, but also seek camaraderie with veterans who have shared experiences. This is not forced, just enabled by not providing full kitchens in the cabins causing them to come to breakfast in the morning and dinner after work.

The two-story building functions as our receiving point. For those who need more of a transitional setting, we assign them to a warm and safe environment – *as they are*. All they must do is provide proof of service (DD214) and say yes, then sign a tenant agreement that outlines the rules for living and working in the Village. In about 30 days they normally stabilize both mentally, physically, and emotionally. Their consumption of alcohol, if that is a problem (90% struggle with this addiction), generally drops and they begin to think a little clearer and with trained help begin to make constructive choices about their future. Once they are stable and we have ensured their medical issues have been identified and cared for though the VA Clinic, if they feel ready and staff agrees, then they may move into a cabin. If not ready they can stay in this facility until they are. If they want to leave the Village, they can at any time. But unlike other homeless programs we expect work. Every weekday for a minimum of 4 hours, at least 5 days a week. If they want off site work, they must be clean and sober and pass a sobriety test/breathalyzer when preparing to board one of our vans, otherwise we offer them work in the Village. If they are still struggling, we find them something to do to contribute to the Village – every day except Saturday and Sunday (kitchen excepted).

Another option (two) is to start with 15 cabins and when funding becomes available we can build the main building which is expensive. This is not our preference, as the main building provides the center of the Village community. This would mean at least one cabin would have to function as an office and one as a

mess hall, but feeding 15 or less is a lot easier than 100 three times a day although you still need a commercial kitchen that meets state requirements. We think this option is a reasonable first step given the state's fiscal challenges. Remember, up to 65% of the cost of all transitional housing is reimbursable by the VA Grant Program.

And there is option (three), is to **provide at least 5 cabins in the first phase that will function as Housing First Transitional Housing (24 months)** and maybe one or two Long Term Supportive Housing (no limit). Although we originally wanted to start with 25 cabins, given the fiscal challenges our state now faces, we have scaled back to one pod of 5 and a separate well house/laundry cabin. This option also includes the main building. We are confident that we can show the value of this design and leverage significant private and other grant donations to grow. *Long-term supportive housing* is an essential and critical need in Alaska that the VA has been reporting to and asking of Congress for decades. Here veterans and some families can stay as long as they want within the rules of the Village, meaning – if you behave and work you can stay.

The other startup option is without the main building, but with 25 cabins and then build the main facility later when funding can be obtained (\$5.2M). If this option is selected, we suggest we start with 15 cabins in 3 pods, fill them and then add as demand warrants. Each pod also has a combined laundry and well cabin. On occasion, depending on the location and volume of a well, these water facilities may be shared by 10 cabins or two pods.

So, why are so many veterans homeless?

The simple but true answer is that they do not have adequate dependable funds/income to provide ongoing shelter for themselves and their family or their cognitive ability to manage their money is impaired. Even with serious medical issues, including mental challenges, most veterans find a way to secure adequate funds for shelter and survival. Even most chronic alcoholics – live at home.

If veterans are faced with serious mental or physical disabilities and unable to find and keep housing, we face really three challenges:

- Keeping them warm and safe until they are capable of some type of work
- Getting them employed as soon as possible at a stable income level that will enable them to secure their own private shelter (this does not require a 40-hr. week, as some are better at or prefer part time work)
- Keeping them employed, which is why our VSO/case management and job coaching is so important

Most homeless, especially veterans, have a monthly income. For many it is compensation based on some type/level of disability that occurred during service. With veterans, if injured in service, they should qualify for earned disability compensation in addition to free medical services. Often, we find that homeless veterans have not filed a claim, or if a claim was filed have not pursued the appropriate appeals for their earned benefits nor have they “connected” with the VA. Our onsite VSO will assist every resident file a claim if qualified and will coach them through this process until it is satisfied including any and all appeals. The long-time support of the Alaska State Council for Vietnam Veterans of American and its Chapter 904 in Anchorage ensures that we have some of the best Veteran Service Officers (VSO) in Alaska and the highest success in disability appeals nationally.

The Foundation also has a very close and rewarding relationship with other VSOs in Alaska through our partnership with the Alaska Department of Military and Veterans Affairs who jointly employ our fulltime VSOs in most large communities in Alaska. A private office (to ensure confidentiality) is provided in the two-story building for a fulltime VSO. This is a critical staff member in the Village in helping transition homeless or transitioning veterans to employment, earned benefits, and a return to the community of their choice. This VSO will also coordinate closely with the MOA homeless program and visit shelters and other facilities in Anchorage in our search for homeless veterans – something we have now been doing for well over three years.

One of the problems most veterans face, after separation from service, is the loss of the **camaraderie** they found, maybe for the first time in their lives, in service. This is especially true for combat veterans. It is important to understand that these men and women (especially in combat areas) live and work together 24/7 and place their very lives in the trust they have with each other. The loss of this camaraderie – what we call the ‘*sense of community*’ is often a very depressing deep emotional loss for many. They often feel somewhat lost, even unwanted as they wander home and around town – but then what they remember as ‘home’ is often gone. The people they grew up with are now adults who have moved away. A friend may have married an old girl or boy friend. Most of their friends have no real understanding our empathy for what a combat veteran faces as they try to reintegrate back into a ‘civil’ society. This is one of the main reasons we have focused on a village design with specific programs that encourage and enable camaraderie. Reestablishing the sense of camaraderie – that *sense of community* - is key to our efforts in the village and generally our first priority with a new resident because it creates a sense of “brotherhood” among the veterans who have a shared experience in service and sacrifice. It also stops suicides.

- **Let’s take a moment and look a little deeper into how many veterans are homeless in Anchorage and Alaska?**

We expand here on this question in more detail as it has been a key and difficult issue in moving this project forward. This was not an easy question to answer, although it was often the first question asked when we began to consider this project and correctly so. “What is the demand?” It is also the first question when talking to groups in Anchorage. We have focused on this issue a great deal and so has the municipality. We have learned a lot, and think we now have a good sense of how many homeless veterans are in Anchorage and in rural/remote Alaska. Available with this report is the latest VA report - which we review quarterly. This VA report is getting much better thanks to new leadership on this issue in the Anchorage VA office.

The Need/Demand: According to the Department of Veterans Affairs and the Department of Defense actuarial office, Alaska in 2015 had about 74,000 veterans. This is reportedly down from 77,000, a result of the accelerating loss of WWII and Korean War veterans over the past couple of years. Now we are also seeing an acceleration of loss as many Vietnam Veterans are now departing. These numbers are DoD and VA estimates, **not actual counts**. We make this clarification because some years back we discovered that the, now *former*, VA Health Services Director in Alaska, was purposefully keeping the total number of veterans in Alaska down so that their ‘level of service’ percentage remained above the threshold for ‘awards’. Given ongoing VA scandals, this was not a surprise.

The recent efforts by the Mayor of Anchorage and his staff has greatly assisted in finding homeless veterans and getting them off the streets, but this is a moving target. We have more and more veterans and their families moving to Alaska to start a new life. They are leaving their childhood homes for Alaska because

it offers a life style they want to raise a family in. We have a growing number of ‘separations from service’ in Alaska as active duty service members change their home of record to stay in Alaska. And we also have more conflicts between spouses and service members who discover that their partner has not been loyal during their latest deployment. This often breaks out in violence, the police are called, sometimes there is an arrest, often alcohol is involved, and then we get a call. How many homeless veterans in Alaska? It’s a constantly moving and complicated number – but we have taken 80 to 90 as the target for Anchorage based on our own research and the history of the MOA Point-in-Time counts.

Although the annual **VA Community Homelessness Assessment and Local Education Networking Groups** or ‘CHALENG’ report mandated by Congress (discontinued in 2011 and then restarted in 2013) has stated for some time that there are **600 homeless veterans** in the state, after five years of real effort by the Foundation, new leadership at the VA in Alaska, the members of the Anchorage Homeless Coalition, we have not been able to independently confirm anything close to this number “on the street” across the state or in Anchorage which is now the center for homelessness in Alaska. We have since been advised by senior VA officials in the national homeless veteran program, that the 600 number was based on a VA formula for funding their Domiciliary program and facility.

We have, however, confirmed, through the twice-yearly Anchorage Homeless Connect and Stand Down events, that there are about 80 to 100 unsheltered homeless veterans in need - at the time of these counts (one in summer and one in winter). The 2015 count showed 22 chronic homeless unsheltered with 120 otherwise defined as homeless, but we continue to hear that our numbers are low. Point-in-Time Counts are not passive. Volunteers go into all of the hundreds of camps known to the Anchorage Police Department and encourage the homeless to board busses to the Egan Center for free food, showers, haircuts, and lots of other services. If a homeless person in a camp says they do not want to board the bus, they are given a pass for MOA buss services for the day and briefly interviewed on site. The Foundation participated by interviewing dozens of homeless veterans during these counts. Of this group we believe there are at least 80 homeless veterans in serious need of both transitional and Long Term/*permanent* Supportive Housing in Anchorage.

Governor’s Council on Housing and the Homeless According to the Anchorage Coalition to End Homelessness [presented at the 5/20/15 Governor’s Council on Homelessness] there are between 105 and 120 **newly homeless Veterans identified in Alaska each year** per the Annual Homeless Action Report, (AHAR) to Congress. The 2015 Point-In-Time count gathered on 1/27/15 identified 130 self-identified Veterans as meeting the HEARTH Act criteria for homelessness and 12 meeting the criteria for chronic homelessness. In addition, 22 Veterans were identified as unsheltered in Anchorage.

Other communities across Alaska report homeless veterans, but no serious studies have been provided, by these communities that can provide an understanding of the demand for Housing First or Supportive Housing for homeless veterans across our state. The Foundation has continued to work with the Municipality of Anchorage, the University of Alaska statewide, and the Coalition to End Homelessness, Inc. in Anchorage and others to better profile these needs in Anchorage with the objective of providing methods, means, and program/project designs to other communities in Alaska for determining the extent of their homeless veteran population. The Governor’s Statewide Homeless/Housing Conference in 2016 has opened new avenues of communication between communities on homelessness statewide.

The Anchorage Mayor’s Homeless Leadership Team (HLT), of which the Foundation’s Chairman was a member, released (May 2010) its recommendations to the Mayor after 8 months of serious concentrated

study by the most knowledgeable leaders on this issue in Anchorage. VetVillageAK – Its programs and its design are directly a result of and consistent with the recommendations of the HLT to that Mayor.

The predevelopment funds from the state have provided essential critical planning for appropriate Housing First and Vet Village site selections, physical and program project designs, a sustainable 5-year financial plan with an integrated grant plan based on a minimum 5 living units for long term/permanent supportive housing and 25 single living units in a two-story constructed in Phase I. We expect to build at least five new cabins a year as we meet demand and expectations.

- **Why isn't the VA solving this problem?**

We have added this specific section in response to several questions by state legislators and Members of Congress and others to help give them and their staff a much deeper understanding of this problem.

In response to a mandate from Congress in **1994**, the VA was and remains required by law to report annually to Congress on their progress in '*eliminating veteran homelessness in ten years*'. Since this was initiated these reports from the VA in Alaska have been provided, but . . .

Project CHALENG (Community Homelessness Assessment, Local Education and Networking Groups) for Veterans, was an innovation designed to enhance the continuum of care for homeless Veterans provided by the local VA and its surrounding community service agencies. The guiding principle behind Project CHALENG was that no single federal/state/local agency can provide the full spectrum of services required to help homeless Veterans become productive members of society. Project CHALENG enhances coordinated services by bringing the VA together with community agencies and other federal, state, and local governments who provide services to the homeless.

Again, the old Alaska CHALLENGE Reports consistently reported that there were 600 homeless veterans in Alaska. Obviously, the Foundation reviewed this report with keen interest in its effort to answer the first question often asked: How many homeless veterans are there in Anchorage? Our learning process over the past six plus years, and the details on the real numbers are contained in this report, but the number is far closer to 80 – 90, not 600. As pointed out previously, the 600 number was, according to a senior VA manager, based on a formula application by the VA on the veteran population in Alaska (highest per capita in the nation) and not on any specific attempt to count. This number was also the basis for federal funding to a number of VA programs in Alaska designed to address veteran homelessness.

The federal legislation guiding this initiative is contained in Public Laws 102-405, 103-446 and 105-114.

The specific legislative requirements relating to Project CHALENG are that local VA medical centers and VA regional office directors:

- Assess the needs of homeless Veterans living in the area
- Make the assessment in coordination with representatives from state and local governments, appropriate federal departments and agencies and non-governmental community organizations that serve the homeless population
- Identify the needs of homeless Veterans with a focus on health care, education and training, employment, shelter, counseling, and outreach
- Assess the extent to which homeless Veterans' needs are being met
- Develop a list of all homeless services in the local area

- Encourage the development of coordinated services
- Take action to meet the needs of homeless Veterans
- Inform homeless Veterans of non-VA resources that are available in the community to meet their needs

CHALENG later introduced a Veteran-specific survey, for homeless and formerly homeless Veterans to complete. This addition empowered Veterans to actually become active participants in the design and delivery of homeless services. Project CHALENG represents the only national effort to catalog the needs of homeless Veterans by using Veterans input.

We offer this background not to be critical of the VA approach here, but simply to answer the question how many homeless veterans are in Alaska and Anchorage and how do you know? And why isn't the VA solving this problem? We have found over the past 6+ years of work, that the two Point-In-Time counts are far more revealing of actual numbers of homeless veterans. This does not suggest that this process is conclusive. This does not suggest that some who claim to be veterans are. We require proof of service but have also developed a few questions that easily reveal 'fake veterans'. Counting the homeless is not easy, even in the subzero winters in Alaska – but we continue to try and we shall.

- **The Veteran Service Officer (VSO) and the notion of 'wrap around services'**

We have often been challenged by program/project reviewers and those who are at our presentations that they do not understand how we will provide the level of services homeless veterans will need – way out in the woods. Once we explain the value, skills, and roll of a nationally accredited VSO and that we will have one in the Village full time, they begin to appreciate this somewhat unique member of our team. VVA AK State Council has VSOs in Anchorage, Fairbanks and Juneau and these men and women are considered not only some of the best in Alaska but also nationally. Many have decades of experience working in the VA and thus have a keen understanding of what is there, how it works, and how to get our veterans and their families the benefits they earned by service and sacrifice.

We have 'wrap around services' they just look a little different then what you may find in other parts of the homeless assistance community.

- **The VA Healthcare system in Alaska**

The relationship of the Village with this area of veteran's services is critical. Most homeless veterans have ongoing physical and mental health needs. Since the very inception of this project we have worked closely with the VA State Director for Healthcare in Alaska and as a result had the opportunity to discuss the concept and its design with the former Secretary of the Department of Veterans Affairs prior to his departure. We have in this report a letter from her in strong support of this project. We hope to continue our work with the new VA Director for Healthcare services in Alaska having just arrived in late 2016. The ongoing relationship of the Village and VA healthcare will continue to be a high priority for Village management and our VSOs as well as the Foundation itself. In addition, our congressional delegation continues to let the Secretary of the Department of Veterans Affairs know of our needs, concerns, and dissatisfactions when they occur. We also now (2017) have a very good friend (Viet Nam Veteran from Alaska) in the White House who keeps a close eye on this project.

- **The VA Clinic and Joint VA/JBER Hospital**

Our VSO will assist any resident who qualifies, including spouses and dependents, secure appropriate medical and mental health related appointments and services from these VA facilities and others in

Anchorage. The vans will run at least four times a day and drive to/past these two facilities when entering and exiting the Anchorage urban area allowing residents who have appointments to be dropped off and picked up as needed.

We have been in regular contact with the former Director of Veterans Healthcare for Alaska and will continue to work closely with the new one and his team to ensure our residents get the services they have *earned* and need. It is our hope that a formal “partnership agreement” can be developed between the Village and the VA in Alaska once VetVillageAK is built and operational. This would continue once the AK Dept of Military and Veterans Affairs takes over the daily management of this project we project in year three.

- **The VA Domiciliary (The Dom)**

Some of you may know of the VA Domiciliary on C Street and Benson in Anchorage. This *statewide* facility/program specifically helps homeless veterans or other veterans with drug and alcohol dependence recover. VetVillageAK will provide any “graduate” of this program **priority** for a cabin which is long-term supportive/permanent housing at the Village if requested. This is an immediate need that **the VA has been requesting for well over a decade**, and the Village is in great part a response to that immediate and ongoing need. Most graduates of the Dom will not need the ongoing support, but some may – especially in job coaching and money management. Others will ‘need’ to continue to want to be a part of ‘the community’ at the Village.

Also located in the Dom is **Veterans Industries**. The Foundation has partnered with Veterans Industries on several occasions and projects, but for this project we wanted to have them build the 2X4 furniture for all of VetVillageAK. This not only provides solid rustic furniture for the Village, it also helps recovering veterans earn money that helps them when leaving the Dom to secure a place to live and feel that they are making an important contribution to the Village. VetVillageAK will continue to engage with Veterans Industries for not only the furniture but skilled labor when it is available. We have often found skilled craftsmen in recovery at the Dom and employing them at the Village will not only help the Village but the recovering veteran as well.

- **The Vet Centers**

The Vet Center is a counseling center for *combat* veterans and their families. These were created in great part in response to the challenges many Viet Nam veterans encountered with PTS and other challenges. Reintegrating a combat veteran into a family, especially after multiple deployments in combat, is not easy and often not successful. In fact, it is often very difficult even with the best of marriages and just takes time and a serious commitment not only by the veteran but also their spouse and their support groups. The Village will maintain a very close working relationship with The Vet Center and it is our hope that the Vet Center will participate often in the social activities at the Village. Vet Centers are a program of the VA, but are not under the same management structure as the VA allowing it to operate essentially outside of the now infamous “VA culture” that so many veterans and their families object to. This was by specific design from the inception of Vet Centers.

- **Measuring Results/Success/Failure**

We are committed to measuring success/failures in several ways and these measures will be provided in an annual report to the State, the MOA, the VA, and each of the other 49 states through the Conference of State Council Presidents with Viet Nam Veterans of America which has been from the beginning a major sponsor of this effort. Obviously, the number of homeless veterans and others we get off the street is one point of measure, but helping them reengage in life/work is a much deeper commitment to success that we

will measure. Work is the most effective therapy for homeless veterans according to all of the VA and private experts we have talked with. This doesn't mean we expect a full 8 hours a day, five days a week as our work minimum. Often, due to mental or physical disabilities, we must make 'accommodation' and will consider a consistent commitment to 'work' as success. Helping clean up the mess hall after every meal, working in the kitchen, in the nursery, on the grounds, etc. The work must enable personal growth, a sense of achievement/purpose/fulfillment, a sense of 'giving back' to the village, etc. Every homeless person has the capacity to work. Our onsite full time Veteran Service Officer (VSO) (case manager), and local and national partners in providing jobs and training are key. The number of homeless veterans who get to the point that they want to leave the village to be closer to work will also be measured, but this is not a requirement. We have been troubled during our 6-year study by the number of so called 'programs' that are supposed to help the homeless, but they fail to 'report'. Why? We will report on our 'results' either success or failures and changes in hope that it helps others design their programs/facilities to achieve our expected and soon proven successes.

Partners

We work with partners. This is consistent with the overall philosophy of the Foundation. We like to 'partner' with others who are working on similar challenges. We see no reason to duplicate services. If appropriate, we join into a formal agreement with an entity that has or offers specific services that we do not - but are of value to veterans and their families. As you will see in our list of Partners, this is a very successful strategy, especially for this project. The list does not imply that all, such as Community Councils etc. are 'partners' in the traditional business sense, but that we look at them as a part of our community relationship or partnership and will continue to work with them on any issues to ensure we are immediately aware of any concerns and can address them quickly. We will continue to expand our 'relationships' and/or 'partnerships' as we move forward.

- **We require all tenants to work** (*this makes this project different*)

Rather than just provide 'custodial housing' either in transitional or long term supportive housing, we insist that all able-bodied tenants (children excepted unless they want to work) to work. Obviously, we make accommodation for disabilities both mental and physical and we don't expect everyone to work an 8-hour day, 5 days a week. But we do expect them to make some effort to help provide for themselves and support the village.

Yes, we expect our residents to work, or go to school and/or attend a trade/craft program. They must get up every work day morning and do something that contributes to the village and to their future. This is *a cooperative community of veterans* and all must contribute to that cooperative. If they are not able to work or learn due to a serious disability, we provide other 'work' for them in the Village. Without work there is no real recovery or future. This is a very important foundational cornerstone of this project and its programs. One we learned from every successful homeless program we looked at and consistent with the recommendations of all of the psychologists, psychiatrists, and social workers we have talked with who work with homeless and other veterans struggling with a host of challenges. Work is the best therapy because it enables hope, a new sense of mission and team.

One of our partners is Labor Ready, Inc. now renamed People Ready. This is a national day labor business that has been very successful in Anchorage and around the country. People Ready often has more jobs than workers, even in winter. Our Chairman has used this company for years in the residential construction business, and finds this company very competent, responsive, and responsible – and very interested in

helping veterans. People Ready has also made significant in-kind donations to the village. People Ready Inc. has ***signed a commitment to hire 125 veterans a year*** that we send to them in Anchorage. The Village will be notified in advance (email) of the day job opportunities and our vans will take tenants from the Village each day to various Labor Ready jobs. Often these day jobs become regular jobs – and if so, we have succeeded. The Foundation has been successful here for years and we see many formerly homeless veterans now working in many local businesses. Yes, it brings a smile. But if the worker is not mentally capable of working in a ‘normal’ work environment, this sometimes doesn’t succeed. Job coaches may be necessary through our intern partnership with the University of Alaska, as an example. Our staff will give highest attention to veterans having trouble working and if we conclude that they cannot make this standard of behavior regularly, we turn to other sources for assistance which we will arrange as needed. Every veteran who wants to go to a People Ready job site, must pass the breathalyzer test every morning before getting in the van. We will not knowingly deliver anyone who is impaired to a job site.

- **A Cultural Challenge for Alaska**

As we have pointed out, up to 25% of our programs/facilities can accommodate the families of veterans and even non-veterans. This is a provision consistent with our prospective federal/VA grants.

One of the discoveries we made in our work in the homeless world in Anchorage over the past 6+ years is that many rural/remote Alaskans do not have a cultural understanding of ‘western work’ or ‘9 to 5’. They have been raised in a subsistence culture where they do work to provide themselves food and shelter, but not in the same structure and within the same expectations, and for different purposes. This is very often a significant challenge for rural/remote people who have decided to now live in Anchorage and a challenge to our friends in the Alaska Native regional and village corporations as they try and provide services to their shareholders.

To address this challenge, we hope to partner with Alaska Native corporations located in Anchorage so that we can help these Alaskan’s come to understand work in a western cash economy. This will require enormous patience and skill and an open partnership where we all can learn together. The Cook Inlet Tribal Council is likely the center of this work and we have reached out to them in an effort to start structuring this idea. We have also opened discussions with other Alaska Native groups on this area of need. We believe the village idea has merit to remote Alaskans moving into Anchorage and in need of transitional housing. Our hope is that Cook Inlet Tribal Council will embrace this offer of assistance from the Foundation – at no cost.

- **The unmet Challenge of Incarcerated Veterans upon Release**

It was hard for us to believe that the AK Dept of Corrections drops off just under 500 persons in downtown Anchorage every month upon their release for jail/prisons. We asked the department how many were veterans and were told they didn’t know. We have asked them to find out how many veterans they have in jails/prisons and track them for release so that we might meet with them **prior to release** to determine if they have a place to stay, a job, and would be interested in living in the Village. We have asked the Dept of Corrections to then notify us when they will be released so that we can anticipate providing services and housing. We have also identified a very good national grant to help in this area. Get them housed, into a work structure or job training, provide a VSO, and get them back into our veteran community and then civil society as successful Alaskans. If they are working, there is far less chance of returning to jail. Obviously, the agreement to provide housing and services to a veteran who has been in jail/prison for some time will be approached carefully and we will advise our VSO and Village staff of their history and needs as may be

appropriate. We believe *this is an area of significant need* and we will continue to explore this with the AK Dept of Corrections and others.

- **How does this project meet the objectives of the previous Anchorage ten-year plan to end homelessness?**

In 2004 the Mayor of Anchorage with the support of the Anchorage Assembly initiated a process to develop and then implement a ten-year plan to end homelessness in Anchorage. This plan and its subsequent updates were a base document in our development of VetVillageAK as a concept. The Foundation believes that VetVillageAK is in direct response in many areas to the MOA ten-year plan and its recent 2014 revisions. We do, however, want to note that a plan is just a plan. Action is far more productive in solving problems, but having a plan is often helpful in ‘guiding’ direction from time to time. More important is doing it and learning as you go.

- **What about the Mat-Su or SC Alaska?**

We were often asked about providing our services to the Mat-Su Valley as they are now experiencing a growth in homelessness. The Foundation has recently been offered a gift of 160 extraordinary acres of land with cabins, shops, barns, livestock, etc. This gift should be actualized following a successful litigation by the owner, which continues to be delayed by the federal agencies. We look forward to offering a VetVillageAK/Mat-Su as this extraordinary property fits into our goals and objectives.

Our Chairman, Ric Davidge, was previously the Mat-Su Borough Director of Development and later the Economic Director for the City of Wasilla and has many good contacts in the Mat-Su. Considering this gift, we are now working with People Ready and others to connect on jobs for this possible new site. We do not anticipate making any financial commitments to this site until title has been received and the oversight/management structure agreed to.

This will be a joint venture between the Alaska Veterans Foundation, the Mat-Su Veterans Foundation, and an organization of West Point graduates who made the commitment to help raise the children of the fallen from their class. This project is NOT a part of this proposal, but over time we expect it to be our next venture – without any state assistance.

Finally, we have been approached by a number of recreational cabin and cabin furniture manufacturers who are in the Mat-Su area and may be interested in working with us with day jobs, training, etc. This fits very well with our ‘build your own cabin’ approach as a work option in the Village and one that likely has a long life in SC Alaska. Once our Anchorage project is underway

Project/Program Overview

This is a project with so called ‘wrap around services’ and programs to end veteran homelessness in Alaska starting in Anchorage, essentially in three years after start, and to serve as a model for other communities in Alaska and beyond. The design of this project/program is not restricted to veterans as it may be applied in other areas of the state or nation. It is important to understand the integration of ‘program’ with ‘project’ design. The design is driven by programmatic objectives as well as physical limitations on site. Static housing will not solve the problems homeless veterans bring. This is not a custodial facility.

A sense of community and the requirement of work are fundamental cornerstones of these programs and facilities. We require work or education/training to remain in the Village. Many veterans we interviewed refused to stay in the Dom or in converted old hotels in Anchorage. They wanted something else. We asked, and they said, “I’d love to live in a cabin in the woods.” Our village ‘community’ design and program of ‘work’ and rebuilding camaraderie or *a sense of team* are all combined in our design and goal in response to our research with homeless veterans, veteran families, and professionals who have proven success both in Anchorage and with our contacts nationally.

In this project, we combine several proven ideas in addressing the causes of veteran homelessness. These are the result of our review of successful programs across America and dozens of confidential discussions with homeless veterans and families in Alaska - especially in Anchorage and with providers who have extensive professional experience. We also continue to work with successful programs in the lower 48 states who have agreed to mentor us. The insight they have and continue to provide is priceless.

Availability of alcohol at the village. During our third party/independent review we discovered that if we accept VA per diem for residents (homeless veterans) we cannot allow alcohol in the village. Although we agree, it is troubling to discover this VA mandate after seven years of study and many draft proposals being provided to VA officials for their constructive comment. One would have thought our ‘allowing alcohol’ would have raised a flag some time ago. The cabins that are used for homeless veterans will not be allowed to have alcohol and this will be a condition presented in their tenant contract.

- **Creating a Sense of Community (camaraderie)**

As mentioned earlier, the loss of camaraderie or *sense of community* upon separation from service can be a deep emotional experience that is not expected or often immediately understood by the suffering veteran. Serious depression can take hold, especially if the service member has no real ‘home’ to go back to. They are ‘lost’ and often wander around in areas trying to figure out what to do without really understanding why they are unhappy. If not connected quickly, they turn to alcohol and/or drugs to mute the pain and often join other homeless on the street.

Recreating their sense of community with other veterans is almost magical. In a few days, they are ‘at home’ and smiling and looking forward – and for us, ready to go to work. The entire design of all the facilities and areas in VetVillageAK/Anchorage are there specifically to enable a sense of community. This is one of the reasons we do not artificially impose a resident deadline as do so many other homeless programs. They are now a part of this community until ‘they’ decide to leave. There is the requirement that ‘transitional housing’ only apply for 24 months (VA per diem), but if we have not reconnected a veteran successfully so that they chose to move out, we provide Long Term Supportive Housing.

If they behave within the agreed rules, which they sign with their tenant agreement, they are welcome. Having veterans who have made the transition remain in the Village for a while can have many advantages for new residents and our staff as it conveys a sense of stability and maturity in the community

But let's look a little deeper into what this '*sense of community*' is and why it is so important for many who struggle on reentry to our civil society. Following is a separate paper, which we include, written for and provided to audiences who are not veterans and just have lots of questions about this 'need' for community.



- **Ending Veteran Homelessness and Suicide - The Need for Community**

If/when you find a homeless veteran, if he/she is willing and you can get them into a low-cost rental using a HUD/VASH voucher (if you can get one), you may have succeeded in getting them off the street, but you have NOT 'solved' the homeless veteran problem in Alaska.

You have treated the symptoms of a veteran's homelessness, but not its causes. In a few months, they may be evicted for not paying their share of the rent (and thus never again allowed to use a HUD/VASH voucher or any Section 8 housing), or we/someone will get a call to come and help pick parts of their brain off the ceiling. Or they will try and use alcohol/drugs to mitigate their pain until they fail again.

There are many significant limitations in even treating the symptoms. For example:

- finding the veteran,
- getting them to agree to accept assistance as outlined,
- finding a low-cost rental unit with an agreeable owner (some don't want veterans),
- getting a HUD/VASH voucher,
- getting the veteran adequate food and possibly clothing/job related,
- finding a job that the veteran and the provider are willing to take on,
- Covering your legal liabilities (housing/jobs)

We have listened and learned and watched as this effort has taken place by various groups including our current Mayor, who has done more to get our homeless veterans off the street than anyone, but it has not 'solved' the homeless veteran problem. This doesn't mean this effort is not without merit, it is, and from our point of view it is enormously helpful. We now know where they are, who they are, and can ask them if they want to remain in their current setting or –

Join our community of veterans at VetVillageAK/Anchorage.

The VA has for decades requested a significant investment into 'long-term/permanent supportive housing' – but still it doesn't create a sense of community as does our Village design.

This is where we started. Steps 1 to 7 and the discovery that the VA had long seen the need for long term even permanent supportive housing. So, we continued to listen, read, ask questions, and learn.

VetVillageAK/Anchorage is carefully, purposefully, and specifically designed to 'solve' the problem for those homeless veterans wanting to be a part of our community - and not just get off the street.

But what are the real problems that are causing a veteran to be homeless?

Obviously, they don't have sufficient money to rent a room or an apartment. That's a fact, but why? Do they have some type of regular income? Often, they do, they just don't have enough or can't 'manage' their money sufficiently to ensure they have a place to live, or the place they are *willing* to live costs more than they have.

We give priority to all VA Domiciliary graduates. Why? Because they have recovered from whatever drug or alcohol addiction they had when they came into the Dom, and have gone through months of training so they can take care of themselves when they leave – but some just can't do it alone. That's why they need 'long-term supportive housing' that is part of a community of veterans focused on helping them

continue to make progress. They need some level of ‘contact’ to help them continue to move forward in their recovery, or – maybe their mental health remains a limitation here still?



Other than physical harm to the brain, such as a Traumatic Brain Injury (TBI), there are many sociological barriers or hurdles veterans, combat and otherwise, often face.

- The sense of **loss of community** or service camaraderie: For some this is a significant even deep emotional loss. They wander around on our streets trying to connect to something - someone. They have left a world that is very structured and supportive, and suddenly they are alone, lost, on the street or even at home. This can be a painful time. They don't understand what is going on and often we see alcohol abuse, then domestic violence, and then even criminal behaviors as they struggle. They don't understand that turning to alcohol or drugs to help them cope with the 'pain' accelerates their slide into homelessness and street life.
- **Combat Related Post Traumatic Stress (PTS)**: For those who have not been in combat this is often very hard to understand. Not the 'events you experience' as much as the retention of some of your training and experiences and how they can trigger learned behaviors that are not acceptable in civil society.

We often are told that persons who suffered sexual assault have the same disorder. Or that persons who have suffered the traumatic stress of an accident or similar trauma, is the same. This is not to suggest they do not have PTS, but it is not the same as *combat related PTS*. The only thing that really comes close are adults who have survived significant constant brutal childhood abuse or torture over many years.

The percentage of veteran PTS from our recent conflicts has greatly increased. Some suggest this is due to better in-service mental health awareness, which may be true to some extent, but we believe it is also due to the number of deployments they have experienced. There are many who have spent 4, 6, or more years in Iraq or Afghanistan through 3, 4, or more deployments. Some come home from a deployment to rest and rejoin their spouse and children, only to be transferred to another unit and then quickly redeployed – no, they didn't get 18 months to 'recover'. A Viet Nam War veteran most often served once in-country in their 20-year career. Some did a couple tours or more, but it was not the same and for most of these – they volunteered to go back to 'The Nam' because they 'felt better' in-country – 'more alive' there. Again, a part of a community of warriors. The Viet Nam deployment was usually only 13 months, not 18 months per tour. In the Marines, its only 6 months per tour, well it's supposed to be, but then there are many tours.

There are many degrees of combat experience. The front-line infantryman, or recon Marine who can be daily/hourly subject to enemy harm/death lives in a reality few can ever really know. Some transition well, but more and more they have problems returning and behaving appropriately in a 'civil society'. Often the very skills they learned in order to survive, now haunt them in civilian life. Combat related PTS is not curable, but it is treatable, and you can learn to 'manage' it – most of the time. Even after decades, we discover a 'trigger' that can cause you to stress - even flashback. We know dozens of Viet Nam veterans, ages 70 to 90+, who still struggle to manage their syndromes or triggers.

So, what works here? First (and this is very key to our projects/program's design) you must be in a 'community of veterans' who have shared this experience at least to some degree. This is especially true if you are alone – no immediate family. In the Village, you are in a community that understands you, supports you, accepts you regardless of what you 'had to do' in combat, others often struggle with the same or worse – and you trust, and you share, and you find out that

you are not a bad person. You did what you had to do to survive or complete your mission. There was nothing wrong with that, but now you have to live in a different time and space and culture and you must learn how to manage your ‘feelings’ or triggers in a civil society.

You are a recovering combat veteran and you can learn to live a good life – but you very often need a community of veterans (we used to say brothers) and you need professional help, so you can learn how to recognize and then address a host of complicators such as:

- **Survivors Guilt** “Why did I survive?” “Why did they all get killed but I survived?” This is not an easy emotional problem to resolve. It is often THE undercurrent of a combat veterans PTS issues. There are those who never actually see combat, who still struggle with survivor’s guilt. They feel desperately guilty because they didn’t get a chance to fight with their buddies. They see the dead and injured come back and they have a deep, often painful sense of guilt. “My team all got killed, while I was playing poker in the aide tent” Talk about guilt. Its deep, profound, always with you. But again, it’s about being in a community of veterans who you trust and who share similar emotions and struggle along with you in answering unanswerable questions.
- **Loss** One of the problems you face in combat is the deep sense of loss of your friends. Men/women you have known for years. You have stood next to in combat and placed your life in their hands as they did theirs. Sometimes this bond is stronger than a marriage. For many this translates into making the choice NOT to have friends anymore, so you won’t suffer that pain of loss again. This behavior does not stop upon separation from service. It goes on for decades. It can be a very deep emotional pain that your spouse and family cannot understand or cope with, but a community of veterans can.
- **Combat Guilt** This generally stems from the experience of killing someone or too many. If they are trying to kill you, you may feel vindicated by defending yourself. But if someone is killed who may be an innocent, and you even think it is your fault, this is very hard to recover from. This is further complicated by the internal behavior of our services who often find they must place a warrior under house arrest until an investigation clears them after an incident. Guilt for mistakenly killing a child is the worst, but sometimes in combat you don’t know where the children are or if they are actually a weapon. ISIS/Jihadists use children often with bomb vests to walk up to service members, and then it is exploded remotely so the child doesn’t refuse. The Viet Cong did the same especially with young girls. Often killing many.

On the next page are two real examples of combat guilt that so often drives Post Traumatic Stress. For those of you who have not experienced combat, we think these short examples will help you see - maybe even feel this pain.

Real Life Examples

At a road block in Iraq the gunner in an armored vehicle (Bradley) is the last gun to stop anyone trying to enter the base, sits there in the sweltering heat watching the road for days and nothing ever happens. Then suddenly a car appears driving fast and recklessly toward him avoiding the guards who are suddenly shooting at the car to stop. The car swerves around the concrete barriers and just keeps coming toward the gate. The gunner lowers his large caliber machine gun and waits. When the car passes the last barrier, the gunner puts a burst of bullets into the car. It stops, finally. The men wait before approaching the car concerned it may be filled with explosives – a car bomb. No explosion, so they move in to inspect the car and its contents. They discover a man and woman in the front, and two children in the back seat. All dead. The gunner is shaken by this discovery, and there are no explosives in the car. Why? Why did this man/father do this? The gunner is relieved of duty and sent back to his tent to take some time to calm down. As he sits there desperately trying to understand what had just happened, his sergeant tells him he is under house arrest and must stay in his tent until further notice. The shooting is being reviewed/investigated by command. It isn't until late the next day he is told that the shooting was ok, and he did nothing wrong. They even give him a medal. He did his job – his duty. But the emotional harm has taken its grip, and he has chosen to leave the service as soon as he can. This is just one example of how devastating combat guilt can be. He will ask himself that same question for decades – why?

A Special Forces team works an area with several small villages. In one they discover a young girl (about 7 or 8) who is the only survivor of her family's execution by the enemy. She is a mess, and the team's medic spends time with her to help her recover. Over the next months, the medic visits with her every time they are in that village. They grow very close, but the people in the village are afraid of her and stay some distance. Finally, he asks his Commanding Officer if he could adopt her and take her home with him. His wife is willing. A month later he is notified that the adoption is approved, so he gets his team to make a special trip to the village to pick her up and get her ready to go home with him. He is so happy as they come over the ridge to the village to get the girl. Then they discover that Viet Cong there and in force. Something is going on in the village square, so they move closer to see. What they see none of them will ever forget. The little girl, totally unaware that a man has come to take her away from this hell, is tied up on a post, naked, and the Cong are slowly peeling the skin off her back with a knife. She is screaming in pain and the village stands there wondering who will be next. It was learned later that the Cong had discovered that she was a friend of an American medic, and they were trying to get her to tell them who he was and persuade the village not to befriend any American troops. The team laid there and watched this hell unfold before them, when the medic visibly emotional turned to the team's sniper and asked him to put her to sleep. He did, and the battle broke out ending with them retreating due to the size of the enemy force. Combat Guilt?

We know for a fact that both stories are true. These are but two of the many stories we know as we work with combat veterans trying to adjust to their own 'civil society'. These stories are shared within the community due to the absolute trust of combat veterans in a community of veterans. This is not something you share with your spouse or kids. Telling the story to other veterans is only the first step in learning how to manage your anger, your stressors, and the rest of your life. Without this community of combat veterans – this 'healing' often does not take place. And the human and the community cost of this 'festering' can be significant.

Remember, today, just like every one of the 365 days this year, *22 American heroes, men and women, old and young - kill themselves*. Our effort to end veteran homelessness is just one effort started by a handful of Viet Nam veterans and now to be taken over by a new group of veterans, who are trying to actually ‘end’ veteran homelessness, not just ‘get them off the street’.

We have learned from our mentors and our extensive research, and by listening to homeless veterans who are suffering that creating a community of veterans is for many the only way to get them in the first door – a real door to recovery and a new future. That is why **VetVillageAK/Anchorage** is designed the way it is.

The ‘notion of community’ is an important first step. Then a job – a new mission in life, is another. But all of this works in our community of veterans because we trust, we respect, we love, we embrace, and we honor each other in a way those who do not serve cannot understand.

Hope this is helpful in your understanding of this VERY important part of what we believe will help end veteran homelessness and help reduce veteran suicide in Alaska. The battle will go on, but we can offer our veterans and their families a place that is safe, warm, embracing, full of love and a *sense of community* they desperately need. This can only be created by a family/community of veterans – with a little help from the professionals and the people of Alaska as represented by our state government.

HOUSING

We will provide basically two types of VA supported veteran housing. Although functionally there is little difference, this segregation is necessary for a couple of reasons.

Transitional housing, with VA Per Diem at \$45.79 per day, allows up to 24 months of residency and is more flexible in the tenant requirements such as work. HUD-VASH is complicated but fits the long-term or permanent supportive housing model. At this time, we can't 'require' work for tenant in a HUD-VASH cabin, but we certainly can strongly encourage it. As pointed out in another part of this proposal, we are appealing this 'can't work' limitation and hope that the entire project will be commissioned as a "pilot project" so that the VA can remove this limitation. These variations impact project income, but we have decided to continue to provide both options in the hope that Congress and the Administration will recognize the value of the work requirement and apply appropriate supportive housing with necessary funding. Even if not, our income projections are within the 'Adjusted Financial Statement: Scenario A, HUD-VASH and VA Per Diem' with a net income at 5 cabins of \$306,231 annually, at 20 cabins \$512,346 annually, and at 40 cabins \$1,001,333.

- **Housing First – but with work required**

We take the veteran and/or their family *'as they come'* and get them off the street and into a warm, safe, and stable environment and importantly as *a member of a community of fellow veterans* and families. This enables them to start healing and reconnecting with the reality of a home that is permanent (no deadlines) but does require some measurable effort towards their recovery and reintegration. If they have immediate intoxication issues, we work with our partners in Anchorage to help them detox. Transportation is provided to take them to and bring them *home* to the Village when ready. We have found that those in this group do well, once safe and warm, and very importantly in the camaraderie of fellow veterans – both homeless and others. This is one of the reasons the Day Room and the outdoor fire pit and BBQ are provided. The Day room also doubles as a Mess Hall and meals are served three times every day encouraging them to come in and visit. *To sit with fellow warriors and reconnect.* Getting up, making their bed, getting ready for work, and then coming to breakfast is a behavioral pattern well established in service. They will also have access to the 'jobs board' on computer so that they can make choices where they will work that day or return to a job they may have started days/weeks before.

In the two-story main building is also a small library managed in cooperation with the Alaska Library Association, and a dry goods store for necessities for the first days they are here. There will be regular activities in the Day Room that residents are encouraged to participate in – not just TV. Just outside of the Day Room is a fire pit with barbeque encouraging outside eating and other events. A fire pit is an extraordinary therapeutic tool when trying to get combat veterans to talk/share/trust and rejoin their brothers/sisters in service. It's also very Alaskan.

This building also houses the VSO, the Village Director, the head of case management, the kitchen and there is a small meeting room that is used by the Board and others as needed that doubles as a medical room if necessary. The 25-single living unit/rooms in this facility will rent for **\$825 a month**, five of which are ADA compliant on the ground floor. Again, Project Specific HUD-VASH vouchers will fill in the amount the resident cannot pay, but each resident must contribute 30% of their total income towards their monthly rent. Additionally, if they are transitional and not long term, the VA Homeless Per Diem program can provide \$46.00 a day for homeless veteran residence.

- **Long Term/Permanent Supportive Housing (HUD-VASH)**

The cabin and Village concept are very specific and in direct response to the comments of homeless veterans we have talked to over the past six years. They do not want to live in an institutional setting, like a converted hotel in downtown Anchorage. They want to be away from the so called 4th Ave subculture which ‘pulls’ them back into that dysfunctional lifestyle. The Village design is out of town and in a more rural setting in direct response to these concerns. The cabins are not lined up in 90-degree style, rather they are in pods of 5 tucked into the woods. Although there is a remote sense about it, the Village is only about 10 minutes from the VA Clinic/Hospital. Most cabins will be single room occupancy, some will come in other sizes to accommodate couples, and small families but not likely more than two bedrooms. This configuration is in response to the growing number of single parent (mainly women) veterans with children. Many veterans who have been successful in getting off drugs/alcohol have problems fully reintegrating back into the western construct without ongoing assistance. It just takes longer for some than others. They have to be ready. All VA Dom graduates have **priority** for cabins in the Village – part of our partnership with the VA in Alaska. We are also now considering a priority for veterans who have been in HUD/VASH voucher housing but now want to move to the Village. Again, this opens this Anchorage housing to other homeless who are waiting.



Based on comparables in the Anchorage area, the cabins will rent for **\$725/single, \$825 w/loft, \$900 two bedrooms**. Most of the cabins will be single occupancy as that is the largest need. Given that these veterans are homeless, you rightly ask, how can they afford such rates? First, it is important to understand that almost every homeless veteran we have talked to has monthly income mainly from VA disability claims. But HUD-VASH project specific vouchers are how this works, and it is a tool that has had significant and encouraging success in reducing veteran homelessness nationally. In fact, it is THE tool that has made the biggest difference in getting homeless veterans off the streets, HUD-VASH has reduced veteran homelessness by 47% between 2010 and 2016. While this is an impressive statistic, it is not ‘ending’ veteran homelessness nationally. The key again is bringing them into *a new sense of community* with other veterans. Now real healing can begin. We will discuss this further in a later section under income sources. Housing cost can also be mitigated if the tenant is ‘transitional’ with the VA Per Diem program at about \$46 a day for a housed homeless veteran.

Below are cabins built by the Carpentry School as an example of the type of cabins we will have.



- **2018 Adjustment to AK Fiscal Challenge: Startup Options**

First off, *the best option to reduce our start up cost is to keep the site on Dept of Defense land.* This choice cuts the startup by at least \$2M, but here are three other options:

- Our first and preferred preference is to start with 25 cabins (\$1.25M) which takes advantage of ‘the magic of 25’ and the large main building (\$5.2M). This option is preferred as it jump starts the Village to a point that it is financially self-sufficient in 18 months while providing homes for 50 homeless veterans. If we are going to do this, let’s make sure we start right so that we can succeed.
- Or start with the main building (\$5.2M) and only 5 cabins (\$300,000), with a well house/laundry building. This allows us to show the integration of these two models and then start adding cabins in 5-unit pods as demand warrants and project income allows. This option reduces our request of the state from our original design of starting with 25 cabins, however with the VA Grants and Per Diem program allowing up to 65% reimbursement for transitional housing and service to include facilities construction (yielding about a \$5.7 million reimbursement), we would like to roll that reimbursement directly into cabin and other facility construction. Once these expansions are completed we would then request a VA reimbursement (up to 65%) for the *new* capital development that includes transitional housing.
- Or we can start with 15 to 25 cabins (\$750,000 to \$1.2M) and no main structure and then build to meet demand and finance the main building once the state’s income is restored or through other grant opportunities and/or the VA Grant reimbursement program at up to 65% of cost. This will change the configuration of the cabins to include some type of kitchen as the mess hall will not be available. A cabin can be used for the VSO and the Director, but it is an option to help get started at minimal cost.

Other options under investigation:

We have found hundreds of prebuilt 6-plex units from the North Dakota oil fields that were built prior to the drop in oil prices. We know where we can acquire up to 100 of these totally ‘finished’ buildings – ready to occupy. We are actively pursuing this option as the cost per resident with these is far less than the cabins. We do still hold with the cabin design for the village, but are considering these 6-plex options as possibly the entry units and the transitioning units given availability and cost. They will be configured to maintain the ‘village’ concept. We will update this as information comes in.

Additionally, we have been approached by a vendor with 40 ft. container conversions that are not only cost effective, but very attractive esthetically. They have been presented for the past two years at the Alaska State Fair in Palmer. These also offer potential alternatives.

We may pursue all of these and mix them into the cabin settings as another alternative. We continue to explore other structural options that are cost effective and meet our ‘sense of community’ objectives.

Transitional Housing for new veterans

For those veterans who come to Alaska as new residents, often they find themselves unprepared. We have received a number of requests from new veterans just separated from service with and without families who need a temporary place to stay while they find work, housing etc. Often, they had a job lined up before moving to Alaska, but when they arrived those circumstances had changed. Alaskan's are familiar with this problem. The Village will have at least one pod (5 cabins) dedicated to this need and/or as newly discovered, one to two 6-plex units. We do not expect they will need to remain in these temporary cabins/units for more than a month or two. The VSOs and village staff, People Ready, and

vetjobs.com and other partners will assist them find employment and housing with the objective to have them in both within 90 days. But, we will still not impose an arbitrary deadline, we just know that once employed and connected, they will very likely move on. Based on market comparables, these cabins will rent for **\$725/single** and **\$825 w/loft**.

- **Transitional Housing for Alaskan Native and Remote Veterans**

Another group of often 'new' veterans we encounter who need 'temporary' housing are Alaskan Native veterans or remote area veterans who, because of their service career and personal experiences, especially overseas, no longer want to return to traditional village life in remote, mainly western Alaska. They see no real opportunities for them in jobs related to skills they now have nor a future in these very isolated villages other than the subsistence life. This is especially true for veterans who have successfully mastered new



skills not needed in such remote areas. Too often, because they have no family in Anchorage, they find themselves falling or being pulled into what we refer to as the 4th Ave subculture as they encounter friends and even family from their remote home, and start the long slide into substance abuse and homelessness. If they are also struggling with service separation depression, this will accelerate this slide.

We need to help these veterans within 90 days of separation, or they are likely lost to the 4th Ave Subculture. We have often heard the word “traitor” used by some Alaska Natives towards these village veterans as they express deep emotional conflicts about not going home to their village as they try and find their own new life away from their remote parents and extended families. ‘Forget Me Not’ is a new Facebook community that helps by enabling veterans who choose to stay in Anchorage remain in contact with family and friends in their traditional remote homes. This is a very encouraging new development and can bridge this transition hopefully reducing the fall into depression, homelessness and suicide.

A part of our transitional housing will accommodate these “Alaskan” veterans and we will again assist in their finding jobs and permanent housing, not just in Anchorage or even in Alaska but internationally. Specific “cultural” services, as may be needed, will be provided by Partners to the Village as they make very difficult personal choices about their future. This is a very emotional cultural battle especially for men and women raised (there entire early life) in remote villages with families there who want them to come back to the village – but the veteran sees no economic or social future there based on their new skills and experiences. *(This will be an important experience for this project. We intend to enlist strong partners to help with the ongoing assessment of this part of the village and are encouraged with assistance from the VA by such experts.)*

Cash flow from operations are positive right out of the gate at year one. To really see the statewide impact, one also needs to add the elimination of cost to this figure. MOA savings add to the positive cash flow overall and this computes to a very large number in a very short period. In fact, the State contribution is paid back in savings in less than two years.

The financial picture is based on the number of Vets housed times \$100,000 a year per Veteran, plus income from operations. This is an amazing positive financial swing from a Statewide perspective. Millions right out of the gate, and in perpetuity.

Village Programs

Camaraderie – The Sense of Community (critical)

One of the first things homeless veterans say is they miss and/or need the camaraderie they once had in service. This is particularly true for combat veterans, and even more so for those with multiple deployments. Many veterans, especially single men/women, will tell you of their great sense of loss of this companionship they found in service. This is not easy to replace out-of-Service. Most will make that transition successfully, but one of the key methods of addressing combat related PTS and other adjustment challenges is with a community of other combat veterans who have shared the common experience of being in service and/or serving in a war zone. The Village is designed to specifically provide, enable, and encourage this sense of camaraderie/community. This is further supported by local veteran's organizations having meetings in the Day Room once a month. This further integrates homeless veterans with those veterans who are successful in the Anchorage community. Camaraderie is a very high priority of all Village staff and the Foundation.

- **Village Adventures**

One of our key volunteers, who has extensive experience in the homeless community in Anchorage and has a long professional history in fishing and outdoor sports, has suggested a number of activities or 'adventures' that Alaskan veterans will likely find attractive and in some ways therapeutic. This helps build community and a sense of being Alaskan. They include small party hunting trips, fishing trips, and snow machine rides, cross country skiing, horseback riding in partnership with a veteran owned company that provides such experiences for wounded/disabled warriors. It is also suggested that the Village build and maintain its own corral and stock some horses – we will look at that possibility in year three. But the idea is to encourage the community to participate with other veterans in all the traditional ways we Alaskan's love. It's all about being a community of veterans sharing our lives and challenges together. Such adventures offer a bonus of new fresh fish, caribou/moose meat, etc. These adventures are not a substitute for working or learning, just short vacations that have enormous therapeutic or mental health value. Our selection of staff will always focus on their skills and willingness to participate in such "adventures".

So far we have decided that these adventures/experiences should be at no cost to the Village. Given the interest by Alaskan professionals in the fishing and hunting guide businesses, we have been told to ask and thus will request specific in-kind donations for this specific purpose. This policy decision will be reviewed as we have more experience with the activities and the level of interest by tenants and the costs. These activities should be a welcome break from work and village life. They may include staff. But the first and most important consideration will be their commitment to work. "Vacations", are just that, a vacation, and will not replace work but we think such activates will greatly enhance the quality of life in the Village and contribute to our effort in developing a sense of community among the veterans and to some extent staff.

Work, Education or craft/skill training, retraining

A fundamental cornerstone of VetVillageAK is work. We stress the need and value of work, either in the Village or in the Anchorage area. *A job to a veteran is not just an income source. It is a new mission, a new group or sense of team, a new uniform, and a new future that can be envisioned. A job to a homeless veteran is hope in coming home.* Transitioning from combat to civilian life is not always easy not only for the veteran but also their families, but the single most successful way to do this is with a satisfying even challenging job. Therefore, job training and placement are of the highest priority for the Village and the Foundation. It is essential that every resident of the Village understand that all of our residents are part of our ‘cooperative community’ and as such, are expected to contribute to the viability of the Village to the best of their ability. The other part of this is to understand what jobs in civilian work are easy for a professional service member to enter. Veterans have some excellent even marketable skills; they just need to learn how to apply them in a civilian job market. VetJobs.com is an extraordinary resource in helping get this started along with the assistance of our VSO and job partners. Within VetJobs.com is a page specific to Alaska sources for employment for veterans. There are also a number of ‘conversion tables’ that help veterans translate their service related skill base into civilian jobs.

- **Unable to work or attend some type of training**

If a veteran is unable to work or participate in learning due to some mental or physical disability (and we anticipate there being a few), we will first determine if the Village is the right location for them. If not, we will assist the veteran find a place with the assistance of the VA and our VSO. If necessary we will make, what the ADA calls, an “accommodation” and provided something for them to do in the Village that contributes to the community and the veteran’s sense of worth. Individuals who fall into this group will receive credit @ \$10 per hour for their contributions to the Village which will be recorded to their benefit. If they decide to leave, any balance in their account is provided to them in money form. Work is a fundamental concept in this project. Learning is an avenue toward work, but the commitment to work/learn is essential for this project to meet its goals and objectives in providing ‘hope’ to our veterans in the Village.

- **Anyone who refuses to work or learn**

If a resident doesn’t, although physically and mentally capable, work or go to some learning/training opportunity or participate in the village programs, we believe we have failed. Our mission is not only to provide a warm and safe environment, but also help each veteran reenter ‘*the world*’, as veterans often call it. We are confident that our stress on the value of work will cause every resident to get up and try to contribute to their cost in the village. Such a circumstance will be reviewed regularly depending on the individual’s disability if any, by the onsite VSOs and with our partnership with the U.S. Department of Veterans Affairs, the Vet Center, and mental health providers who have partnered with the Village. If the disability continues to the point that they are simply not able to meet the expectations of the Village, the Foundation will meet with the VSO working the case to determine if the Village is still an appropriate place for the veteran or if other more supportive service is necessary in another venue. Our first interest is the wellbeing of the veteran and their preference will be heard and thoughtfully considered. If it is determined that an alternative placement is more appropriate, the VSO and Village Director will assist in any relocation.

On Site Work Opportunities

In addition to partnerships with various learning and employment groups we provide onsite jobs for veterans to learn and work. So far these include:

- **Building your own cabin and furniture**

This was an idea provided by our close associates at the VA Dom and the AK Dept. of Mil & Vet Affairs. ‘Why not encourage residents to build their own cabins?’ After some serious thought and discussion with our partners Builders Choice and others, we think this can work and in allowing this, we enable a greater sense of personal ownership or value and community in the veteran who makes this choice. We will decide the location of the cabin and work with the veteran on the prefab or other style they wish, keeping in mind our construction budget and available staff, but if possible, we will encourage any tenant who wants to build/assemble their own cabin or help others, to do so. Since the cabin will remain the property of the Foundation, the veteran who builds the cabin will be paid or credited at \$10 per hour for that work which will go against the cost of the cabin. In addition, it needs to be noticed that one of the work programs in the village will be the development of new cabin sites and the construction of new cabins and cabin furniture in the 2X4 design.

- **Firewood & Wood Pellet Business** (jobs and project income - year round)

Here a veteran will be involved in a very Alaskan experience, the processing of birch and spruce firewood either in small packages or in cord volumes. This is provided through a partnership with Brett Pace, Arctic Firewood who has most if not all of the contracts to provide packaged firewood in the Anchorage market. These veterans will also participate in the harvest and processing of cord wood for bulk delivery by Brett. Each bundle will carry the VetVillageAK logo and “thanks for helping end veteran homelessness” statement to buyers to incentivize sales.

The raw wood will be provided through partnerships already in place or in process between the Foundation and Mr. Pace and others. We also hope to finalize an agreement with Alaskan Native Village Corporations and Alaska Native Veterans groups who are clearing and developing large areas of wooded properties in the Mat-Su Borough. We anticipate this source of firewood to last at least 20 years based on expected production of firewood on site. We also have ongoing access to residential and commercial general contractors who are clearing ground for new housing or business developments and are delighted to have us pick up and remove the logs at no cost to them. We are also requesting assistance from the State DOT/PF for all fallen trees on any road or other type of project within a reasonable distance of Anchorage. The new Eagle River bridge construction is a good example with adequate fallen timber that could have provided 9 or more months of good firewood for this plant. Unfortunately, AK DOT was not interested, so it sat on the site, cut in cants and stacked.

One of the fastest growing businesses in the firewood industry, not only in Alaska but nationally, is the wood pellet business. We are working closely with Brett Pace who has suggested that we expand the facility to be located in the Eagle River area although NOT in the village, to take advantage of this growing opportunity. There is an enormous waste in the firewood business, and that waste could be used in the conversion to wood pellets or nursery supplies. Brett is now working on securing letters of intent for this business opportunity. Again, this is an example not only of work for tenants but specific experience in an industry that is now global offering job placements.

Although originally considered for location within the Village, in response to comments from two Community Councils and others, the site for this operation will be outside of the Village. We now believe this job location better fits in a commercial setting and are working with Brett on this option. Vans will transport Village tenants to the site each morning and return that evening. The number of jobs available will change with source supply, throughput, and season, but we anticipate at least 5 full time workers five days a week. With the addition of the wood pellet processor this will likely increase by another 3 to 5 jobs or a total of 10 or more full time jobs.

- **The Village Nursery** (on site work year-round, and an income source)

The Village will have a commercial scale greenhouse and nursery for the purpose of growing fresh vegetables year-round for our kitchen as well as germinating flats/pots of new **Alaskan perennial plant starts** for sale to commercial greenhouses in the area or at Farmers Markets in the spring/summer months. The focus of the nursery will be Alaskan wild plants many of which support edible berries or are of market interest for landscaping which are in demand by homeowners and landscapers. Our research clearly indicates very high interest with adequate marketing and support for this focus in the nursery industry in the Anchorage, Eagle River, and Mat-Su markets and we look forward to working with the University of Alaska Cooperative Extension Service and the State Nursery. We believe that in addition to the nursery manager, it will employ at least four or more tenants' year round. These four will share outdoor general maintenance work as well as nursery work and they will rotate within their jobs monthly. At times (spring planting) there may be more workers needed, but for the purposes of this plan, that is the job number (4) we believe we can support with confidence. We have also found very strong potential grants that may fully underwrite the construct of this component of our jobs and economic development efforts.

- **Raised Gardens**

One suggestion we continue to investigate is that within each pod of (5 to 10) cabins, they have their own raised vegetable garden. This encourages cooperative work outside during the summer and a sense of community and comradery by growing fresh vegetables for the kitchen or their own private cooking. For those not aware, the introduction of vegetable gardens in remote Alaskan villages has been a very successful endeavor by a local nonprofit started by a WWII hero in Alaska. These workers will be mentored by our Greenhouse manager who will grow vegetables in our commercial nursery year-round for the kitchen and provide work for up to four veterans on site. The cost of pod raised gardens is nominal, but we will budget \$100 per pod for them (2X12 treated construction).

All onsite or project related 'businesses' will pay monthly rent (TBD) toward the land payment(s) and into our economic development fund that will over time continue to work with new partners in business who are interested in employing veterans from or at VetVillageAK. We have many others who have asked already.

- **Other job options**

Just a note to point out that we continue to be approached by persons and businesses interested in assisting this project with an employment opportunity. A recent example is the person who recently acquired the exclusive license to use and sell "Stop Bugging Me" a new natural insect repellent derived from cinnamon trees. His idea is to set up routes/clients that want this service and train a few or our tenants in the operation of the equipment etc. Some licensing may be required, but that is a part of the training. Because this product is 'natural' it does not require an EPA permit or certified training. This is just an example of the type of opportunities that continue to come to us as we move forward. We are currently in testing mode

with this business concept and already have customers in major hotels in Anchorage taking advantage of this new product and service.

Jobs/Job Placement

- **VetJobs.com**

The most successful job placement website for veterans nationally is www.VetJobs.com and the owner/CEO of that company has agreed to be a member of our Village Board of Directors. VetJobs, as it is most often referred to, will be the principle placement connection for homeless veterans who are trying to transition back into the western construct. Jobs offered on the website are not limited to Anchorage or even Alaska but reach out into many job opportunities nationally and internationally. The success of VetJobs.com has been phenomenal – nationally recognized - and we are delighted and privileged to have Mr. Ted Dewalt (Atlanta, GA) as a member of our Board of Directors once we are up and running. The website has a complete page of all resources/websites in Alaska that focus on Alaskan jobs.

- **People Ready**

Is the other main vehicle through which we will assist in the placement of day work and longer-term employment for residents. People Ready, Inc. is a partner with the Foundation and we have had excellent results with them in getting clean and sober veteran's day work and some full time permanent employment. People Ready has signed an agreement to hire up to 125 of our tenants per year. When a tenant is working for People Ready - in any placement - they are fully covered by general liability insurance, workers comp, unemployment insurance, etc. People Ready will advise the village each night with the specific jobs available for the next day and we will match the residents up with the appropriate job and then transport them to the job site or Labor Ready offices as required. As a condition of this agreement, each worker must pass the breathalyzer test before entering the van that will take them to the job sites.

We have been asked why the breathalyzer requirement. The single biggest obstacle for getting homeless people's jobs is the legal liability an employer is willing to assume. Many potential employers have refused to even consider an employment agreement – until we suggested the breathalyzer test when they get on board the van. With that simple step, we continue to gather potential employers open to hiring day and longer-term work through the Village.

The Village will undertake a serious and sustained marketing campaign for jobs with veteran residents. This will not be limited to media but through a host of professional and labor organizations who are willing to provide such access at reasonable cost – as a public service. We are confident that as employers become aware of the Village and can see real success this will open even more job/work/training opportunities for our tenants.

- **The Wounded Warrior Project – ‘Warriors to Work Program’**

Is a national offshoot of this very successful charity that we continue to try and partner with. The hurdles are that we are in Alaska and our concept is rather different then they are used to. When successful, that partnership will be listed along with the partnership agreements in this proposal.

- **Goodwill Jobs**

Is another potential partner new in Anchorage. We are attempting to secure a partnership agreement with them for both day jobs and full-time employment at their new thrift stores in Anchorage.

- **Job Corps**

Is the State/federal program located in Anchorage/Mat-Su that focuses on local employment opportunities and training. A computer, for shared use, will be provided in the Day Room with a link to Job Corps so that both our onsite VSO and residents can search for employment opportunities.

One of the other vehicles through which we will find, and secure job/training opportunities is via the veteran organizations in the Anchorage and Mat-Su area. This includes the MOA Commission of Veterans Affairs, the Governor's Advisory Council on Veterans Affairs, each of the nationally chartered veteran service organizations such as Viet Nam Veterans of America, Veterans of Foreign Wars, Disabled Veterans of America, Iraq and Afghan Veterans organization(s), etc.

The objective is that everyone in the Southcentral Region will know that we are looking for jobs for local veterans.

The Village Site/land

Although we started looking for a space almost from the beginning (7+ years ago), that effort has been greatly frustrated by NIMBY issues in areas we considered, the general lack of public understanding or prejudice about what the project is or is not and how it will function, the concern in Community Councils that the scale (100 residents) of the project would ‘overwhelm’ “their” Council, and so on.

Site Ownership Options/Preferences

Although we have looked at dozens of private and public properties of various sizes and types around Anchorage and Eagle River we found only three that really met the requirements we believe essential. Out of those three we have ended up with one in Eagle River but on the JBER base. This is an area that has never been used by the military and is immediately accessible from Hiland to our vans and services and only 7 minutes from the VA Clinic and Hospital and 12 minutes from People Ready.

Options/Preferences

We prefer that this 185-acre site **remain** in the ownership of the Department of Defense and that it be leased to the Alaska Department of Military and Veterans Affairs for the specific purpose of VetVillageAK. This lease is allowed by 10 USC 2667 (enhanced use lease authority). The Alaska National Guard and the Alaska Military Academy are both located on JBER.

The amount of the annual lease, if required, should be nominal given the enormous public service benefit and tax cost savings that the Village will provide. In our one-time request, we have budgeted \$50,000 a year, but would suggest, with the assistance of our Congressional Delegation and others, that it be a much lower cost. It would be interesting to know what the Academy and the AK Guard pay for their site. It appears that the dollar transfer is important legally, but the ‘fair market value’ application does not recognize the actual savings value of services provided homeless Alaskan veterans and their families and enormous the savings the Village provides to the Municipality of Anchorage and the State.

It is also appropriate that a cooperative site management agreement be negotiated, again with the assistance of our Members of Congress, making clear the relationships between the State and DOD on this property as well as the roll of the Alaska Department of Military and Veterans Affairs and the Alaska Veterans Foundation who will operate the Village.

This is obviously our PREFERRED option as it also solves several other issues:

- The Eklutna Village Corporation preference for any surplus federal land in the MOA area. Leaving the Village on DOD property keeps this area in federal ownership and does not trigger this requirement.
- The fact that the design and development of the Village is on a DOD property will not trigger MOA Planning and Zoning compliance processes or fees, that can alone exceed \$30,000, nor the professional engineering required to accomplish this at about \$90,000. Obviously, we will work with the MOA on many issues such as the intersection on Hiland Drive that will need to be designed and built in cooperation with the MOA and the AK DOT.
- With the site remaining in DOD ownership, it also offers some important in-kind contribution opportunities from the DOD and the Alaska National Guard such as road construction and

building pad development. These in-kind contributions can be used as training for both the Guard, the Army Corps of Engineers, and the other engineering units on JBER. This can reduce the startup cost of the Village by as much as \$700,000.

- How the Anchorage and Eagle River communities view the development and operation of the Village is also a key consideration for locating it on DOD property. Our discussions with Community Councils and various politicians shows a higher level of comfort with it being 'on base' and not in or adjacent to an existing subdivision.

There is the option of formally conveying these 185 acres either to the AK Dept. of Military and Veterans Affairs or the Alaska Mental Health Trust who have long been engaged in our work on this venture. The problem is that such an action could trigger the Eklutna issue, even with Congressional direction via an appropriations vehicle that the land is only for the purpose of the Village, and would also then expose the entire development to MOA Planning and Zoning compliance processes and costs. We do not favor this option, but it is noted as a choice.

- **Concerns expressed by locals with this site choice.**

1. *"It's too close to the high school"* it is actually just short of a mile from the high school and very unlikely any of the tenants in the Village would ever have any interaction with students. In fact, as a response to this concern we have included the prohibition of no contact with these students as a condition of their tenant agreement. Again, the school is a long walk from the project and the Village entrance will be gated.
2. *"I don't want to see 100 homeless on our streets in Eagle River"* Two responses to this concern.
 - a. It is very unlikely any tenant would ever have the time or the transportation to hang around the streets of Eagle River. Remember, we require work, and this makes the Village location far different than what we have come to expect in the road ROWs in Anchorage. If we ever receive a complaint about a tenant 'hanging around' the streets of Eagle River we would immediately track down this tenant, bring them back to the Village and remind them that this behavior is a violation of their tenant agreement and if we receive any more complaints we will terminate their agreement to live in the Village.
 - b. We are often called by the Mayor or his staff, legislators, businesses, individuals, etc. bringing to our attention a homeless veteran soliciting for money. In over 20 years of the Foundation's work we have never, that is correct, NEVER found any of these soliciting possibly homeless persons to actually be veterans. They are fakes and in our opinion the APD should arrest them for violations of federal law for using a (fake) veteran claim or appearance to get money or services. No, none of them were veterans, even with the flags and fake uniforms they wear. We have long offered to work with the APD on this issue, but that offer has never been responded to. We can very quickly determine if a person claiming to be a veteran is in fact a veteran. It just takes about 2 or 3 questions and then we tell them they are acting in direct violation of federal law.
3. Throughout our work in finding a location and getting Community Councils and other neighborhood groups to support the Village, we have made an absolute commitment to work with them as we build, grow and are successful. If at any time they have a concern with a veteran

tenant or any Village operations, we have asked them to please call the Village Director's office or the Foundation and report such concerns. We will deal with them immediately and let them know in writing what we found and that actions we have taken.

We firmly believe that, due directly to the design of the Village in both site development and operation, the Village will be built and operate with little community concern. In fact, it is our hope that within our first year's operation we are embraced by our neighbors and the people of Anchorage and Eagle River and they may find it appropriate to contribute to the Village in some way.

- **Site Rezoning Required (MOA)**

If the property is surplus from the DOD and conveyed to the Alaska Mental Health Trust or the AK Department of Military and Veterans Affairs, the Municipality of Anchorage will likely require the new Eagle River site to be rezoned to accommodate the Village design which is not typical to any subdivision layout nor does it fall into any traditional zoning structure. Given the eventual plans for up to 75 cabins, a secondary egress will also most likely be required and will be designed in to also accommodate other Trust lands adjacent to the site. The secondary egress requirement may also be adjusted considering our commitment to have onsite firefighting equipment as part of the Village infrastructure.

At the time of our pre-application meeting with the MOA to consider the second site design developed for a previous possible location (which is not the site now), municipal staff advised that they liked the project and that it would best fit within a '**Planned Community Development**' (PCD) zoning approach. As soon as we know how the property will be owned, we may need to continue the process of working with our Project Engineer and Surveyor, to develop for MOA approval, the Planned Community application with our new site and its preliminary designs. We estimate that the upfront MOA costs to the Foundation of this rezone (again if necessary) is **\$30,000** in municipal fees alone. The Foundation has requested that this municipal fee requirement be set aside by the Mayor and the Assembly given the clear public benefit of this project in relieving "homeless costs," now directly paid by the MOA, to the services used by the homeless who will be taken off the street and become a part of our community in the Village. Several Assembly members have advised that they will actively support this MOA fee waiver if needed. This effort remains on hold pending indication of what the state will do in providing sufficient startup funding and the final decision on ownership.

A Planned Community (PC) process is not an inexpensive project process to design or get permitted. Additional costs for the services of an experienced residential/commercial engineering firm and a survey company who also works with Plats, both of whom are willing to donate at least a portion of their fees, is also a cost of the PC rezone requirement. This rezone will also likely require an amendment to the local Master Plan causing additional costs and public processes. Because of the state's required independent review, we no longer have funds in the current Pre-Development Grant that can be applied to this cost and grant requests in process that will help if needed. Even with an in-kind donation, the engineer and surveyor currently estimate this cost at **\$90,000**. NOTE that the grant now underwriting this proposal terminates the end of June of 2019 with the 2017 extension but only about \$1,000 remains. This is also one of the key issues Agnew::Beck addressed in their review of the proposal.

The main issues that drive the direction of the zoning are the multiple uses of the property 1) single family/multi-family residential 2) light industry/commercial green house and nursery which complicate the design and zoning. The suggested PC will accommodate this mixed land use with several variances which we are now identifying and will present to the MOA when needed. If the property is in state or Trust

ownership, we think the Planned Community (PC) approach is the best overlay for this project in this location. The other significant issue will be the MOA demand for secondary egress which is not yet viable, but with the future development of adjacent Trust lands by the Trust, another egress may be possible. We are now in the process of exploring this design option if it becomes necessary.

We hope we can facilitate the zoning on one tract by doing the Planned Community Development District. It's just a mechanism to allow the multiple dwellings and businesses on one Tract.

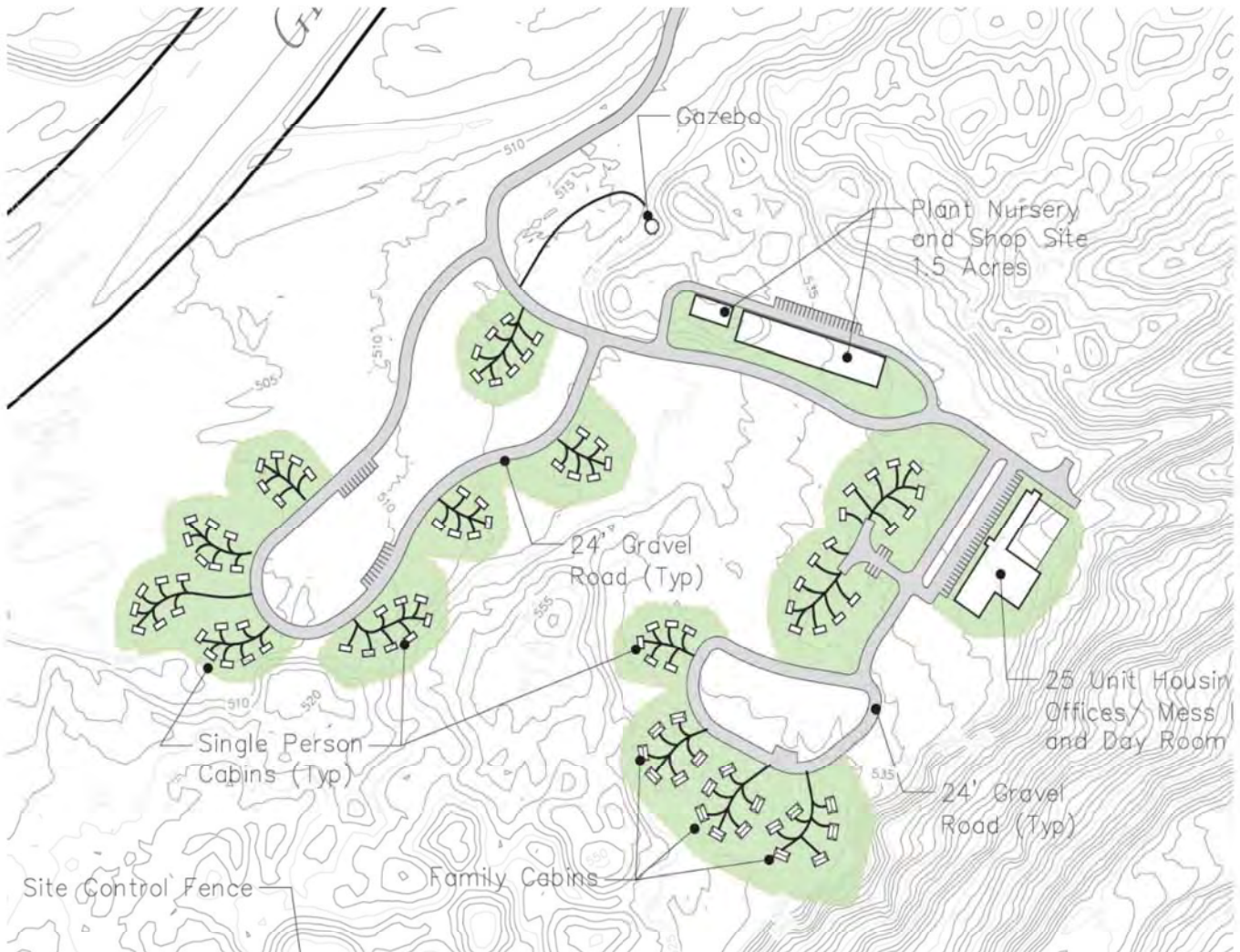
- **Site Plans**

Included (large formats are in the appendix) is the new site plan for the property in Eagle River including blow ups of the cabin and other structure layouts. This plan was developed by a professional surveyor and residential engineer who has continued to help and donate his professional services to the effort.

We have included two other site plans we developed for other properties we believed were likely. Both plans were for properties in the Eklutna area. One was on an 80-private site and the other on an Eklutna Inc. property adjacent to the AWWU Water Treatment Plant. Neither of these sites are now under consideration, but we believe the site plans offer helpful insight into some of the challenges we faced as we looked for workable sites. These old plans are provided as examples of what a village could be.

The integration of industries into the Village design was a significant challenge and we were surprised that in some community meetings people voiced opposition to the idea of what they called 'work camps'. Frankly, we had not thought of the Village as a 'work camp' because no one is required to live in the Village, so it really isn't like a 'work farm' as some have suggested

One of the site-specific concerns is the walking distance between cabins and the mess hall. You will note that in the new site design the cabins are now much closer to the main building than was the idea in the older Eklutna area sites. If the property doesn't remain DOD, the design of this site will likely evolve during our work with the MOA on their required and expensive rezone and as we develop other relationships with businesses, but it does look like the greenhouse is the only in-Village 'business' that fits here so far.



Capital Budget - Site Development Costs, Phase I

The acquisition of a site will be the first cost consideration once we have a site that works and is committed with new owners if that is the choice. If the site remains in DOD ownership, the lease agreement will be the vehicle for that cost. We have budgeted \$50,000 per annum towards that option.

If the land is conveyed by congress to the AK Department of Military and Veterans Affairs or the AK Mental Health Trust, then our relationship will be defined by either the Trust of the AK DMVA by agreement.

We do not expect any acquisition cost from either the AK DMVA or the AK Mental Health Trust, but we may need to enter into a long-term lease agreement at some nominal annual cost as we grow. An engineer's estimate on the Phase I site development costs is included and was provided by a firm who had long indicated an interest in helping the Foundation develop this project. The firm (Triad Engineering) and then later a separate company who has asked not to be listed here, both of whom made a significant donation in-kind to the Foundation as a part of this work.

This is also one of the key issues the Agnew::Beck review focused on. We have adjusted this narrative and the cost spreadsheets to reflect most of the Agnew::Beck comments. If the property remains in DOD ownership these will likely change. Additionally, one of the capital planning difficulties is the consideration of potential 'in-kind' donations for site development. We believe, based on preliminary contacts, that they can reduce the cost of site development by at least 80% and once this project is in serious discussion by the state administration and our legislature, we will continue to pursue this option. Again, if the property remains in DOD ownership it changes the cost, time, etc. of any capital development.

Projecting the value of potential in-kind donations is very difficult, so our capital cost projections in this proposal assume NO in-kind donations which allows us to adjust these costs down as such are formally confirmed.

If the site is owned by the state, our estimated site development cost is **\$2,913,698** (road, septic, wells). This breaks down to **\$1,718,698 for the road and building site preparation**, **\$545,000 for septic systems** (main building and up to 25 cabins) **\$650,000 for wells**. These numbers were provided by a residential development engineer with over 20 years of experience in Anchorage and Eagle River. We have reviewed the Agnew::Beck numbers and have strong confidence in the estimates (in appendix) by our engineer who has continued to donate time and talent to this project. If the site remains in DOD ownership, we are confident we can get the road and building pads built for a nominal cost in partnership with the AK National Guard and other engineering companies on JBER. A **cost reduction of \$1,800,000** in Phase I.

If the site is owned by either the state or federal DOD, the estimated total vertical/building development cost that we estimate is **\$9,044,784**. The cost of these buildings will not change based on land ownership. Again, these are costs provided by companies interested in being involved in this project who have already donated or committed to donate over a quarter million to the Village through the Foundation. Agnew::Beck presented us with an estimate of \$12,640,624. We have reviewed this estimate and again are comfortable with our \$9,044,784 estimate.

Another cost estimates we disagree with Agnew::Beck on is what are called ‘soft development costs’. We estimated these at \$40,000 but Agnew::Beck estimated them at \$1,490,166. That’s almost forty times greater. It doesn’t make any sense. We have again reviewed their estimate and find that we are much closer to the cost of soft development. Why? Because we leverage internal talent and the strong interest by local engineer, surveyors, other service providers who want to help build this project. Look at the Engineers Project Development Cost estimate in the appendix. He is always within margin. Again, if this is developed on federal DOD land, most of these costs disappear.

We have presented several site phase development options for the state to consider as outlined below. We believe this appropriate as the state struggles with income shortages, but still is interested in doing something to move this project forward. As pointed out previously, the use of a portion of the \$20M taken in alcohol taxes that now goes to the general fund, should be the funding source for this project. All of these choices must include the access road and basic utilities, but otherwise the choice of structures and their number changes the initial cost of the project.

1. Our first preference is to start with 25 cabins (\$1.25M) which takes advantage of ‘the magic of 25’ and the large main building (\$5.2M). This option is preferred as it provides what we believe to be the base and jump starts the Village to a point that *it is financially self-sufficient in 18 months*. Then it can grow as demand warrants to include the total of 75 cabins without any further state assistance.
2. Our second preference is to start with 15 to 25 cabins (\$750,000 to \$1.2M) and no main structure and then build to meet demand and finance the main building once the state’s income is restored or through other grant opportunities and/or the VA Grant reimbursement program at up to 65% of construction cost. This will change the configuration of the cabins to include some type of kitchen as the mess hall (critical in helping establish a sense of community) will not be available. A cabin can be used for the VSO and one for the Director, but it is an option to help get started at minimal cost.
3. Our third option is to start with the main building (\$5.2M) and only 5 cabins (\$300,000), with a well house/laundry building. This allows us to show the integration of these two models and then start adding cabins in 5-unit pods as demand warrants and project income allows. This option reduces our request of the state from our original design of starting with 25 cabins, however with the VA Grants and Per Diem program allowing up to 65% reimbursement for facilities construction (yielding about a \$5.7 million reimbursement), we would like to roll that reimbursement directly into cabin and other facility construction. Once these expansions are completed we would then request a VA reimbursement (up to 65%) for the *new* capital development.

Other options under investigation:

We have found hundreds of prebuilt 6-plex units from the North Dakota oil fields that were built prior to the drop in oil prices. We know where we can acquire up to 100 of these totally ‘finished’ buildings – fully furnished and ready to occupy. We are actively pursuing this option as the cost per resident with these is far less than the cabins. We do still hold with the cabin design for the village, but are considering these 6-plex options as possibly the entry units and the transitioning units given availability and cost. We will update this as remaining information comes in.

Additionally, we have been approached by a vendor with 40 ft container conversions that are not only cost attractive, but very attractive esthetically. They have been presented for the past two years at the State Fair in Palmer. These also offer potential alternatives. We may pursue all of these and mix them into the cabin settings as another alternative.

Site Development w/contingency \$1,718,698

**Important to remember that we can get up to 65% reimbursement from the US Dept of Veterans Affairs which will reduce this cost to the state by 65%. This would also apply to some structures. This is how we ‘leverage’ state money for new federal money and trigger ongoing new federal program incomes for Alaska. In addition, the likelihood of significant in-kind donations to build this basic infrastructure will be seriously pursued prior to full cost options.*

Access/Egress Road and Cul-De-Sacs (D1 Gravel)

Based on the new location we will most likely enter the property from Hiland Road using an old 4-wheeler trail entrance and then drive to the village site as illustrated in the site plan, about 4,300 LF (linear feet). The estimated cost of the road, 24 ft wide with a D-1 gravel surface is **\$700,000** w/15% contingency. We have designed the road in loops or cul-de-sacs to allow as much access to structures as possible. This road will also run along the side of the nursery/greenhouse, shop, and back to the main building. The Engineers’ estimate for the design and construction of the road envisioned on this site is included in the site development estimate presented above. The details for each road section or cul-de-sac are provided in the Engineer’s Preliminary Opinion of Cost in the Appendix section. **\$700,000**

Main Road	\$700,000 (included above)	Cul-de-sacs:	
		Phase I - 25 Single Person cabin loop	\$217,350
		Phase I - Nursery and shop site	<u>\$153,640</u>
			\$370,990
Later Phases			
	55 Single Person cabin loop	\$375,935	
	18 Family/6 single cabins	\$209,530	
	16 Single Person cabin	\$ 98,808	

Rezone Requirements – MOA

If the site is state or private, we will most likely be required to do a rezone to a Planned Community Development (PC), as discussed above, it will require, unless waived by the MOA Administration, a direct fee of **\$30,000** to the MOA with a Project Engineer’s assistance at **\$90,000**. If the site remains in federal ownership, this cost would not be necessary. **\$120,000**

Water – onsite wells & septic

The village will have onsite water and septic. Connecting to municipal water and sewer is not viable due to the need for a lift station making this cost just too high. We have requested an estimate comparison between private onsite and AWWU for comparison.

A water well drilling estimate has been acquired by a firm speculating on this site. The project anticipates a number of water wells being drilled and their distribution based on flow estimates once the holes are drilled and flow is analyzed. We anticipate one well per ten cabins, not five. If this is state owned, the state will provide groundwater rights to each well once it has been established and use/flow is measured. At best case, we anticipate one well for the two-story building, and one well for ten cabins. This would mean at

least 2 to 3 wells drilled for Phase I. If the individual well flows are more abundant than anticipated, the number of wells over the entire development may be combined and therefore reduced.

The expected cost for wells in Phase I is \$65k.

\$65,000

Septic

Our investigation revealed, due to the sites topography, that connecting to the AWWU systems at the entrance will require an expensive lift station – making the AWWU connection not economically viable. A large septic system will be constructed for the two-story facility given the number of toilets, showers, sinks, mini kitchens, and the general kitchen for the mess hall. This system will also serve 25 residents. The kitchen will feed about 100 persons three times a day. The combined laundry facility with one washer/dryer in the building will serve the 25 residents in the building and the kitchen. The septic system cost for this facility is estimated to be \$60k.

\$60,000

A septic system will be constructed for every 10 cabins (two pods) and one laundry facility. This will require each pod of five cabins to be located in reasonable proximity. Septic/well system cost for Phase I/5 cabins was estimated to be \$25,000. Reduced option of 5 cabins requires

\$25,000

Electricity

There is immediate access to overhead electrical power from existing power distribution lines. Because most are overhead lines, we will request the same (not buried) for the Village. This will keep the cost of providing electricity to the facilities lower than if underground. Electrical Power Services (EPS) in consultation with MEA has provided an estimate for what will be required to energize Phase I but with sufficient design to allow full build out with a total of 75 cabins and the main building. As an option we can just wire Phase I for **\$35,000**. For the entire project MEA estimates it will cost

\$105,000

Natural Gas

We agree with the recommendation by Agnew::Beck that we include natural gas as it is available to this site. Enstar Gas has provided an estimate for the connection and extension into the Village site.

- Main extension = 9000 LF @ \$20.53/LF + road bore of Hiland Rd = \$206,000
- Service lines = 17 @ \$670 = \$11,390
- Assumes line footage of 100 LF or less and one line per cluster of multiple cabin dwellings; separate metering would require additional lines and add substantially to this estimate.
- Meters = \$6000 (15 G2) + \$3000 (2 G3) = \$9,000
- Assumes each cluster of multiple cabin dwellings would be served by a single meter through customer-installed house piping downstream of the meter to each cabin; separate metering would add substantially to this estimate. Total estimate: \$226,390

\$226,390

Telephone and other communication services (cable for media and computers)

MTA and GCI have been asked for estimates for what these needs will cost. Phones will only be located in the 2-story facility with one open to residents for us. We will however encourage all residents to have their own cell phones. Very low-cost cell phones are provided by GCI for low income persons and most homeless have such cell phones already. We do think it important to have at least a few hardline phones in the main building in the event of a major earthquake et al.

\$50,000

Structures

Main Building - Two Story

A two story, 25 single unit living facility with separate kitchen capable of feeding up to 100 persons three times daily, a large Day Room which also serves as the mess hall, a private office for the Village Director, and a private office allowing confidentiality for the full time VSO and any visiting Veteran Service Officers assigned to the Village, and a small meeting room for Village meetings such as the Board. This small meeting room will also double as a medical room as needed for visiting medical professionals on site.

This structure was designed by Builders Choice as an in-kind donation to the Foundation. It has subsequently been updated to show the mess hall, gym, and other necessary rooms. The structure is a preform design, consistent with Builders Choice vast experience on the North Slope. The components will thus be assembled at their Anchorage plant and then trucked and assembled at the Village.

Five ADA compliant rooms are designed for the first floor allowing full wheelchair access and 20 rooms are designed for the second floor. Each unit will have its own bathroom and a microwave for heating water or food as well as about 200 sq. ft. of living area. Each of these rooms will rent for **\$725 per month** based on market comparables.

At the request and recommendation of many of our advisors as well as our grant consultant, we have had this facility modified to include a gym. Therapeutically, physical exercise is **strongly** recommended in the recovery and transition of homeless veterans who have been addicted to alcohol and/or drugs. *We have found this opinion universal.* We may be able to pay for this section of the building separately, but at this time we can't confirm that. We would like to include it now as a part of the main building and if we secure a grant to pay for it and its equipment, which Resources Associates (they prepared our 5 years grant income strategy which is attached to this proposal) believe we can, we can reimburse the state directly for this cost or fold it into the VA 65% reimbursement if allowed.

Because this building is the center of village operations and activity it is preferred to be the first building we build. It is obviously THE essential start of this project and critical that it be built as designed. Builders Choice has also offered a 5% in-kind donation in construction cost of this building a total savings of - **\$215,248.**

The updated estimate for this building prefab complete at site is:	\$5,787,784
Minus the in-kind donation:	<u>- \$215,248</u>

Request	\$5,572,536
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- **Private Donations for the Large Building**

The Foundation has a long history of raising about \$30K a year in donations ranging from \$25 to \$5,000 for its general fund functions. Our recent venture into gaming/bingo is now providing between \$50,000 and we hope \$80,000 in new income a year. This is yet to be fully experienced in a FY, but so far so good. This level of income and the diversity of community support for the Foundation steadily increases with the growing awareness of the Foundation's homeless initiatives. In addition, the Foundation will apply to the Rasmuson Foundation, Inc. and other similar organizations that support large capital projects for public purposes toward the cost of this facility. The Alaska Veterans Foundation, Inc. previously awarded its highest medal for service to Mary Louise Rasmuson a well-known AK philanthropist and armed services pioneer prior to her death at age 101, in recognition of her extraordinary service in WWII as the head of the Woman's Army Corps (WACs). Mrs. Rasmuson had, prior to her death, asked the Foundation if she could

help. With the approval of a significant grant from the Rasmuson Foundation and if agreed, it is the intent of the Foundation's Board of Directors to name this facility in her honor. *"The Louise Rasmuson building"*

Each request is structured appropriate to the particular nonprofits requirements. Any funds collected through these sources will offset any public funds provided by the state for Phase I. Grant funds not used, if allowed, will be applied to the project's contingency fund or other capital improvements of the Village that would reasonably qualify within the grants intent – obviously with the consent of the grantor.

NOTE: 'VA Grants and Per Diem' for Homeless Veterans Capital Projects (reimbursement)

This federal VA program *will reimburse up to 65% of the cost of construction* for homeless veteran projects like the Village. Currently, given the problems within the VA this program is on hold, but our sources in Wash, D.C. advise that specific projects can be added to the VA budget in either House or Senate VA Appropriations subcommittees. The VA has signaled, in an interview with Agnew::Beck as part of their third-party review, that they are more interested in supporting long term supportive housing than transitional housing, but with our support in Wash., DC we are confident that we can secure solid commitments to support a 65% reimbursement for capital costs in 'ending veteran homelessness and suicide' in Alaska. If a reimbursement grant under this program is provided, with the assistance of our Congressional Delegation, this reimbursement would be sent to the Foundation provided Phase I is funded. It would be the desire of the Foundation to apply this reimbursement toward further capital construction of cabins, unless the State insists that it be returned to the state treasury which is an option that should be discussed in the appropriate legislative committee. This is an opportunity with lots of 'ifs' so it is hard to plan for this, but given our success so far in Congress and with the support we have from the new administration, the VA and our state's Commissioner of Military and Veterans Affairs, we are very hopeful that this will happen in the 2018 legislative process in D.C. At the present estimate of construction cost and the 'up-to 65%' VA capital reimbursement this could provide an additional **\$5.6M** into the project as currently designed for our second or third year development plan.

- **Immediately adjacent parking**

The size and number of parking spaces has not yet been determined. This will be negotiated with the MOA during their project review of the PC proposal, but it would be rare for a homeless veteran in to have a vehicle – yet not impossible. Adequate spaces for staff and visitors will be provided in relationship to the two-story main building and 3 to 5 in each of the cabin (10) areas. The parking area will be gravel (likely D-1) consistent with the village road and pathway design.

- **Outside BBQ/fire pit area** (jobs, mess hall staff)

One of the great group event opportunities will be, at times when the temperature allows, outdoor dining and gathering. We have added the BBQ and the open fire pit area just outside of the mess hall/Day Room corner of the main building as an inviting outdoor area consistent with our objective to provide a sense of community. This was one the things often mentioned in our interviews with homeless veterans. The outdoor fire pit is not directly connected to the BBQ. This is to allow, and encourage, social gathering in the early evening during good weather. Obviously, an open fire pit and its use will be consistent with the Anchorage Fire Department open burning requirements. Estimate for this cost is **\$12k** **\$12,000**

- **The Nursery** (jobs, food for Mess Hall, income from sales at Farmers Markets)

We have looked very carefully at what type of greenhouse makes the best sense in the Village and determined that the “teaching” Educator greenhouse provided by FarmTeck Growers Supply is the best application. We have suggested that Phase I include the 14’W X 24’L design which is priced at **\$14,275** not including shipping and installation, to help get this program moving quickly over our first winter. Our Nursery Director estimates that full installment/operation will cost about **\$25,000** again in Phase I. The nursery will employ at least 4 tenants year-round who will rotate (2 in the nursery and 2 in Village area maintenance) every week. The Foundation has also discovered and is working with donors of other old greenhouse frames in Alaska that we will incorporate into this area of the Village. **\$25,000**

- **Village Engineer’s Maintenance Shop** (jobs, ongoing maintenance savings)

After some discussions with qualified and licensed ‘handymen’ in the Anchorage market and discussions with those directly involved in maintaining vehicles and equipment such as we expect will be working in the Village, we determined that we will need a ‘shop’ on site to enable required regular maintenance of space heaters, vehicles, village equipment/kitchen, etc. This would likely be a one-story shop with either a loft or attached apartment for the village engineer. With the necessary tools and equipment including a vehicle lift.

The appendix provides a detailed list of tools and equipment we consider essential in getting the Village up and running during Phase I.

The shop will provide work opportunities especially for those tenants who have applicable experience. In interviews with VA Dom graduates, we were surprised to find a number of recovering homeless with significant skills even Journeymen in this area. The Village Engineer estimates that the shop could provide one to two jobs in Phase I or more, but once the Village is completed it should employ about 3-5 people year-round.

The wood shop will be important in support of those who choose to build their own cabin and possibly its furniture using the 2X4 design we have with the VA Dom wood shop in Anchorage. The estimated cost of the mechanical and wood shop installed w/tools etc. is **\$200,000**. **\$200,000**

Long Term/Permanent Supportive Housing - *The Cabins*

Why cabins? As we have pointed out in our discussions with homeless veterans we discovered that they do not want to live in downtown Anchorage or have any connection with the 4th Ave subculture. These veterans have continued to suggest that they would really love to live in a rural setting away from everyone else. This is consistent with other research that suggests that particularly combat experienced veterans want to isolate from society, but are interested in some relationship with other veterans – just not anyone else.

The cabin idea was in fact our first structural choice based on this research. It was later when we discovered the need for the mess hall/kitchen and the need for a more controlled environment for Housing First and transitional tenants that we explored the larger expensive ‘main’ structure for the Village.

Our cabins are designed in a variety of sizes and shapes. Three designers provided designs for this project, two of whom donated their designs. (see appendix)

The most common design expected to be used is the single room structure (18'X24' or 16'X30' are examples) to be built by a combination of 'partners' to include the Anchorage School District's King Technical High School, Builders Choice, the Carpenters Union, and others under agreements we continue to work on. But first a little background on this effort.

Initially, the Foundation attempted to contract with the carpenters' union school to acquire up to five small cabins a year, at the time made by that 'apprentice' program. These cabin shells were built by the students as part of their carpentry training. They sold directly to the public, again only as a shell, for \$7,000. However, in mid-2013 the carpentry school decided to no longer build these cabins as a part of their training.

The Foundation then approached the **Anchorage School District King Technical High School** carpenters program and has suggested an agreement with the School District for a few cabins a year. They have said they don't want to be obligated to a specific production number, and we understand that concern. So, the number of cabins must remain flexible as the ASD needs small structures for their own use and the size of carpentry classes fluctuate. Materials are expected to be donated by the **Home Depot Foundation** under an annual in-kind material grant available to this project. Home Depot is a strong supporter of veterans across the United States and we look forward to their active participation in the cabin program. If the Home Depot Foundation does not agree to provide these materials in-kind the cost of materials per cabin will be about \$25,000.

Another likely provider of materials is **Spennard Builders Supply** (SBS) in cooperation with the **Anchorage Home Builders Association** who has offered to host an annual competition for new cabin designs and the winning design built by SBS for display at the annual Spring Home Show in Anchorage as a donation to the Village. All designs submitted would become the property of the Village as this may develop into a new onsite business for the Village in rural cabin manufacturing and/sales – provided the skill sets are available in residents.

The Foundation also asked a new residential building company (Northern Efficiency), who approached us after hearing of the project, to provide designs and estimates for three types of cabins. A single room cabin for a single occupant. A single room with loft that could accommodate a couple. And a two room/two story cabin that could accommodate a small family of three or four. The designs and estimates for these cabins are provided in the appendix.

- Single room **\$39k**
- Single room with loft **\$45k**
- Two bedrooms **\$55k**

Further, the Foundation approached the **Carpenters Union** for a donation of at least one single room cabin a year. The Carpenters Union has agreed to provide one cabin every year until the Village no longer is in need. **Annual in-kind donation of about \$39k**

In addition, **Builders Choice** donated three designs and cost estimates for prefabrication which is their specialty. They are the designer and likely builder of the 2 story main building. We expect that any tenant who wants to build/assemble their own cabin will use this prefab design.

- Single room **\$30k**
- Single room with loft **\$39k**
- Two bedrooms **\$43k**

As a part of the structures program for the Village, the Foundation has and continues to approach various businesses and special interests about donating a cabin to the Village. The estimated cost for each single room cabin is estimated at **\$39k to \$42k** each. With such a donation, either in cash or in-kind, the Foundation will place a plaque on donated cabins recognizing the donation - if the donor desires.

In addition, in our promotion of the cabin concept and VetVillageAK, the Foundation will have one single room cabin built and finished then placed on a flatbed trailer for prominent display on a busy street corner in the midtown Anchorage business area. A sign will state the purpose and function of the cabin and ask for community support. On active summer weekends the cabin will be open for inspection and manned by staff allowing people with interest in VetVillageAK to see the cabins and how they are appointed as well as learn about VetVillageAK and its program to end veteran homelessness and suicide in Alaska.

To assist in the Alaskan feel to the Village, some cabins will be painted with appropriate Alaska Native images or sided with birch/spruce cuts to give them a more rustic feel. We also have interest from a couple of renowned Alaska Native carvers from SE Alaska who want to provide totems for the Village.

- **Picking up, moving, and adding to the Village – Historic Homes**

A recent development is the acquisition, lift, and conveyance to the village from downtown Anchorage of old post WWII or earlier, cabins or tiny homes. This opportunity is available because of the growing pressure to take down old small inefficient homes and build new contemporary homes. We are in discussions now with several parties including a home moving company and residential developers in finding a way to ‘save’ these historic homes and making them part of our Village.

- **What is magic about 25?**

You may have noticed that the two-story building has 25 single living units and we initially request 25 cabins in Phase I. So, what is the ‘magic of 25’? This is the threshold at which each component *operationally* becomes economically viable based on the experience and recommendations of those who have worked in this area for some time. This project qualifies for Project Specific HUD-VASH vouchers. With the HUD-VASH vouchers and other incomes (see income streams section) at 25 per component the numbers work. This was one of the important pieces of operational information provided by our contacts in the US Dept. of Veteran Affairs and the National Coalition for Homeless Veterans and the National Equity Fund who reviewed this project in its second year of development.

- **Furniture for Housing First/Transitional two-story and the Cabins**

The Foundation has secured a bid from Veterans Industries (to be adjusted annually due to increasing cost of materials) located at the US Department of Veterans Affairs Domiciliary in midtown Anchorage. This is a structured VA facility and program for recovering (drug or alcohol) homeless veterans, but is very limited in scale and is often rejected by many of the homeless veterans we have interviewed because of their very ‘military like’ culture. “If I wanted to re-up (reenlist), I would” was often heard. A breakdown of each item and its cost is provided in the appendix.

This is an important partnership for the Village as this furniture is built by recovering veterans at the Dom who can earn money making the furniture that goes towards their first and last month’s rent when they “graduate” from the Dom programs. The Foundation has worked closely with this program in the past in a number of ways but its largest work was on the purchase of handmade Flag Boxes with the name of the Fallen Warrior which was given to the families of the Fallen at the National Cemetery. This program was discontinued due to the growing cost reflective of the number of veterans passing almost daily and the

emotional stress on our Chairman or other board members who made the presentations during the internments. At \$30,000+ a year, the Foundation felt it more important to invest this money into the Village – to end veteran homelessness of the living. To help them when living, not just to remember them after death.

The estimated cost for 2X4 design furnishings for a single room cabin is: \$20K. For 5 cabins and the 25 living units in the main building this would result in a cost of \$600K for Phase I. **\$600,000**

- **Roads and Trails**

A review of the latest site plan for the Eagle River site, illustrates the need for a limited 24 ft wide gravel road in the design along with cul-de-sacs and trails or pathways around the property. Phase I will only require the main road with a gravel surface, that is a private road into, around, and out of the village and short pathways to the adjacent cabin pods. (see the site designs in Appendix)

The estimated cost of this ‘rural’ road is estimated to be **\$663,435** including a 15% contingency. The final numbers of roads and trails will not be certain until we have a development agreement with the MOA. But we think the presentation of these estimates gives the state some idea of cost from professionals for roads and trails. The estimated cost with a contingency fee for the *new main road* and cul-de-sacs at the Eagle River site provided in-kind by an extremely experienced residential development and road engineer is about: \$1.7M. Again, this is to be **a village not a subdivision**, so keeping the roads and trails at the gravel level is very important in maintaining this atmosphere as well as lowering the cost for installation and maintenance. The selection of cul-de-sacs will again depend on the MOA in our ‘planned community’ development agreement. The total outside cost for all roads and cul-de-sacs is \$1,718,698. We estimate that we will need about \$1M in Phase I. **\$1M**

- **Exterior Lighting**

Intersections The Village will operate with a ‘dark sky’ policy consistent with our rural village concept. It is expected that at least one overhead street light will be required by the MOA PM&E review at the entrance intersection of the road that turns into and out of the Village from Hiland. The light poles with installation are estimated to cost **\$16k** each. **\$16,000**

Other exterior lighting will be provided at the main entrance to the two-story building, but it will be extended from the building and not require a separate light pole. Estimate: **\$5,000**

No other exterior lighting is necessary, and keeping with the “dark skies” philosophy of a village and rural Anchorage, we will oppose any other exterior lighting unless it can be shown to be essential to public safety. Individual ‘porch lights’ will be outside of each cabin and laundry facility in each pod. **\$21,000**

- **Pathways**

The approach to the development and improvement of pathways will follow an old design strategy. **We will not build them until we have specific evidence of need and use.** One of the most cost effective ways to determine where pathways are required is to stop, watch people as they make their way from place to place, and then design/build. Once residents begin walking from their cabin to other areas on the site, we will design and build as needed. Estimate: **\$10k** phase one if we start with 25 cabins. If we start with 5 cabins **\$10,000**

Physical Construction Contingency of 15% of total cost

In the residential and commercial construction business in Anchorage, it is normally required to have a minimum of a 15% contingency. We have identified this cost in the grant request because at least some portion of a construction contingency is used in every project. Obviously, if there are change orders in construction, they are not predicted.

On site Fire Safety Program

Given the location of the Village and its placement in a remote forested area, we believe the Village needs a formal fire safety program, plan, and some essential equipment on site and tenant/staff training. This was one of the key issues discussed when we were working with Community Councils in Eagle River, Chugach, and Eklutna. We had already considered having some type of firefighting equipment on site, and had explored the option of acquiring a used truck with tank and hose system built for such a purpose. We have found these available in the Anchorage market at a very reasonable cost. We will work with the Community Counsel in Eagle River Valley and the Anchorage Fire Department on a fire fighting area strategy so if a fire develops on or close to the Village site, we can be of immediate assistance with trained responders and adequate equipment.

Although the cabins will be heated with electricity or natural gas for safety, on approval by the Village Director, some well know tenants may also be allowed a wood stove that can add heat and atmosphere as the occupant decides. Some cabins will have a very small electric kitchen, but all cabins will have at least a microwave oven.

An appropriately sized fire extinguisher will be provided and maintained in each cabin in the kitchen area. These, along with smoke detectors, will be inspected monthly to ensure they are functional. Additionally, each laundry/well house will have a larger extinguisher and provide pump water to fire equipment from that well through an outside faucet. This should provide adequate water to fight any fire for the 10 cabins the well house serves even seasonally.

In each pod of five cabins (6 structures as there is one laundry/well house per 10 cabins) there will be a fire watch assigned. This means that no less than one person in each pod of cabins will have specific training and knowledge in fighting fires and notifying emergency services. Appropriate drills will be scheduled to ensure they are knowledgeable and responsive. This is actually similar to barracks housing in most military installations.

Each well house will have a fire alarm inside close to the large extinguisher.

The Anchorage Fire Department will be invited to review the project's plans and their emergency plans. It is most likely this will also be part of the cooperative agreement with JBER if we are able to lease the site. Additionally, the Anchorage Fire Department will be invited to the site at any time a new pod of 5 cabins is placed enabling them the opportunity to review extinguisher placements, pump water access and the overall site emergency plan as well as updating their familiarity with the Village as it grows.

- 25 cabins, one each @ \$10 \$250
- 3 well house extinguishers @ \$30 \$90
- 3 pump water systems for firefighting \$600

The two-story main building will also need no less than one extinguisher per living unit and in its kitchen. Additionally, there will be two larger extinguishers in the well house for this structure. The well house location will also provide pumped water to an exterior wall for fire equipment hook ups. There will be adequate hose in each pump house to reach the 10 cabins served in that group. There will be smoke and fire alarms located on each floor, at stairs entrances/exits, in the kitchen, and in the mess hall.

- 25 rooms, one each @ \$10 \$250
- 1 in well house \$30

- 1 in kitchen \$30
- 2 in Mess Hall \$60
- Pump water system \$300

One other suggestion we are exploring is the donation of mobile firefighting equipment such as the new foam trucks/trailers. We have been advised that such can be acquired with the support of the Anchorage Fire Department through grants and we are exploring this option. Estimate: \$30K **\$30,000**

- **Fire or Emergency Alarms**

A siren system and loudspeakers (that may include bullhorns) will be located in sufficient numbers to allow all residents of the village to be notified in the event of an emergency. Estimate: \$20K **\$20,000**

Vehicles

Three vehicles are immediately needed for Phase 1. These are:

- | | | |
|--|-----------|------------------|
| • Two 9 to 12 passenger vans | Estimate: | \$140,000 |
| ○ we are only requesting one van for Phase 1 | Estimate: | \$70,000 |
| • One multifunctional tractor | Estimate: | \$45,000 |

The Village will provide daily, a minimum of four, round trips to Anchorage for residents (8a, 12 noon, 6p, 9p) If we don't have anyone in town, we can cancel the trip. Remember, all homeless folks have a cell phone, so they can call to ensure pickup.

- The VA Clinic and hospital
- People Ready
- Nine Starr
- Job Corps
- Union Training shops
- Job sites
- University of Alaska, Anchorage
- Grocery stores
- Anchorage Community Health

The Foundation has submitted a transportation grant request to **Wall-Mart** which often funds similar vans. The acquisition of two vans may take two years through this source, so we will continue to seek other options.

Additionally, the Foundation has submitted requests for the donation of vans that meet our specifications such as ADA complaint, to automobile sales companies in Anchorage. **Anchorage Lithia Chrysler Dodge** has long been a generous supporter of the Foundation and has expressed special interest once the Village is funded. We continue to meet with and discuss our vehicle needs with several other companies in Anchorage who have expressed interest including Kendall Motors and the various auto sales firms they have recently purchased.

- **Passenger Vehicle Insurance**

The Foundation has requested costs of insurance per van for \$1M general liability plus all other required coverage on vehicle insurance, starting with one van and growing, based on the assumption that the two vans would be the only vehicles to have passengers. Estimate: **\$4,500**

- **Tractor** or Bobcat w/forks, bucket, back hoe, auger Estimate: **\$45,000**
This is to provide snow clearing and other onsite services as needed

The Foundation has submitted an in-kind grant request to John Deere Tractor based on a conversation between one of their sales staff and our Chairman.

Vehicles necessary for the onsite businesses will be provided by those companies.

- **Donated Vehicles**

From time to time the Foundation is offered donations of used vehicles. If they are found in good condition, they may be added to the Village's motor pool if determined necessary to mission. Of immediate interest is a pickup truck 4X4 that will accommodate a snow plow. Our experience is that most vehicle donations are not in good condition and that it is not a good policy to try and fix them, but this will be left up to the Village engineer/mechanic and Village Director to decide. If they can be used, fine. If not, they may be given to tenants as appropriate or sold. The Village Engineer has and will continue to monitor Craig's List and other such websites to find good opportunities for vehicles during our development process.

VetVillageAK Capital Budget		2 story & 5 cabins Year 1 Phase I
Vet Village Construction Costs		8,665,407
Vehicle and Equipment		230,000
VA Grants/Per Diem 65% Reimbursement (yr 2)		
Total		8,895,407
Capital Budget		
Phase Construction per year		Amounts
Site Development Costs w/contingency of 15%		1,133,233
Site Rezoning (request MOA waiver) * See Note Below		120,000
Water (2 shallow wells, yr 1; 5 ea yr 2-5)		65,000
Septic (main building & 5 cabins yr 1) 5 cabins yr 2-5		60,000
Exterior Utility Lights		21,000
Electricity MEA (phase I only is \$50,000)		105,000
Natural Gas		226,390
Telephone and Communication Services MTA		50,000
Pathways		10,000
Two story building Construction Costs (see note)		5,787,784
Furniture for two story building (25 living units)		500,000
Outdoor (Fire Pit/BBQ Area)		12,000
Nursery - greenhouse		25,000
Maintenance Shop (3 stall)		200,000
Cabins (\$40K each/5 phase I)		200,000
Cabin furniture per unit \$20K X 5		100,000
Fire Safety & Alarm		50,000
Total Phase Construction per year		8,665,407
Vehicle/Equipment		
Two 9 - 12 Passenger Vans (donation likely)		70,000
Vehicle Insurance		
Furniture, washer, dryers, for 5 Cabins \$21,000 ea		105,000
Tractor/Bobcat for Snow Removal		45,000
Computers, phone, and network		10,000
Total Vehicle/Equipment		230,000

* If site remains in Federal ownership, this is not required

Operational Budget

Startup and Annual Expenses

Year one

- **Site Maintenance and Day Costs**

The Kitchen is of course not only the most expensive area in the new building, it is the most expensive to operate. According to our mentors in homeless veteran programs in the smaller states, it costs them about \$7 to \$10 a day to feed their tenants. When you then consider the cost of food and energy in Anchorage, we estimate that the kitchen day cost will be between \$10 and \$13. This includes three meals per tenant a day, one a sack lunch to take to work, and two or three tenants working in the kitchen at \$10 per hour.

Maintenance is a constant challenge in Alaska, so we need to project \$50 a day or just short of \$20,000 a year. This of course includes lots of seasonal variables, but since this will be a new facility it is not likely we will need more than \$5,000 a year for the first 3 to 5 years. **\$5,000**

- **Getting in the Black – in 18-20 months**

There are two principle income streams for this project, at start up - but we can't bring in these funds until we are built, occupied and functioning. In addition, the building schedule and the funding cycles don't match or line up. Regardless, we plan to be in the black at the end of the first year (12 months) of operation, even at 5 cabins instead of what we want to start with at 25 cabins. This was a struggle, but it was achieved. HUD-VASH vouchers and VA Per Diem are the two base income streams, although we have initiated our private grant request work already. Again, as these grants mature, and we know they have been awarded, we will advise the state and legislature as we progress on potential component reimbursements.

- **Fund Availability/Project Schedule**

The soonest funds could become available for Phase 1 from the Alaska Legislature would be after the Governors review and approval. At that point we can seriously arrange contracts etc. But funding will not become available until the opening of that fiscal year July 1, 2019-20. Given the limitations on construction work necessary to start Phase 1, actual ground work could likely begin that summer and run until freeze causes slowdown. We build year-round in Anchorage, but you really need your foundations in before freeze. After that we can tent and heat for winter construction. It is possible that the Main Building could be up and functional within 8 months of order which puts us into the spring of 2019 unless we have a slow and warm fall season in 2018.

The other possibility is with a clear commitment by the state to some level of investment using a portion of the alcohol consumption tax income, we may be able to leverage other incomes from grants and/or private sources to get started earlier. We are exploring this option now.

- **One-Year Money**

For most of the operational funding we are seeking from federal grants we will not qualify for these **grants** until **we have a built and operational project**. This is very important to understand. This is specifically true for project specific HUD-VASH, obviously a key income component to this project. This is why we are asking for a one-year operational grant from the State Legislature in addition to the capital grant. The operational funding is only for one year, but it **cannot be set up as a non-profit reimbursable grant**. We simply cannot raise adequate funds 'upfront' in this economy at this time to cover operational costs. Our

fundraising efforts in 2017 were not as successful as normal with most supporters saying – ‘just can’t do it this year given the price of oil – call me next year’. We will need to access these funds for staff etc. as they need to come on board with the completion of the buildings and demand for shelter.

Staff & Policies

- **Hiring Policy – Vets First**

It is the policy of the Alaska Veterans Foundation, Inc. to hire veterans first. If we cannot find a qualified veteran to fill a position, we will consider members of veteran or service member families who qualify. If again we cannot find a qualified person in this group, we will seek other Alaskans who meet the qualifications. This policy is in great part a result of our camaraderie or sense of community priority for veterans.

- **Hiring Schedule**

It is not anticipated that all staff will need to be in place the first 12 or 18 or even 24 months since we may be starting with only 30 units and not 50. We would like to have the Village Engineer on site during construction, so he has a keen understanding of what was built, how, why, etc. as he will be directly responsible for any maintenance. The Foundation’s Chairman, a professional Project Manager for large residential developments and former residential general contractor in the Anchorage and Eagle River markets, will also visit the site no less than twice a week during site prep and construction. Otherwise we will not need program or facility staff until we are essentially completed with the 2-story and the cabins which will not likely be until summer or fall of 2018. So, how we apply the cost of staff will depend on when we are funded and when we open within that fiscal year.

Additionally, many of the assistant staff will likely not be necessary until we have more than 50 residents. Staff positions will be phased in as demand warrants. All staff positions necessary for the first year’s operation are indicated with a * after the position title. All senior staff will be asked to make no less than a five (5) year employment commitment to their position and to the Village. Resident workers will be paid or credited no less than \$10 per hour and added as necessary.

- **POLICY: Mental Health/Respite requirement**

Working with the homeless, especially the chronic homeless with their full range of mental health disabilities is extraordinarily demanding – even on mental health professionals. It is a staffing requirement, **NOT OPTIONAL**, that anyone who works directly with the homeless **MUST take no less than a 10 day respite every 90 days** unless otherwise approved in writing by the Director – and that would be extraordinary. It is our hope that staff will take advantage of the various programs offered in the Village such as hunting and fishing trips or other types of recreation. Such would be considered ‘respite time’. The Village/Foundation is making a significant investment in these staff and it is critical that we ensure they stay with the Village at least five years. Respite is an essential management tool to help us reach not only our staff retention goal but always offer appropriate services with the right mental attitude. This is not just an idea, but a policy decision based on our 8 years of work and our interface with a number of providers who wrestle with this challenge. *Respite is essential.*

- **POLICY: Suicide Prevention Certification requirement**

Every employee that directly interacts with tenants is required to take the training and be certified in suicide prevention. This is to ensure that anyone interacting with a tenant can recognize the signals when presented

to assist the program stopping any suicide attempt. Any employee that becomes concerned with a tenant's psychological or emotional behaviors will immediately advise the Village Director and/or the Village VSO of their concerns.

Staff Positions

Village Director* (full time/onsite 24/7) **\$75,000** (w/full burden: \$22,500) **\$97,500**

Directly responsible for the day to day operation of the Village (physical plant and programs) Given the nature of the Village and its likely need for attention and/or services 24/7 especially in the two-story building, the Director is requested to live in the Village for at least one year, and be on call although there will be a Night Manager for evenings. This is a professional salaried position but may create challenges with the AK DOL Wage and Hour Laws, and the Foundation is working on solutions to that challenge.

Requirements: Must have at least a BS degree in Social Services, although we would prefer someone with a graduate degree in either Social Services or Psychology. Should also have formal (2 years minimum) management training or at least 5 years of successful management experience. Should have no less than 5 years' experience in overseeing or serving in a senior position in a program addressing homeless persons. Must also qualify as a HUD-VASH case manager. Must have up to date certifications in CPR and other emergency services as well as suicide prevention certification.

Assistant Director (part time) **\$35,000**

Not required to live in the Village but that will be suggested. Should have similar qualifications as the Director but may have less experience in working with the homeless and/or social services. Must also qualify as a HUD-VASH case manager. Must have up to date certifications in CPR and other emergency services and suicide prevention certification. It is hoped that this position will allow the Foundation to offset the "on call" costs of the Director.

Night Manager* (full time/onsite/ 10pm to 6am) **\$50,000**

The Night Manager is a full-time position required to live on site and be in their office/main building these hours. Must qualify to function as a HUD-VASH case manager. This may require more than 8 hours a night which could exceed the AK DOL Wage and Hour Laws. The Foundation is now working on solutions to this challenge in an effort to limit hours to no more than 8 per night and only 5 days a week. This position could also be combined with the handyman position if the applicant's skills were appropriate.

Assistant Night Manager (part time) **\$25,000**

May serve as a relief in shortening the nightly hour requirements of the Night Manager. Will not be necessary until we have at least 50 cabins occupied.

Chef* (full time) **\$65,000**

We would love a retired or experienced military service Mess Sargent. Responsible for the full oversight of the kitchen in the 2-story facility which will be staffed and supplied to serve up to 100 meals three times a day. Prefer someone with remote camp experience in Alaska so that they know how to take care of their needs as if in a remote camp. Must have up to date CPR and other emergency response credentials. The Chef is also responsible for coordinating with the Director or any other staff who wish to provide fresh fish or wildlife harvested in a recreational trip by the residents The Chief is also responsible for coordinating

the planting and harvest of fresh vegetables in the greenhouses and raised gardens with the greenhouse manager.

The Guest Chef Dinner program is something that has developed in our interaction with local restaurants. The Chef will be responsible for organizing and overseeing the Guest Chef program providing a guest chef at least once a month.

Case Work Management* (full time/onsite as agreed) **\$65,000** (w/full burden) **\$84,500**

This position is a professional position and enormously important in ensuring we find homeless vets in all of the various programs/projects in Anchorage who can qualify for either Housing First or Long term/Permanent Supportive Housing. Also, will require working with the twice a year Point-in-time Counts in the homeless camps in Anchorage, Catholic Social Services, the Anchorage Community Mental Health Service office and other intake and support organizations. Will constantly integrate case work with the onsite VSO and the VA health and mental health programs.

Requirements for this position we require no less than a college BA/BS degree in appropriate area of study (social work, psychology, behavioral sciences), significant experience in case work in the Anchorage and/or Alaska area with a top service provider like Catholic Social Services or the like.

Assistant Chef (part time) May be a resident w/experience **\$30,000**

Kitchen Staff* All kitchen staff will be made up of residents in the Village to assist them in meeting their daily work requirements. (paid or credited \$10 per hour)

- o Dishwashers Servers General cleanup

Village Engineer* (full time) **\$35,000** **w/burden** **\$45,500**

If at all possible, the handyman will be a resident of the Village. If possible, we will double this position with the Night Manger. Must have significant experience working with the homeless. Must have significant experience in general maintenance, carpentry, and mechanical services. Will also be the operator of the tractor/Bobcat. This is the person we call when something breaks or needs fixing. Given the nature of this work the handyman will be fully insured by the Foundation for Workers Comp and all general liability coverage. If the position is doubled with the Night Manager, we will also include health insurance.

Resident workers in Shop (paid \$10 pr hr)

We anticipate at least 3 residents working in the shop. We believe we will not need any until we have at least the 2 story Housing First structure up and operational. The need for workers here will grow with the village and demand.

Drivers (1 + 1) (we will start with one for the first year and add the other as demand warrants) each van will have an assigned driver. (paid or credited \$10 pr hr)

Provided that a resident does not have any DUI's or the last one was more than three years prior and the resident can secure a valid AK Driver's license and meet state required auto insurance minimums, the drivers will be hired from residents in the Village to help them meet their daily work requirements. The ignition of each vehicle will have a breathalyzer start mechanism that will not allow the vehicle to be started if the driver has been drinking.

Nursery and Grounds Maintenance Director* (full time) **\$35,000** **w/burden** **\$45,000**

The development and management of the nursery and grounds maintenance requires a full time experienced professional. This position is critical to getting the nursery up and running for our first winter if at all possible. We anticipate hiring homeless veterans from the VA Dom in their outside employment program that allows residents to bank sufficient funds to pay, after graduation, their first/last month's rent in a local apartment in Anchorage. The Foundation has had very good experience with this program in a number of projects over the years and has always found qualified and willing recovering veterans at The Dom when needed.

Nursery/Grounds Maintenance workers* (paid or credited \$10 pr hr)

All of these workers will be residents of the Village. In our interviews we found a number of homeless veterans with experience and a desire to work in these areas. This provides year-round work for 4 residents both in and out of doors and is physical labor that often is desired by recovering homeless.

Accountant/Bookkeeper* (in-kind donation)

- Contracted service (in-kind donation) estimated annual cost **\$20,000**

Professional Grant Program Manager/Writer* (contract for service) **\$50,000**

Must have experience in HUD-VASH Project Specific voucher grants as well as transferable experience in the development and narration of all public and/or private grant opportunities for the Village both in capital and operational cost areas. It is our preference to continue working with Resource Associates/The Grant Writers www.grantwriters.net We contracted with them during the predevelopment process as they have a keen understanding of this project and have been successful in assisting the Foundation (and other Alaskan groups) in pre-construction grants applications and returns.

Attorney* (Pro Bono) Alaska Bar Association (The Foundation already has a Pro Bono attorney, but believes a separate attorney for the Village is appropriate)

- Contracted service (in kind-donation) estimated annual value **\$20,000**

Furnishings and Equipment

Main Office/Director's office

- Desk w/credenza
- Book cases
- 2 four drawer file cabinets with locks to protect confidential personal files
- 3 chairs

Facility & Office Equipment

Main Office

- 5 Desk top computers
- 1 three-way printer/copier/fax
- 4 color printers (under \$200 ea)

Kitchen

- Stoves
- Dishwashers
- Prep tables
- Refrigerators w/freezer (may be separate freezer)
- Sinks (three basins)

Day Room/Mess Hall

- Satellite Television w/flat screen 50 inch minimum (donated)
 - TV is NOT provided in the individual rooms/cabins unless the tenant provides it
- Library(donated/coordinated with Anchorage Library)
- Furnishings: seating w/tables for at least 100 three times a day.
 - (2X4 furniture built by VA Domiciliary/Veterans)
 - Alaska Log Furnishings (have tables for 6 to 8 with benches which will be cheaper and easier to work with in the mess hall)
- For other parts of the Day Room some couches and larger chairs acquired as available.

Maintenance Office and Equipment

- Desk
- File cabinets
- Chairs
- Lamps
- Book cases

Shop

Tools/Equipment (most from Craig's List)

Materials/Supplies for Offices

- Paper (COSTCO)
- General Office items

Operational Budget

- **Site Acquisition**

It is again important to point out that although we have a site identified, *we do not have a legal agreement in hand for this property or its lease.* We cannot actually pursue this property any further until the state has made some type of formal commitment to the project and this location. **It is a formal request from the state/Governor and our Congressional Delegation that will trigger this option.** As discussed previously, we have been and continue working with the Alaska Mental Health Trust, the AK Dept of Mil & Vet Affairs, our Congressional Delegation, the Office of the Governor, etc. to secure this site as quickly as possible.

It is our expectation that this property will be leased or conveyed, by action of Congress, to the state and that the state will decide if the Alaska Mental Health Trust or the Department of Military and Veterans Affairs is responsible for working with the Foundation in the development and operation. Some type of site lease and cooperative agreement as may be required by the state should then be worked out. For purposes of planning we are providing an estimate of \$5,000 a month for the site lease. **\$60,000**

Income Sources

- **Tenant Contributions/Operating Budget**

Consistent with the policies of VetVillageAK and the Foundation and consistent with a number of grants that will underwrite this project, **no less than 30% of total income of each and every tenant shall** be contributed to the operational income of VetVillageAK monthly or as received.

When a prospective tenant engages with VetVillageAK to become a tenant, the Veteran Service Officer and/or the intake office will determine what incomes that veteran or prospective tenant has or may in the future qualify for. The tenant will then sign an agreement that no less than one-third of their total income source(s), as received, will go directly to VetVillageAK each pay period to offset their costs in the Village for as long as they choose to stay in the Village.

We have found that most homeless persons have some level of income. Most receive some type of disability income be it Social Security and/or VA disability payments. In addition, some homeless have other incomes from retirement etc. They just don't have sufficient income to provide for permanent shelter each month or they don't have the mental acuity to responsibly manage their limited income to enable permanent housing.

We have projected this 'tenant or resident' contribution at 30% of a minimum wage job to be conservative. But it is important to remember that the HUD-VASH voucher will cover the difference and that is why such is presented this way.

The estimated income from these sources is: 30% of net income for residents at 35 units

+ \$170,000 in income a year

[50% will go towards housing and the balance toward other costs]

+ \$85,000 a year

HUD-VASH project specific vouchers should represent \$725 per month for the small units in the 2 story and \$825 per month for the cabins. This is the full cover for each of these unit rents from which the resident's contribution is deducted. If a tenant has an income that exceeds the HUD-VASH income

threshold, then the tenant will need to pay all of their monthly rent through a payment agreement within 24 hours of receipt of payment.

Although Phase I , the 5 cabin option and a laundry unit, the growth of the Village will be dependent on demand and success (not on wishful thinking) as well as the flow of capital to add more cabins. For the purposes of planning the below schedule is provided:

- Phase II 5 cabins (year 2 - 3)
- Phase II 5 cabins (year 3 – 4)
- Phase IV 5 cabins (year 4 -5)
- Phase V 5 cabins (year 5 – 6)
- Etc. until we have 75 cabins

We are not projecting out at this number because we do not want to build cabins that do are not needed. We want to grow based on demand – maybe a cabin or two ahead of demand, but not build it and hope they will come, but we would like to be just a little in front of demand, so when we are full, we will start a new pod of 5 cabins.

So, if we have 35 units (5 cabins and 25 single living units in the main building) that are all single residences the annual income from these residences will be approximately: \$304,500 Now remember a portion of this ‘revenue’ is offset by resident contributions, but only a portion of all resident contributions will go into their rent. For planning purposes, we will estimate that total ‘unit’ income will be \$305,000 per year with 35 units and that about half of the resident contributions will be included in this revenue stream. That will leave about \$85,000 in other income from residents toward the operation of the Village.

+\$305,000
+\$85,000
 +\$390,000

• **Project Specific HUD-VASH vouchers/Operating Budget (KEY ITEM)**

We are requesting assistance from our Congressional Delegation to ensure that 30 project specific HUD-VASH vouchers for the 5 cabins and the 25 single living units in the two-story building be included in the next federal VA budget. These vouchers do not get activated until the unit is occupied, therefore there will be sometime between when the units are completed and occupied that will not generate income. The value of a HUD-VASH voucher is dependent on the income or rather lack of income of the tenant and the cost of the unit they live in and the difference. Remember that every tenant is required to make no less than a 30% of total income contribution to the Village monthly.

• **Eligibility Criteria**

Veterans who are appropriate for this program must be VA health care eligible Veterans. VA eligibility makes this determination. If a veteran requests housing but is not yet VA eligible, if our VSO believes the veteran will qualify, we may provide temporary housing until they have been connected to the VA.

Veterans must meet the definition of homelessness defined in The McKinney Homeless Assistance Act as amended by S.896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

Veterans who are appropriate candidates for this program must need case management services in order to obtain and sustain independent community housing. Veterans who need case management services generally have serious mental illness, substance use disorder history, or physical disability. Veterans with the most vulnerability are excellent candidates for this program.

Eligible candidates for the program are expected to participate in case management and utilize the supportive services, treatment recommendations and assistance needed to successfully maintain recovery and sustain housing in the Village. Case Management is the heart of this program and is a requirement for participation in the HUD-VASH voucher program.

The VA determines clinical eligibility for the program. The PHA determines if the Veteran participant meets HUD's regulations for this program. The PHA will determine eligibility based on income limits. Also, the PHA will determine if any member of the household is required to maintain Lifetime Sexual Offender Registry status – those who do are not eligible to participate in this program.

HUD-VASH provides permanent housing for eligible homeless Veterans who are single or eligible homeless Veterans with families. The program is developed for the homeless Veteran, so eligible Veteran families must include the Veteran.

Because HUD-VASH via the VA provides for Veterans with medical, mental health and/or substance use disorders, eligible Veterans must be able to complete activities of daily living and live independently in the community with case management and supportive services.

Again, we estimate about \$169,160 of annual income from tenants based on the 30% rule and a 35 unit occupancy start, we project a short fall in per unit incomes in qualifying and receiving these vouchers from when a cabin or room is constructed and ready for occupation, we have requested an operational budget item to cover this shortfall of:

- **VA Grants and Per Diem/Capital Budget**

Although the VA Grants and Per Diem program is currently on hold, this is a program this project, at least in part, qualifies for in our provision of transitional housing under a Housing First philosophy. Once constructed, **up to 65% of the cost of construction** can be reimbursed by this VA program. If the cost of construction for Phase I ends up at **\$7,808,234** as estimated, then **this reimbursement should be about \$5,075,352**. Not a bad return on investment by the state and you receive, just starting, 35 homeless veterans off the street and on their way to a new life. **+ \$7,808,234**

These reimbursement funds, upon receipt, would either be returned to the State or invested in completing the remaining cabins (total cabins at 75) – as is agreed with the Legislature in their appropriate terms.

We do not know at this time when this program will begin to accept housing applicants, but have worked closely with the Office of the Secretary of the Department of Veterans Affairs and the Alaska Congressional Delegation to monitor this and advise us once new applications will be accepted.

- **VA Per Diem Grants**

The US Dept. of Veterans Affairs provides, to qualifying projects/programs, monthly per diem for disabled/recovering homeless veterans a **\$45.79 daily** (recently increased) per diem. Based on opening with 35 occupied living units for transitional housing (24 months), we estimate this annual income to be

\$584,967.25 for the first year. Cabins that are used as long term supportive housing do not qualify for VA Per Diem only HUD-VASH vouchers.

These income streams provide sufficient income against cost to allow this project to be in positive balance its first 18 months of operation without any other source of income – if the State of Alaska provides the capital and first years' operating expenses so that we can qualify for these federal incomes. But, we have included other project incomes that are now in development for this site that will further ensure the project is economically self-sustainable and will no longer require any additional state funding. We also have not included the value of an in-kind donations that realistically could dramatically reduce site development costs as well as other structural and operational costs.

That does not mean that we think the state should not continue to contribute to this venture and its clones in other Alaskan communities – we think it should since this project alone will, at full completion, remove 100 homeless veterans from the streets of Anchorage at **a savings to the municipality and the state of about \$10,000,000 a year**. Not a bad return on the state's investment.

Remember, the homeless are expensive on the street but far less expensive when in warm and safe homes with work. +\$553,414

Other Income Sources/onsite businesses

It is important to point out that the principle purpose of these on-location businesses is to provide training and jobs for the veterans living in the Village, it is also understood that they will make a significant financial contribution to the operation and maintenance of the village and its occupants via surface lease payments and other revenue sharing. Every one of these businesses is committed to ending veteran homelessness and suicide as one of their principle missions and the decision to locate in or close to the Village. And yet the Village is designed to **be financially self-sustainable even without these businesses or their financial support**.

- **The Alaska Veterans Foundation, Inc.**

This is a project of the Alaska Veterans Foundation, Inc. and it is only the first. We are already in discussions for a Village in Mat-Su and in Fairbanks. We have been offered land in both locations IF the State of Alaska gets this started.

On yearly average the Foundation has income of \$30,000 in donations. But this changed in 2017 with the sponsorship of Tudor Bingo under our new State Gaming Permit and appears to be providing about \$20,000 to \$40,000 a quarter in contributions. Conservatively we think we will have about \$100,000 a year in donations to apply to VetVillageAK/Anchorage. Our work on the Fairbanks and Mat-Su opportunities will include each Village's fundraising strategy within their community.

- **Firewood & Wood Pellet Business – Contributions/Operating Budget**

A partnership between Arctic Firewood Supply and Land Clearing, Inc. a company of Pace Enterprises, Inc. an Alaskan corporation, has been in discussions and testing with the Foundation for over a year. Brad Pace the owner of this business has essentially all the distribution agreements in the Anchorage market for packaged firewood. Mr. Pace is a full-time employee of the Anchorage School District as an equipment

operator and runs this small business after hours. An operational agreement is now being finalized between this company and the Foundation that will enable a wood lot location close to VetVillageAK for the cutting, splitting, and packaging of firewood for the Anchorage market with the VetVillageAK logo. A portion of these retail sales will go to VetVillageAK under this agreement. Again, this site will be under a commercial land lease at an existing commercial site and not at the Village location.

In addition, Greg Bell, Valley Sawmill who has been in this business for over 30 years has asked the Foundation to work with him in the cutting and removal of trees from JBER at the request of base management. Greg is not that interested in using the trees as they are not of any value other than firewood due to red heart in the birch and bugs in the spruce. We are now in discussions on this opportunity for jobs and wood for the project. The base reports they have about 1,700 acres they want to clear or thin over the coming years. We have now reached out to the base commander's office to partner on this venture. Obviously this has significant potential for our firewood business in the Village.

Tenants of VetVillageAK who are employed by this business will contribute of no less than 30% of their earned monthly income toward their housing and operation of the Village.

If a tenant of the Village works only 4 hours a day, 5 days a week, which is our required minimum unless there is some 'accommodation', they will realize an income of about \$800 a month. That is sufficient to pay for most of the rent of their cabin. If a Village tenant works 8 hours a day 5 days a week, they will realize at least \$1,600 a month again more than sufficient to pay for their room and board. Again, keep in mind that being a member of the community of veterans may be more important to the veteran than spendable income, and they will choose to stay in the Village. Having successful tenants living in the Village is an important model to new tenants.

Another source of trees is from the AK Department of Transportation, who continue to clear areas for road/highway improvements in the Southcentral area. A recent example was the new bridge over Eagle River which cut down about a year's supply of firewood. Although we reached out to AKDOT and asked about the donation of these trees based on the agreement that we could have them picked up and removed from the construction site within a few days. AKDOT advised that these trees were not available as they were 'for the public' not any specific entity. We suggested that providing them to the Foundation would relieve them of the cost of gathering, cutting, lifting, conveying and depositing at some location for the public to take for firewood. We continue to pursue this and other potential sources of firewood via AKDOT and would certainly appreciate any assistance here by the Office of the Governor and/or the Legislature.

In addition, we are developing a business relationship between the Foundation and a Native Village Corporation in the valley for fallen or harvested birch and spruce on property that they are developing in the Mat-Su Borough. This will be one of the supply sources for raw cant wood for the firewood business at the Village. Others include residential developers in Eagle River who are cutting down trees to open new areas for development. This relationship with Brad Pace was initiated in 2012.

Another suggestion is the location of a small sawmill to cut dimensional lumber for the Village. Using large birch or spruce for dimensional lumber in the 1 inch or 2-inch thicknesses could be a valuable contribution to lowering the cost of fixing things or building new structures such as a sauna, raised gardens, etc. If large cants are provided that allow for the cutting of 6X6 three sided logs, they can be used for additional cabins. Again, this provides residents with something to do outside and be contributing members of the Village as well as providing them income.

This business will not only pay those who work in cutting, splitting, and wrapping up the firewood, but also contribute through the sale of any firewood with the VetVillageAK logo on it. In addition, cord wood will be cut and stacked at the wood lot for commercial sales in the Anchorage market.

It is anticipated that this income source will develop quickly given the demand for firewood and wood pellets in the Anchorage and Mat-Su markets and the loss of competitors in this market due to age and injury. It is estimated that the monthly contribution of the firewood business will be approximately \$50,000 by the end of its first year of operation.

Because this business is somewhat seasonal, it is better to look at the annual and/or seasonal income stream from this contributor. We are also considering a large heated structure that can provide year-round wood work for the Village. That cost/budget is below. We anticipate that by year three of the Village being in operation, the annual contribution of the firewood business will be no less than \$50,000 and we anticipate upwards of \$75,000 or more.

It is important to point out that this business is inherently dangerous with saws, splitters, and haulers etc. involved. Although the company will bear the cost of workers comp and general liability insurance to help cover workers, VetVillageAK will also carry full general liability insurance in the event of an injury of any resident worker on site or involved in the business. The estimated cost for this insurance is: \$25,000 at a minimum, but this cannot be finalized until we have this operation fully designed and available for insurance inspection.

- **The Nursery & Greenhouse**

In Phase I we will build and operate a small but commercial scale greenhouse and plant nursery. The function and purpose of this is first to provide fresh vegetables year-round for the kitchen, provide plant starts for spring planting in the various raised gardens in the Village, and last begin the development of Alaskan plants (trees/shrubs/perennial flowers) for sale at Farmer's Market locations in Anchorage. This is a good potential revenue source for the Village. Funding, based on income will go towards the further development/growth of the nursery program and then to the Village General Fund for its operation. The Nursery will not be on a separate lease as it is a functional component of the kitchen as well as providing jobs. We have also been in discussions with former local nurseries that have old greenhouse frames to donate.

Likely income will not be expected for two-three years from start of the nursery. After that, the income goal will be to fully offset the cost of the Nursery Program by year five and then make a significant contribution toward the village as it is able.

Financial Plan

Once we know when this project will be funded, we can project, by state/federal Fiscal Year, what positions will be funded for how many months of the first FY of the project. It is virtually not possible to do that until we know the specific month we have the funds and can initiate the lease agreement if required and site development and facility construction if not initiated under other grants. Until the main building is up and soon to open we will not hire earlier than 14 work days prior to opening to allow adequate training and integration with the village. At least 30 days prior to hire we will initiate advertising on VetJobs.com and other platforms for our initial human resource requirements.

The Village Board of Directors, working with the AK Dept of Mil & Vet Affairs will update the operating and capital budgets each calendar year after we open. A formal 5-year financial report/plan to include Village capital improvements, operating expenses, incomes (grants, donations) etc. will be formally approved by the Board prior to transfer to the state DMVA. A copy of this annual report will be provided to any financial contributor to the Village or its programs or any person or organization who requests it consistent with our 501c3 status.

If we are funded by other grant sources appropriate request and reporting adjustments will be made in schedule and cost in anticipation of state funding.

If we are funded and can initiate construction by late summer '18 we project that we will be open, at least at some scale, by March 2019 at the earliest – thaw dependent. We will need to have our Village Engineer on site (likely a mobile home we are having donated as a temporary Project Headquarters on site). So, it is very likely that first staff hire other than the engineer will not take place until around mid to late March of 2019.

A review of the attached spreadsheets for both capital and operating will give you a good idea of how this will flow. PLEASE keep in mind that these remain estimates from professionals who do this for a living, so we anticipate them being very close. Also remember that we cannot count in-kind contributions such as the design and construction of the road and building pads by, for example the Alaska National Guard and/or the engineers unit at JBER. Demand is a key consideration of how quickly we accommodate new residents, but so will income – which will not be requested from the State but will be provided by federal grants, federal reimbursements, municipal grants and private grants along with HUD-VASH vouchers etc.

As the onsite/or close business operations develop we will also begin collecting site lease payments as well as product royalties and other incomes from those operations.

The commitment of this project is to be financially self-sustainable within 18 months of opening operation. We plan to provide both the House and Senate Veterans Affairs Committees of the Alaska State Legislature, the Office of the Governor, and the Commissioner of the Department of Military and Veterans Affairs and the Alaska Mental Health Trust with our annual report on ending veteran homelessness and suicide in Anchorage and then across Alaska.

Again, it is our intent to build and start operation of VetVillageAK under the Foundation's umbrella, but then to pass it on to the Alaska Department of Military and Veterans Affairs by year three under the competent management of the state's director. The Foundation will continue to be involved, but for the long haul, we think it better to have the state Director of Veterans Affairs to take the keys when ready.

VetVillageAK Budget	Phase 1 Year 1
growth projections (added cabins per year)	5 cabins
Annual Operating Budget INCOME	
Rental Income (\$725 per/mo. x 25 Single Units)	217,500
Rental Income/Cabins (\$825 per mo = \$9,900 yr each)	49,500
Firewood Business/Partnership (village income portion w/lease rate)	50,000
Nursery Income	5,000
<hr/>	
Tenant Contributions (30% of net income at minmum wage) \$5,000 yr per tennant	50,000
VA Per Diem Grants (\$45.79 day) * See Note Below	417,834
Private Donations	20,000
Charitable Gaming	100,000
Total Revenue	909,834
<hr/>	
Operating EXPENSES	
Vet Village Director	75,000
Assistant Director	
Night Manager	
Assistant Night Manager	
Chef / Cook	50,000
Assistance Chef	
Case Work Management (VA Accredited VSO)	65,000
Land Lease Payment (\$5,000 per month)	65,000
Village Engineer	45,500
Nursery and Grounds Maintenance Director	35,000
Grant Program Manager/Writer	50,000
Accountant/Bookkeeper	5,000
Attorney (Pro Bono)	0
Burden (Social Security Tax, Insurance, etc...)	62,000
Utilities (Electric) (\$50 per living unit per month) *** See Note Below	18,000
Fuel - vehicles	10,000
Food - kitchen (\$10.31 per day per resident) ** See Note Below	112,895
Insurance (General liability, Fire, vehicle)	29,000
License & Permits (assuming MOA waivers)	1,000
Office Expense	5,000
Real Estate Tax (501c3 exempt)	0
Other	
Total Operating Expense	628,395
Net Income from Operations	281,439
<p>* VA Per Diem max is \$45.79 per day, 25 transitional units, 365 days per year = \$417,834 ** USDA National moderate rate for 18 yr-old male is \$309.40 per month or \$10.31 per day *** Utiilities at \$50 per month for 30 (vice 5) units is \$18,000</p>	

Grants

- **5-year grant plan – grant structure/schedule**

One of the most important predevelopment components of this project is our Five-Year Grant Plan. This is a structured scheduled five-year plan for applying for, receiving, and managing grants in a wide range of applications. Project Specific HUD-VASH vouchers are but one of dozens of possible grants this project qualifies for.

To accomplish the development and ongoing maintenance of this 5-year grant plan the Foundation reached out to Alaskans who might be interested and qualify for this work. Although this was a sustained effort, we were not able to find a grant writer that was not ‘conflicted’ or qualified to be of assistance. As a result, we initiated a national search via contacts and the Internet. This effort resulted in a contract with Resource Associates, who has not only provided our 5-year grant plan but has also helped train us in grant work – that training continues. We are also now working on specific strategies for specific components of the project with the hope that we can reduce the cost over the first few years including hopefully providing additional reimbursements to the state. The five-year grant strategy is provided in the appendix.

Other than HUD-VASH and VA Grants and Per Diem, other grants are considered the ‘*extra income*’ for this project that is targeted to specific needs. Yes, most will have immediate application to the programs and facilities of the Village, but it is the intention of the Foundation that the Village be self-sustainable without grants other than the Project specific HUD-VASH vouchers and the VA Grants (reimbursement for the cost of construction) and Per Diem (\$45.79 a day per housed veteran in transitional housing not HUD-VASH). The reason for this is that many national grants are not available to Alaska and some even exclude Anchorage. This unfortunately is a result of our Permanent Fund Dividend and those who oppose the notion of ‘citizen ownership’ of our subsurface rights. Most federal government grants are open to Alaska dependent on the location of the actual facility. For example, since Eagle River is inside the MOA, the project may not be able to secure any Department of Agriculture ‘rural’ development grants. We will make an effort at qualifying for such, but the program’s history gives us little hope. One of the costs for insisting that we be within the MOA.

The Grant Writer/Manager is a key member of the management team of the Village. Our Net request resulted in dozens of applications, but qualifying them and requiring them to prove previous success in our area of grant need was difficult and resulted in most not qualifying. We did eventually find Resource Associates/Grant Writers and we are very pleased with this relationship. Once funded, we will look to Resource Associates for assistance in finding a very qualified on-site grant writer and manager.

- **The Value of Participation by the State of Alaska**

In a word – it’s about ‘**LEVERAGE**’! With the State of Alaska making a significant commitment to end veteran homelessness and suicide in our state, other grant sources are far more willing to risk and partner in this project. As they often say, it’s the first million that is the hardest. This is not a unique happening though as more and more states are beginning to step up and partner in the solution to this national disgrace. After all, we are all citizens/residents of our states and we served to protect them as well as our nation.

Cash flow from operations are positive right out of the gate at year one. To really see the statewide impact, one also needs to add the elimination of cost to this figure. MOA savings add to the positive cash flow overall and this computes to a very large number in a very short period of time. In fact, the State contribution is paid back in savings in less than two years.

The financial picture is based on the number of Veterans housed times \$100,000 per veteran, plus income from operations. This is an amazing positive financial swing from a Statewide perspective. Millions right out of the gate, and in perpetuity.

Capital Grants

Alaska: As mentioned earlier, a grant for the development of the two-story Housing First structure is being developed for consideration by the Rasmuson Foundation, Inc. in Anchorage. This is the type of project they like to support, and we are hopeful they will choose this specific project in the memory of a fallen warrior known to the family. The capital grant request is for \$5,787,784 or a portion of that.

Home Depot, Inc. Has several locations in Alaska, the national company, Home Depot, Inc. has a foundation that is very supportive of veterans and their families. We have submitted a request to the Foundation to provide in-kind the materials needed by the Anchorage School District/King Technical High School carpentry school to build up to five cabins a year once this project is approved. Additionally, we will submit to the Foundation another grant request to donate at least one cabin a year in cooperation with the Carpenters Union in Anchorage.

Program/Staff Grants

VSO (Veteran Service Officer, VVA and AK DMVA) \$55,000.00 a year with additional support (mainly additional travel funds at **\$20,000 a year** per VSO, from nationally congressionally chartered Veterans Organizations such as VVA, the Veterans Support Foundation, and the Alaska Veterans Foundation, Inc. as well as others. Other program/staff grant requests now being developed include:

- **Caseworker**
- **Nurse**
- **Activities**

Other Grants

Although many national grants do not apply in Alaska (some say due to our PFD) there are many national grants that this project qualifies for. Below are listed those grant opportunities we identified prior to our contact with Resource Associates/Grant Writers. A separate report is included with this request from Resource Associates on all the grants they have identified with a note on any that are now in process.

- **Project Development and Operations**

Below Market Rate Interest Fully Amortized loans

Source: Federal Government

Below Market Interest Rate Bridge loans

Source: Government, intermediary lenders, some bank consortia

Conventional Fully Amortized loans

Source: Banks, bank consortia

Construction loans

Source: Banks, bank consortia, government

Deferred Payment loan

Source: Government and federal home loan bank AHP loans

Residual Receipts loans

Source: Government

Deferred Developer Fees

Source: Project Sponsor

- **Equity and Grants to Pay for Development Costs**

Low-Income Housing Tax Credits

Source: Tax credit investors

General Partner Contribution

Source: Project sponsor

Grants

Source: Some government sources such as CDBG; foundations; charitable contributions; United Way/Anchorage, etc.

Earmarks by U.S. Congress (recommended option)

Source: Specific appropriations by Congress for the project

- **Rental and Operating Subsidies to Pay for Operating Costs**

Subsidy Contracts

Source: Government sources such as HUD (SHP, S+C, Tenant or Project-Based Section 8/HUD-VASH*)

Capitalized Reserves

Source: Tax Credits, State and local government funders, discretionary

***Project-Based Subsidies** are attached to units in a project. They can be combined with a government program providing low cost capital to allow a building to house very low and extremely low-income people. Section 202 and Section 811 supportive housing projects receive federal capital subsidies and a project-based rent subsidy. This contract requires HUD to pay the difference between the tenant's contribution (30% of income) and the agreed upon operating budget and, therefore, essentially guarantees the rent and allow extremely low-income residents to live there. Other examples: HUD McKinney shelter + Care, HUD McKinney Section 8 Moderate Rehab SRO Program.

***Tenant-Based Subsidies** are attached to the tenant. If the tenant moves from a unit the subsidy leaves the unit and travels with the tenant. This is currently how all HUD-VASH vouchers in Alaska are. Tenant-based subsidies are not a reliable source of income that should be included in rental income projections for the project. Other examples: HUD McKinney Shelter + Care; Section 8; locally created programs funded through HOPWA, HOME, or local sources.

- **Veteran Specific Funding and Services for Supportive Housing**

HUD-VA Supportive Housing (VASH) Program

Provides permanent housing and ongoing treatment services to the harder-to-serve homeless mentally ill veterans and those with substance abuse disorders. The only PHA given HUD-VASH vouchers in Alaska is the Alaska Housing Finance Corporation (AHFC).

Options:

1. Enter into an agreement with AHFC to receive some of the already allocated HUD-VASH vouchers enabling us to get started.
2. Request several HUD-VASH vouchers be “earmarked” by Alaska’s Congressional delegation specifically for VetVillageAK/Anchorage
 - They could be initially earmarked as attached to prospective tenants until the vouchers can be attached to a project. The tenants would be advised at some point that their voucher is now transferred to the project after they move in to the designated project.
 - Or they could be attached to the project upfront and used to leverage other investment.

VA’s Supportive Housing Program

Allows VA personnel to help homeless veteran’s secure long-term transitional or permanent housing with ongoing case management services to help them remain in the housing they can afford. VA works with local private landlords, public housing authorities, and nonprofit organizations like the Alaska Veterans Foundation, Inc. to find the housing. We believe the Alaska VAMC is currently operating some number of four-plexuses in the Anchorage area. We have inquired as to the actual number of these 4 plexuses and their operational costs per unit/veteran.

Grant and per diem funds are provided to community agencies or nonprofits that provide services to homeless veterans. This grant program **can pay up to 65% of the cost of construction, renovation, or acquisition** of a building for use as a service center or transitional housing for homeless veterans, or the purchase of vans for transporting homeless veterans. The per diem provides funding for operational costs. These are competitive grants on an annual cycle.

VA Veterans Health Administration Homeless Veteran Service Coordinators

These coordinators are not internal staff to a project. They remain within the VAMC structure and generally oversee the homeless programs of the local VAMC. If a project were developed by CIHA that included a Vet Center and a VSO Center, it may be possible; depending on the total number of veterans as tenants we may be able to get a coordinator in the facility. The reference we have been given is two case managers per 50 tenants.

VA Veteran Benefits Administration Homeless Veteran Coordinators

These are in the regional offices, outside of Alaska, and would only oversee the expedition of VA benefit claims for homeless veterans. The key for this project would be the nationally accredited VSO’s on site and their relationship with this regional official. This would expedite per diem and other incomes for a tenant.

Facility and Supportive Service Programs for Homeless Veterans

Healthcare for Homeless Veterans Program (HCHV)

In Anchorage, this program is a little different than in most places. For example: Most HCHV programs do not have anything to do with CWT/VI or any other vocational rehab issues. The Anchorage programs consists of Veterans Industries; Compensated Work Therapy (CWT); Grant and Per Diem; HUD-VASH; compensated work Therapy/Transitional Residence (the VA has four 4 plexuses in Anchorage, housing up to 24 veterans for an extended period. These were acquired for \$1 each under the GSA/Acquired Property Sales for Homeless Providers Program. They recently underwent a \$1.6 million much needed renovation.) with onsite resident managers (we have requested a cost per unit and cost per tenant analysis); compensated Work Therapy Supported Employment; and Homeless Outreach.

In some communities this program can provide extended healthcare services to homeless veterans who qualify and may be tenants of our project. These include: outreach, physical and psychiatric health exams, treatment, referrals and ongoing case management for homeless veterans with mental health problems and substance abuse issues.

Domiciliary Care for Homeless Veterans (DCHV) Program

Anchorage has a Domiciliary (Dom) on C Street and Benson. This is an effective and well respected program, although often not at capacity. The Dom could function well as a solid good referral service to a prospective our supportive veteran's housing project. Veterans who have been successful at the Dom would very likely make excellent tenants. We recommend a formal MOU on referrals and follow-up be structured with the Dom once a project is underway. The Dom will be a strong referral partner with VetVillageAK.

Veterans Benefits Assistance at VA Regional Offices

Anchorage is not a "regional office" for the VA it is a state office. But the relationship of the local VAMC and the Vet Center and the VSOs to this office is critical in serving homeless veterans. They are the VA officials who will receive, process, and expedite veteran disability claims or other claims that may be associated with being homeless veterans. Veterans who establish residency as tenants in VetVillageAK will, if approved, receive some type of monthly benefit income that will comprise some amount of their income base from which to calculate their 30% participation in rental payments.

Acquired Property Sales for Homeless Providers Program

When the VA obtains, through foreclosure, a VA mortgage-insured property, it can be obtained for homeless veterans at a discount of 20 to 50 percent. If VetVillageAK decides to include what are referred to as "scattered sites" these acquisitions could be very attractive, depending on the condition of the property. We plan to pay close attention to any such "sales" and make a bid based on this program in an effort to expand our housing inventory over time. The discount is only available for homeless providers, and if placed within a homeless veteran program would certainly get highest consideration on the sale.

Readjustment Counseling Services at Vet Centers

The Anchorage Vet Center just off Tudor Road is a well-established and respected counseling and job development facility/program. These centers provide outreach, psychological counseling, supportive social services and referrals to other VA and community programs. Every Vet Center has a homeless veteran coordinator assigned to make sure services for homeless veterans are tailored

to local needs. Annually, this national program of 200+ centers provides more than one million visits to veterans and family members. NOTE: that it also provides counseling services to veteran family members dealing with transitions for combat veterans.

Veterans Industry/Compensated Work-Therapy (CWT)

Compensated Work-Therapy Transition Residence Programs

Through its CWT and TR programs, VA offers structured work opportunities and supervised therapeutic housing for at-risk and homeless veterans with physical, psychiatric and substance abuse disorders. VA contracts with private industry and the public the public sector for work for these veterans, who learn new job skills, re-learn successful work habits and regain a sense of self-esteem and self-worth. Veterans are paid for their work and, in turn, make a payment (about \$100 a month) toward maintenance and upkeep of the residence.

Stand Downs

One-to three-day events (traditionally one in summer and one in winter in Anchorage) provide homeless veterans a variety of services and allow VA and community-based service providers to reach more homeless veterans. Stand Downs give homeless veterans a temporary refuge where they can obtain food, shelter, clothing, showers, and a range of community and VA assistance. In many locations, Stand Downs provide health screenings, referral and access to long-term treatment, benefits counseling, ID cars, and access to other programs to meet their immediate needs.

Stand Downs will be an excellent opportunity for VetVillageAK to meet and interact with homeless veterans alongside a host of VA and other service providers in Anchorage.

VA Excess Property for Homeless Veterans Initiative

We have identified this program as a potential way to obtain DOD land in the MOA area for the purposes of starting a Supportive Housing project for homeless veterans and their families. Through the courts interpretation of “excess” or “surplus property” the legislation that authorized this program has been expanded to the full and wide definition of “property.”

This program also provides excess personal property, such as clothing, footwear, sleeping bags, blankets and other items, to homeless veterans through the VA domiciliary and other outreach activities. Frankly, the value of these personal items is very high with almost all being new and of high quality.

VetVillageAK will open this door soon to enable a connection for any homeless or low-income veterans currently housed in even Section 8 housing through their programs. This initiative can also employ formerly homeless veterans to receive, warehouse, and ship these goods to homeless programs across Alaska and the nation.

The Homeless Providers Grant and Per Diem Program

This is a staple program within the VA for homeless veterans. It provides grants (up to 65% of the cost of construction) and per diem payments (**\$45.79 per tenant per month**) to help public and nonprofit organizations establish and operate new supportive housing and services centers for homeless veterans. Grant funds may also be used to purchase vans for the transportation of veterans and to conduct outreach.

A major component of any veterans' housing project should include these grants and per diem as a base for financing both construction and operations. These grant programs are on a schedule and are competitive. We are confident, based on the project/program design that VetVillageAK will get lots of per diem payments.

Suicide Prevention Hotline

This is a national toll-free hotline number, 1-800-273-TALK (8255). It is available 24 hours a day, 7 days a week. VetVillageAK will have this number posted at strategic locations so that any veterans facing an emotional crisis who needs to talk at any time, can reach a trained mental health professional specifically trained in suicide prevention. Additionally, all VetVillageAK employees will be trained and certified in suicide prevention.

Veteran Health Registry

Certain veterans can participate in a VA health registry and receive free medical examinations, including laboratory and other diagnostic tests deemed necessary by an examining clinician. VA maintains health registries to provide special health examinations and health related information to local doctors or service providers.

Gulf War Registry

Due to the extended nature of some yet undiagnosed illnesses that may be caused by various types of exposures during the Gulf War and in some cases the war in Iraq, this registry is open to any Gulf War and Operation Iraqi Freedom (OIF) veteran.

Depleted Uranium Registries

This registry has two. Those possibly exposed to depleted uranium which may have been a component of explosive devices during the Gulf War including Operation Iraqi Freedom. The second is specifically for veterans who served in Bosnia and Afghanistan.

Agent Orange Registry

For veterans possibly exposed to dioxin or other toxic substances in herbicides used during the Vietnam War, while serving in Korea in 1968 or 1969, or as a result of testing, transporting, or spraying herbicides for military purposes.

Ionizing Radiation Registry

Of special interest to Alaskan veterans who may have been exposed during nuclear testing in Alaska, this is for veterans who have possibly been exposed to atomic radiation. These would include essentially any use of atomic weapons in Japan, Alaska, at any testing sites in the United States, or treatment with nasopharyngeal radium during military service. We have a number of "radiated" veterans in Alaska. Most are now very old and very ill.

Vocational Rehabilitation and Employment Program

This program assists veterans who have a service-connected disability with obtaining and maintaining suitable employment. Independent living services are also available for severely disabled veterans who are not currently ready to seek employment.

These are just a few of the grant programs VetVillageAK qualifies for. Attached is the five-year grant strategy professionally developed by Resources Associates at our request listing many more grants this project qualifies for.