

Sitka Housing Development for Adults Experiencing Homelessness



Initial Planning Report

August 25, 2020



Engage Plan Implement



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I. Introduction

Sitka Homeless Coalition

The Sitka Homeless Coalition (SHC) first convened a Board of Directors in May 2018. Since then, the organization has obtained IRS 501(c)(3) nonprofit status and now has five Board members. They are currently all-volunteer and do not receive any of Continuum of Care (CoC) funding, but they have been able to offer some intermittent services such as showers and laundry for those experiencing homelessness.

SHC is proposing a new housing development for adults experiencing homelessness. The project consists of 12 detached small housing units on land owned by the Alaska Mental Health Trust Authority on the north side of the intersection of Jarvis Street and Haley Way in Sitka, Alaska, noted on plat drawings as Lot 3 of “USS 3695.”

Report Purpose + Approach

The purpose of this report is to share findings regarding best practices and lessons learned, and a scan of similar projects around the country; assess two housing development options in relation to their fit for the community of Sitka; provide preliminary capital cost estimates and operating pro forma for the prioritized option; share the results of partner and stakeholder engagement; and, provide recommendations for development of the housing project, based on these initial findings.

Agnew::Beck evaluated the project idea through in-state and out-of-state case studies, and extensive stakeholder interviews with local organizations in the fields of affordable housing, local and Tribal government, and health and human services. Our team reviewed potential funding sources and programs, interviewed subject matter experts, and reviewed past projects to develop preliminary estimates of costs to construct and operate the project.

Project Summary

Vision

The vision expressed by potential beneficiaries of the project as well as by Sitka Homeless Coalition (SHC) is that a housing development provide “Enough, not more than what is needed.”

Goal and Objectives

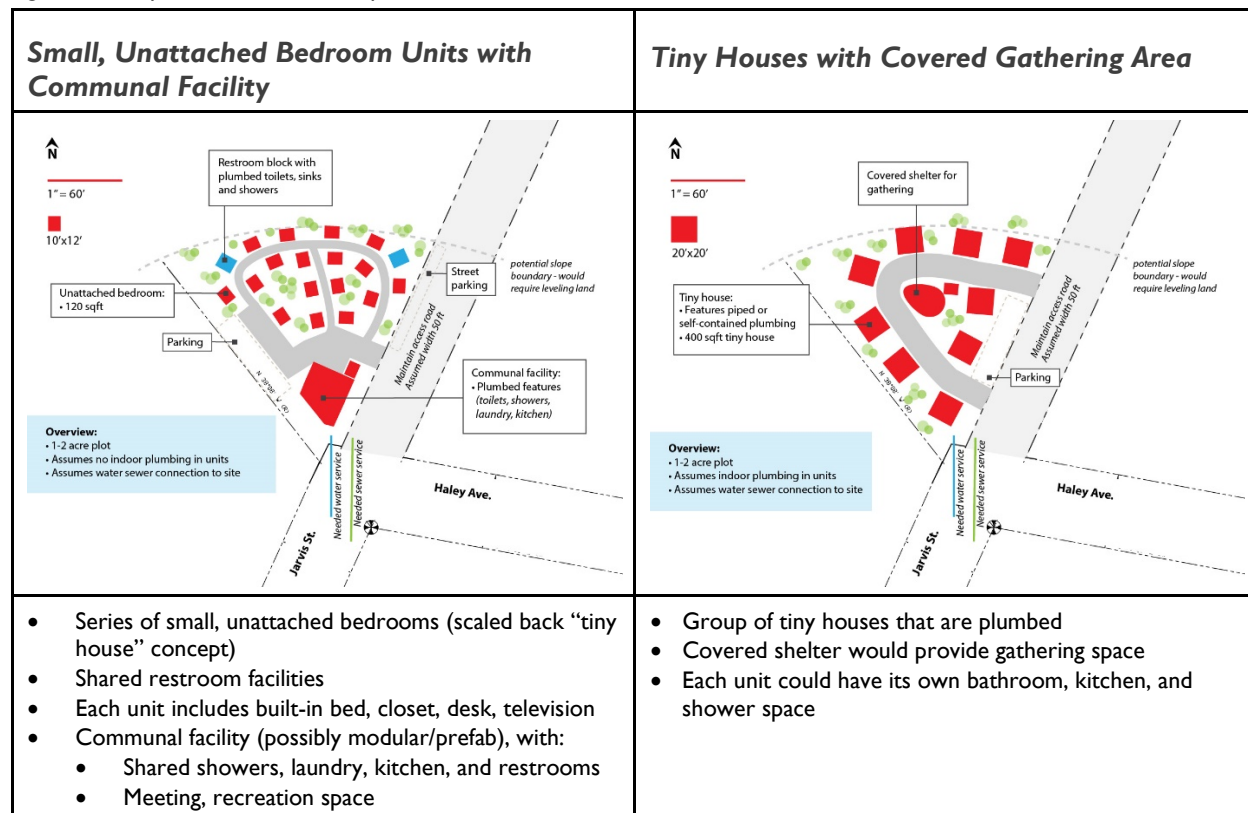
SHC’s goal is to provide adults experiencing homelessness in Sitka the opportunity to live independently in a communal setting, with the following objectives:

- Provide housing stability so residents may consider and address their other needs.
- Offer access to supports such as employment services, health and behavioral health care, and basic needs (food, clothing, transportation); engagement with services and supports is voluntary, not required.
- Provide long term, permanent housing for those who need it.
- Provide housing for those who need a shorter-term option.
- Promote a sense of community.

Key Project Elements

The project site is at the juncture of Jarvis Street and Haley Way in Sitka. Two possible development options have been proposed, as shown below. Interviews with stakeholders and SHC indicate the first option, unattached bedroom units with a communal facility, is well aligned with the intent and vision for the housing. Depending on the final operator, funding available, and other considerations, the larger units in the tiny home concept with plumbing in each unit may be preferable.

Figure 1. Comparison of Two Concept Plans



For either approach, additional elements of the project would include:

- Parking: a separate area for combined parking to accommodate residents and visitors. Street parking along Jarvis may also be available.
- Covered, secure bicycle area
- Outdoor gathering area and fire pit
- Onsite housing for staff for safety, security, repairs and maintenance duties
- Wi-Fi compatibility
- Other amenities as identified by potential tenants and as feasible such as a community garden, recreation spaces, etc.

Key Findings

Concept Selection

Alignment with the project vision – simplicity and providing only the necessities – points toward the first concept of detached bedroom units, with a common building plumbed for kitchen, showers and laundry. This scenario also allows for more units on the site and not plumbing each individual unit reduces capital costs and lowers repair and maintenance over the long term. For these reasons, the detached bedroom plan has been used in developing capital cost estimates and operating pro forma.

Operations

Sitka Homeless Coalition has spearheaded the concept for the proposed development. They are a relatively new organization (formally established for approximately two years) with no paid staff and limited financial resources. However, SCH currently provides adults experiencing homelessness with some services, including access to laundry and showers twice a week. Perhaps even more importantly, through their ongoing interaction with some of the individuals in Sitka who could benefit from this development, they have built trust and formed strong relationships. Their continued involvement is an essential element of maximizing the likelihood that the beneficiary population will choose to reside in the housing and potentially participate in any related programming.

In order to operate the development once it's built, SHC will need to secure one or more operating partners to ensure compliance with Fair Housing Act regulations, appropriate tenant intake procedures, onsite staffing, facility and grounds maintenance and repairs, fiscal management, insurance and other needs. Likely partners could include a housing provider (such as a local or regional housing authority or permanent supportive housing provider), property management organization, a healthcare and/or behavioral health provider, and an organization offering case management or other navigation related to social services. Having these partnerships in place is critical to the success of the project.

Pro Forma

Capital

Estimated capital costs for developing the project using the detached-bedroom scenario are summarized below. These and estimated operating costs are addressed more fully in a later section of this report.

Category	Estimate	Notes
Land	\$109,743	Potential for no-cost or reduced-cost land through Trust Land Office; need appraisal
Soft Costs	\$102,249	Design, surveying, platting, environmental review, permits, inspections, etc.
Construction	\$804,919	Some volunteer labor could offset the costs
Contingency	\$80,492	Assumes 10% contingency based on best practice
Total	\$1,097,403	
Per Unit	\$91,450	12 units

Per Building Square Foot	\$361	Including units, restroom blocks, and communal facility
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Operations

Operating costs for the completed development will depend highly on staffing structure, types of partnerships formed, and level of supportive services provided.

Category	Annual Estimate	Notes
Revenue:		
Fee-based	\$136,800	Rent and sponsor based rental assistance through AHFC
Vacancies	\$ (1,312)	Estimated at ~1% per year on average
Contributed	\$220,000	AHFC SNHG funds, Balance of State CoC, and community donations
<i>Total Revenue</i>	<i>\$355,488</i>	
Expenses:		
Personnel	\$239,000	Assumes 5.5 FTEs for 24/7 onsite coverage; includes benefits
Contracted services	\$38,000	Accounting, property management, etc.
Utilities	\$27,300	
Materials + supplies	\$10,800	
Insurance	\$7,200	
Repairs, maintenance, replacement reserves	\$12,000	
<i>Total Expenses</i>	<i>\$334,300</i>	
Net Income	\$21,188	

Key Recommendations

Best Practices

Tiny house and other small housing unit solutions for people experiencing homelessness have sprung up across the country, with varying approaches to development, programming, and financial sustainability. Based on our research into successful projects, recommended best practices that have contributed to other projects' success include the following:

Use a collaborative approach to operations, engaging partners who may be responsible for one or more of the following needs:

- Program management (e.g., program acceptance criteria, application procedures)
- Safety and security
- Facility and grounds maintenance and repair
- Supportive services (including referral systems)

Finding partners to ensure successful operations is essential to the project's success. Affordable housing developers, property managers, and permanent supportive housing providers are the most likely possibilities for program management, safety/security, and maintenance and repair. Local examples include Baranof Island Housing Authority (BIHA) and Sitka Counseling & Prevention, and more regional examples include Juneau Housing First Collaborative and Tlingit Haida Regional Housing Authority (THRHA).

Supportive services are more wide-ranging and may require several operating partners, such as providers of primary care, behavioral healthcare services, and case management or navigation. Local and regional examples of these types of organizations include Southeast Alaska Regional Health Consortium (SEARHC) and JAMHI Health & Wellness, in Juneau.

Employ on-site staff:

Through stakeholder interviews, one major concern that emerged was the need for on-site staff. Based on the experience of a Housing First facility in Juneau, this doesn't necessarily need to be someone with particular expertise in behavioral health, case management, homelessness, or property management, but someone who can act more as a constant and positive presence for tenants. The primary goal is a 24/7 presence who can greet tenants and visitors, identify medical or other crisis situations in which first responders need to be called in, and possibly carry out other light duties as appropriate such as cleaning, mowing, etc.

In Juneau, these positions have often been filled by college students and fishermen in the off-season; however, placing "peers" in these positions (people with lived experience) has not worked well. The key considerations for on-site staff are:

- May live in an apartment within the shared facility with private bathroom and/or kitchen, an apartment with private bathroom only and share the kitchen, or stay in one of the detached units. Or, depending on shifts, may not need living space.
- Duties vary depending on skill set
- For 24/7 coverage, need multiple staff and shifts

Solicit resident involvement in program planning and operations, such as:

- Governance, through an advisory group, representation on the operating entity's governance board, and/or a self-governance board to set "ground rules" for residents (quiet hours, revolving chore list, etc.)
- Operations, such as input into ongoing facility needs (weekly list of grocery and household supply needs, for example)
- Repairs and maintenance, such as daily or weekly chores (landscaping, snow removal, cleaning of shared facilities, etc.)

SHC has already engaged potential residents by soliciting their ideas about the development and asking for feedback on preliminary drawings of the two options under consideration. As the planning and design move forward, it will be crucial to continue soliciting their input, for the success of the program but also to promote a sense of their being part of the larger community.

Engage potential residents as well as community residents to provide volunteer labor in building the facilities.

Several tiny home communities reviewed as case studies, as well as "sweat equity" projects within Alaska, have included volunteer labor as an important component of construction. This saves significant money on the construction budget and benefits project participants and community volunteers who work side by side. In addition, project participants can learn valuable life skills and even potential job skills through their involvement with the building construction. They can also build a sense of pride in shared "ownership" in the development's construction, which can increase their commitment to helping ensure the facilities remain well maintained and in good repair.

While some skilled workers might volunteer their time, such as plumbers or electricians, the focus here is on unskilled labor, such as very specific tasks that can be quickly and easily taught to volunteers (such as nailing, caulking, painting, cleanup, etc.).

Implement a sliding-scale rent for residents, which contributes to their sense of having a stake in the development's success.

- Rental assistance programs will require that residents contribute a portion of their income for housing.

HUD's threshold for housing affordability is that no more than 30 percent of household income goes to rent or mortgage. Depending on funding availability, most rental assistance programs will require that residents contribute up to 30 percent of their income toward rent. Usually, individuals experiencing homelessness will be eligible for one or more public assistance benefits, part of which can be used to meet any rental payment requirements. For purposes of the pro forma, an estimate of \$200 per month per tenant is included, assuming an average resident income of approximately \$650-\$675 including public benefits.

Feasibility and Sustainability

For a feasible project with the maximum chances of long-term sustainability, the following elements are important:

Solid partnership agreements for management of the development, including:

- Landlord responsibilities
- Facilities and grounds maintenance
- Assistance with accessing services and supports

When establishing partnerships for the development's operations, it will be crucial to develop clear, specific written agreements that define the roles, responsibilities and committed resources of each partner. As a hypothetical example, a behavioral health provider might commit to case management, allocating a portion of their existing staff time, and they might recover some of that expense through Medicaid billing.

Supportive housing providers may have good examples of relevant partnership agreements, including Juneau Housing First Collaborative.

A specific and realistic capital financing plan

It's important to recognize the full costs of planning and constructing a development such as the one proposed. The pro forma presented in this document provide estimates based on examples of other projects, stakeholder interviews, and outreach to other subject matter experts. The estimates will need to be refined once final design is complete, to make sure that financing efforts are sufficient.

Results of capital funding research, along with a sample capital financing plan, are presented in this report. Before approaching potential funders, it will be important to have preliminary conversations with them and/or review their funding application materials to make sure all their requirements can be met (such as partnership agreements, sustainability plans, etc.).

Detailed and realistic plans for ongoing revenue to cover operational needs, such as staffing, supplies, insurance, ongoing repairs and maintenance, and replacement reserves for major items such as roof, equipment, appliances, and furnishings

Long-term sustainability includes specific planning for operational needs, and identifying resources to help meet those needs, whether through direct revenue, volunteer resources, and/or other resources through partnerships. Operating pro formas are detailed later in this report.

Community support, which can include direct financial resources, volunteer time, and/or in-kind resources that contribute to sustainability

In addition to volunteer involvement with the facility construction, volunteer engagement, financial contributions and in-kind donations such as materials and supplies, replacements for furnishings and equipment, improve sustainability. Grant support can also be available for these kinds of operating needs; showing some level of community “match” through locally provided resources demonstrates strong community support to other potential funders.

Continuing site access from the property owner and easements as needed for access

Both the City and the Trust Land Office emphasized the importance of maintaining easy access to the site once the development is built. There will need to be road access for emergency response vehicles, for instance. Future use of Trust land may also necessitate accessing other parcels via the development site.

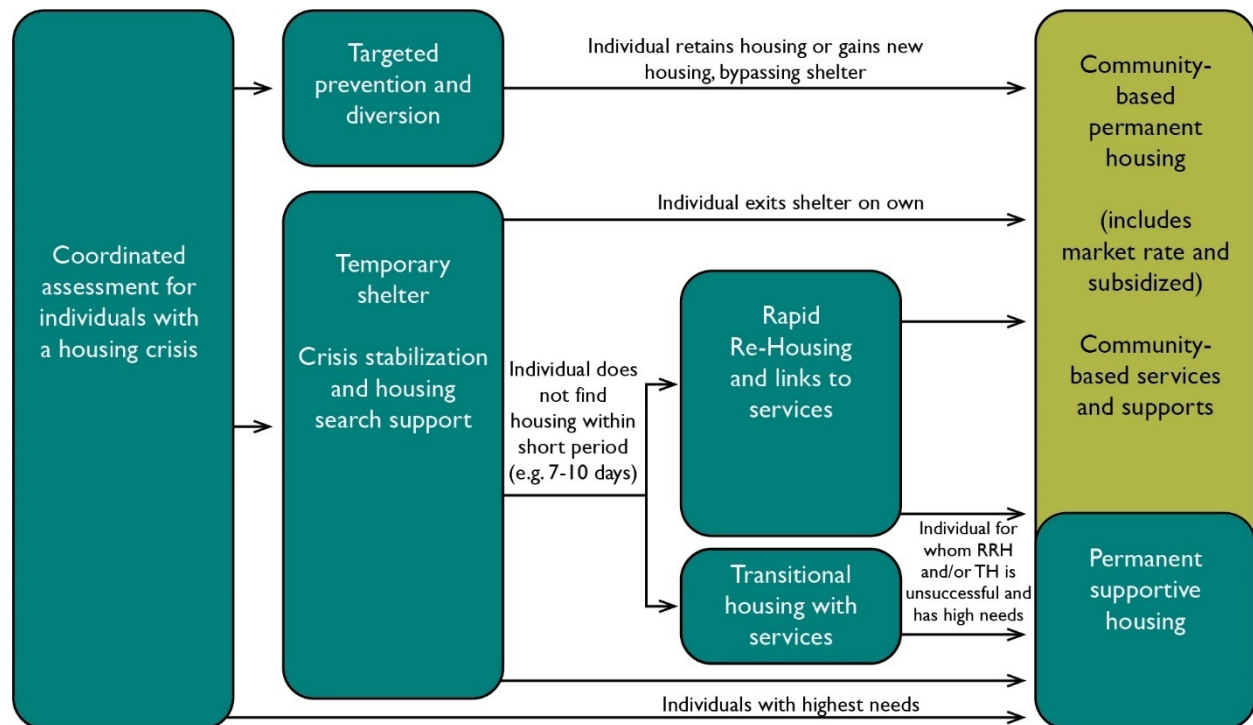
Exit strategy in the case of program discontinuation

Stakeholders also emphasized the need for a clear exit strategy. Should the program eventually be discontinued for any reason, the use of mobile units will be helpful in moving structures to another site or disposing of them in another manner, such as through sale. Some funders or partners, such as the City and/or Trust, may require specific plans for disposal or repurposing of all facilities and equipment in the case of discontinuation of the program.

2. Context: Housing & Support Systems

Services and housing supports for those experiencing homelessness are provided through a partnership of government entities, housing providers, and social service organizations. Together, this array comprises a Housing & Support System. A typical system is illustrated in the graphic below. Although this example specifies families, the same system also applies to adult individuals. Definitions of terms are provided on the following page.

Figure 2. Homelessness Support System



Source: Urban Institute, 2015

The proposed development is intended as permanent housing (defined below) and would not be time-limited for residents. It would reach the level of permanent supportive housing if it incorporates support services such as clinical services, case management, and/or other services. Regardless, there will likely be some informal assistance with referrals for benefits and services as indicated by specific resident needs. The pro formas assume that one or more operating partners will offer some level of connection to supportive services but does not assume the operator would directly provide clinical services.

Housing and Services Types

Below are definitions adapted from U.S Department of Housing and Urban Development (HUD) guidelines regarding types of housing and supports for those experiencing homelessness.

Emergency Shelter: Any facility, the primary purpose of which is to provide temporary shelter for those experiencing homelessness in general or for specific populations of people experiencing homeless, and which does not require occupants to sign leases or occupancy agreements.

Rapid Re-Housing: Rapid rehousing is a form of permanent housing that is short-term (up to 3 months) and/or medium-term (for 3 to 24 months) tenant-based rental assistance as necessary to help an individual or family experiencing homelessness, with or without disabilities. Rapid rehousing emphasizes housing search and relocation services to move tenants as rapidly as possible into permanent housing and achieve stability in that housing. An individual or family may have an immediate need for housing but not the financial resources to find suitable new housing, make a security deposit, etc. Typically, supports are provided until the individual or family is stabilized.

Transitional Housing: Designed to provide individuals and families experiencing homelessness with the interim stability and support to successfully move to and maintain permanent housing. Transitional housing typically includes accompanying supportive services and has a required move-out date, generally up to 24 months after moving in. Participants must have a lease (or sublease) or occupancy agreement in place when residing in transitional housing, and they may be connected with permanent housing in advance of leaving the transitional housing. In some cases, there may also be required participation in specific programs as a condition of stay.

Permanent Housing: Community-based housing without a designated length of stay in which formerly homeless individuals and families live as independently as possible. A participant must be the tenant on a lease (or sublease) for an initial term of at least one year that is renewable and is terminable only for cause. Further, leases (or subleases) must be renewable for a minimum term of one month.

Permanent Supportive Housing: Permanent housing with indefinite leasing or rental assistance paired with supportive services to assist homeless persons with a disability or families with an adult or child member with a disability achieve housing stability. The individual may also receive rental assistance in the form of a lease held by a provider organization or a voucher for a subsidized monthly rental amount.

Supportive Services: May include but are not limited to case management, clinical services and/or referral to services, transportation to appointments, employment services, and other necessary services. Supportive services may be offered at one central site, or at scattered sites where services are delivered. Services may be operated independent of a building (e.g., street outreach) and in a variety of community-based settings, including in homeless programs.

3. Housing Need & Target Population

Sitka Housing Market

In a news story aired by local radio station KCAW (Raven Radio) in June 2018, Brian Wilson, Executive Director of the Alaska Coalition on Housing and Homelessness, pointed out that in Sitka, “An individual would have to make \$24.80 an hour in order to afford a fair-market, two-bedroom rental.... 44% of our households here are rentals and the average renter is only making \$13.96 an hour.”

As a stakeholder noted in Sitka’s 2030 Comprehensive Plan, “There is a need for low cost housing, transitional housing, temporary housing and shelters to meet the needs of low-income families, and those experiencing homelessness and other life challenges that include providing for all potential populations especially those at risk or in need.” This need is exacerbated in Sitka by the existence of a high proportion of seasonal, second homes, which means that less of the existing housing stock is available for year-round residents.

Another indicator of the shortage of available, affordable housing is the percentage of households who are “cost burdened,” that is, those for whom more than 30 percent of their household income goes toward housing costs (rent/mortgage, utilities and energy). About a third of households in the Sitka Borough are considered cost-burdened, as shown in the table below along with other Sitka housing market data.

Sitka Housing Market Data¹

Population	8,532
Housing Units	4,307 total: <ul style="list-style-type: none">• 82% (3,513) occupied• 5% (225) currently for sale or rent• 8.5% (367) seasonal/vacation or otherwise vacant units
Median rent	\$1,241 per month
Rental vacancy rates	2017: 7.5% 2016: 8.3%
Cost-burdened	34% of households in Sitka Borough

Target Population

The point in time (PIT) count, carried out on a single day in January of each year, is a count of sheltered and unsheltered persons experiencing homelessness on at least one night in the last 10 calendar days. In Sitka’s 2020 PIT count, there were 17 individuals identified as experiencing homelessness. Observational evidence from members of the Sitka Homeless Coalition is that there are approximately 15 adult individuals experiencing chronic homelessness at any given time in Sitka.

To develop a more accurate and comprehensive understanding of the scale of homelessness in Sitka, data from local providers of housing and homelessness services could provide additional data about those experiencing homelessness. This information will help ensure that housing solutions best meet the specific needs in the community, and that potential resources can be identified and pursued for financial and other support (such as eligibility for tribal, veteran, and/or disability services).

¹ Sources: AHFC, AKDOLWD 2019 estimates, AHFC 2017 Alaska Housing Assessment, AHFC Rental Survey

Current Service Providers

Housing

Baranof Island Housing Authority (BIHA)

BIHA is the tribally designated housing entity (TDHE) for Sitka Tribe of Alaska. The Tribe created BIHA in 1980 by State statute to address the housing needs of Tribal citizens and other residents of Baranof Island, Alaska, including Sitka. BIHA provides affordable rental housing, senior housing, closing cost assistance for low-income American Indian/Alaska Native homebuyers, home repair assistance through a Tribal housing rehabilitation program, and a student housing voucher program for tribal members.

BIHA operates 95 rental and lease-purchase housing units in Sitka and 25 senior housing units with Tribal and non-Tribal eligibility, though their priority population is Tribal members. BIHA usually has waiting lists for their housing units.

Sitka Community Land Trust (SCLT)

SCLT's stated purpose is the "promotion and facilitation of affordable housing for persons of low and moderate income." It is a Community Land Trust working on providing the community of Sitka with permanently affordable housing. Currently, SCLT is developing Halibut Cottage, a series of homeownership units targeted to low-to-moderate income (LMI) households. One unit may become a rental unit, following the example of land trusts around the country that are considering expanding into property management.

Sitka Counseling and Prevention Services (SCP)

SCP operates River's Edge, a permanent supportive housing (PSH) development with five resident units plus a unit for an onsite manager. The head of household must experience chronic physical disability, mental illness, and/or developmental disability. SCP also operates a residential SUD treatment facility (12 beds, Level 3.1) as well as eight units of general rental housing (2-bedroom units) in Sitka. They also provide outpatient clinical counseling services for SMI, SED, SUD, and co-occurring disorders.

Homelessness Services

The Salvation Army

The local chapter of The Salvation Army provides a soup kitchen, food boxes, and, since the COVID-19 pandemic, boxed meals to go. They also operate a thrift shop with limited operating hours. All services are provided by volunteers other than the couple who administer local operations. The Sitka chapter of The Salvation Army also receives housing funds from the Alaska Housing Finance Corporation (AHFC), used to provide rental assistance and utility assistance to those in need or in danger of eviction. The Salvation Army partners with Sitka Outreach and Support to offer the annual point-in-time count and three Project Homeless Connect events throughout the year.

Sitkans Against Family Violence (SAFV)

Sitka's domestic violence shelter leads domestic violence education, prevention, and intervention efforts in the community, including several partnerships and collaborations. They also provide shelter to women who are not in domestic violence situations but who need emergency shelter, on a space-available basis.

Sitka Outreach and Support: Lifeline

Sitka Outreach and Support (SOS): Lifeline, formerly known as the Easter Group, is a grassroots volunteer 501(c)(3) organization that primarily partners with other local organizations in support of projects and activities in support of individuals experiencing homelessness. Through a partnership with The Salvation Army, SOS sponsors the point-in-time (PIT) count in January and its related Project Homeless Connect event. Additional Project Homeless Connect events are held in March and November.

4. Case Studies




Common Themes

In our review of successful tiny house and modular housing developments, one theme that emerged was multi-organization, cross-sector collaboration. Partnerships are key to ensuring a wide array of crucial knowledge and experience, including construction but also financing, operations, and sustainability. Capital costs can vary widely, depending on the number of units, scale of development (such as communal and other facilities and amenities), type of construction, and the extent of cash donations and in-kind resources such as land, equipment, materials and volunteer time. Construction and shipping/freight costs in Alaska and especially in communities off the road system, such as Sitka, can also increase capital costs.

A comparison presented in the table below shows several different models for providing housing.

Common Characteristics of Sample Units Reviewed

The below table summarizes three common models. On the following pages are examples of tiny house communities and modular or “dorm” housing. Examples of cottage housing are not included since that option is not currently under consideration for the proposed project in Sitka.

	Tiny House Community	Modular “Dorm” Housing	Cottage Housing
Most Common Purposes	<ul style="list-style-type: none"> • Lifestyle choice: people choosing to downsize • Temporary, transitional, or permanent housing for those experiencing homelessness 	<ul style="list-style-type: none"> • Permanent or transitional housing 	<ul style="list-style-type: none"> • Housing for ownership
Characteristics	<ul style="list-style-type: none"> • Less than <500 sq ft • Sometimes includes off-the-grid energy generation 	<ul style="list-style-type: none"> • Can include shipping container conversions or prefabricated buildings • Individual rooms of less than 100 sq ft • Shared common areas: bathroom, laundry, dining 	<ul style="list-style-type: none"> • Housing built in clusters, close together • Some common areas • No parking adjacent to individual cottage • Living room, bedroom, kitchen, full bath • Main room + loft • 500-1,000 sq ft • Condo-type ownership typical • 4-12 cottages typical for community dynamics
Example			

Tiny House Communities

Square One Villages

“The Village Model is a collaborative, community-based approach to building and sustaining permanently affordable housing.” – *SquareOne Villages website* (<https://www.squareonevillages.org>)

Many small-house villages have utilized the SquareOne Village toolkit, which includes plans for tiny houses as well as plans for sleeping pods, both of which acknowledge and accommodate the use of extensive volunteer labor. This model includes several key promotional points and recommended strategies for support of initial development and sustainability, including:


Capital Category	Recommended Approach	Key Strategies and Advantages
Land	Community land trust	<p>Divide land ownership of buildings and improvements to increase affordability and mitigate speculative market forces</p> <p>Establish land lease between owner/operator of development and land trust that ensures units remain affordable</p> <p>Establish bylaws that restrict the sale of land and set controls to ensure that units remain permanently affordable</p>
Construction	Tiny house village	<p>Construction less complex and specialized vs multi-unit housing facility, enabling nonprofit entity to serve as general contractor + involve wide variety of community members in building process = can reduce hard construction costs by one-third or more</p> <p>Reduced size means less materials usage (construction costs) as well as less ongoing energy usage (operational costs)</p>
Operations	Co-operative	Increased affordability through shared resources, self-management, and at-cost operations

Emerald Village in Eugene, Oregon is using the SquareOne Village model with multiple styles, shown below:

Figure 3. Sample Housing Styles (Eugene, Oregon Tiny House Development)




Other examples using the SquareOne model include Occupy Madison, in Wisconsin (\$5,000 per unit), and Opportunity Village, also in Eugene, Oregon, whose key elements are summarized below:

<i>Opportunity Village (30 units)</i>	
Acreage	Unknown
Unit Size	60-80 sf each
Cost	<ul style="list-style-type: none"> Cost per unit: \$2,000 (materials only) Start-up costs included \$98,000 in private cash donations and small grants, and an estimated \$114,000 of in-kind materials and labor (Built by volunteers and residents)
Community Space	Kitchen, restroom, and gathering
Funding	Scalable financing strategy includes sustainable mix of public subsidies, charitable contributions, resident contributions, and debt financing
Operations	<ul style="list-style-type: none"> Residents pay \$30/month utility fee; no rental fee Operating budget funded by ongoing fundraising in community
Key Elements	<ul style="list-style-type: none"> Transitional micro-housing Each home composed of a set of 4'x8' modular panels Self-managed by residents, with oversight/support provided by SquareOne Villages (non-profit)
Image	

Other Tiny Home Developments


<i>Second Wind Cottages, Newfield, NY (18 units)</i>	
Acreage	7
Type	Single-room homes (bathroom, kitchenette, bed area)
Cost per unit	\$12,000-\$15,000 plus labor (community members helped with construction)
Community Space	Kitchen, training space, meeting space, office space, laundry
Funding	Private individuals, grants, businesses, other organizations, fundraising events
Operations	<ul style="list-style-type: none"> Annual operating budget: \$132,000 Individuals pay rent as they are able
Source	www.secondwindcottages.org
Image	

Quixote Village, Olympia, WA (30 units)

Acreage	2.17
Unit Size	144 sf
Cost per unit	\$87,500 (\$19,000 for materials and labor); total project cost \$3.05 million
Community Space	Building and vegetable garden
Funding	<ul style="list-style-type: none"> Initial funding came from the state capital budget, federal Community Development Block Grant Funding, county and state document recording fees, and community donations
Operations	<ul style="list-style-type: none"> Three full time staff: ED, program manager, resident advocate/case manager Nonprofit manages, with input from Village Resident Council + Village Life Committee Rent: <ul style="list-style-type: none"> Rent is \$570. Residents pay 30% of their income (earned income and/or disability, retirement, etc.), and Project-Based Vouchers from the Housing Authority of Thurston County supplements the rest. If a resident has zero income and a voucher, they pay a \$50 minimum. If a resident has zero income and does not have a voucher, they do not pay.
Source	http://www.quixotecomunities.org
Images	

Modular “Dorm” Housing

Village on Sage Street: Reno, NV (220 units)

Acreage	Unknown
Structure	<ul style="list-style-type: none"> 8 prefabricated modular buildings containing single-occupancy units 90 sq. ft. units (built-in bed, closet, desk, flat-screen television)
Cost	\$8.3 million total (\$37,000 per unit)
Community Space	Laundry, meeting and recreation spaces, outdoor gathering area
Funding	Unknown
Operations	<ul style="list-style-type: none"> \$400/month, \$400 security deposit Housing for low-income individuals Designed to serve working people earning minimum wage, or with income sources such as social security or disability
Source	https://www.voa-ncnn.org/sagestreet
Images	

5. Stakeholder Perspectives

Agnew::Beck conducted interviews with a variety of potential partners and local stakeholders. Key feedback is summarized as follows:

Interviewee	Area(s) of Focus	Feedback Summary
Local Stakeholders		
Potential project beneficiaries (informal survey)	Feedback on preliminary drawings	Recommendations: <ul style="list-style-type: none"> • Posting of rules for residents and visitors • To-do/chore list and responsibilities for residents • Outdoor-entrance restrooms with 24-hour access for residents • Secure space for belongings
Baranof Island Housing Authority	Mostly Tribal, some non-Tribal: affordable housing, homeownership, senior housing, home repair assistance, student housing vouchers	<ul style="list-style-type: none"> • Current development priority: transitional housing • Supportive of separate units • May be potential for future partnership opportunities
City/Borough of Sitka	Permits, regulations, policies	<ul style="list-style-type: none"> • Supportive of plan and agrees with the need for the project • Tiny house ordinance currently being passed but not as applicable to this project. Permitting will treat project as commercial. • Prefers to contain entire project within Trust parcel rather than utilize City land
The Salvation Army	Soup kitchen, food boxes, to-go meals, rent/utility assistance, site for Project Homeless Connect and Point-in-Time count	<ul style="list-style-type: none"> • Supportive of project concept • Very lean organization in Sitka – almost entirely volunteer run • Not directly involved in providing housing or case management
Sitka Community Land Trust	Affordable housing, homeownership	<ul style="list-style-type: none"> • Highly supportive of project • Potentially interested in some level of involvement (such as development and/or property management)
Sitka Counseling + Prevention	Permanent supportive housing	<ul style="list-style-type: none"> • Supportive of project concept, with some concerns based on past experiences with housing for individuals experiencing homelessness • Potentially interested in some level of service provision (such as case mgmt, clinical services)
Sitkans Against Family Violence	Domestic violence shelter; education, prevention, and intervention	<ul style="list-style-type: none"> • Provides shelter to women not in DV situations, on space-available basis • Supportive of project concept • Does not currently have capacity issues related to women experiencing DV and/or homelessness
Other Potential Partners		
Alaska Mental Health Trust Land Office	Ownership of potential site	<ul style="list-style-type: none"> • Supportive of site choice • Willing to negotiate ownership/long-term lease considerations at the direction of the Alaska Mental Health Trust Authority (AMHTA)
Juneau Housing First Collaborative	Permanent supportive housing	<ul style="list-style-type: none"> • Enthusiastic about project concept • Willing to advise, share information

Additional entities exist in Sitka that have involvement in housing and homeless services or a potential stakeholder interest in the proposed project. Some entities were not interviewed, including:

- Catholic Community Services (provides hospice and home care, family and senior services, not housing or homelessness services)
- Sitka Outreach & Support (SOS): Lifeline (grassroots, partners with Salvation Army for Point-in-Time Count and Project Homeless Connect, does not provide housing)
- Sitka Tribe (has designated BIHA as the local housing services provider and referred us to them)
- Volunteers of America Alaska (in Southeast, does not provide housing or homelessness services)

Written summaries of stakeholder interviews are located in an appendix to this report.

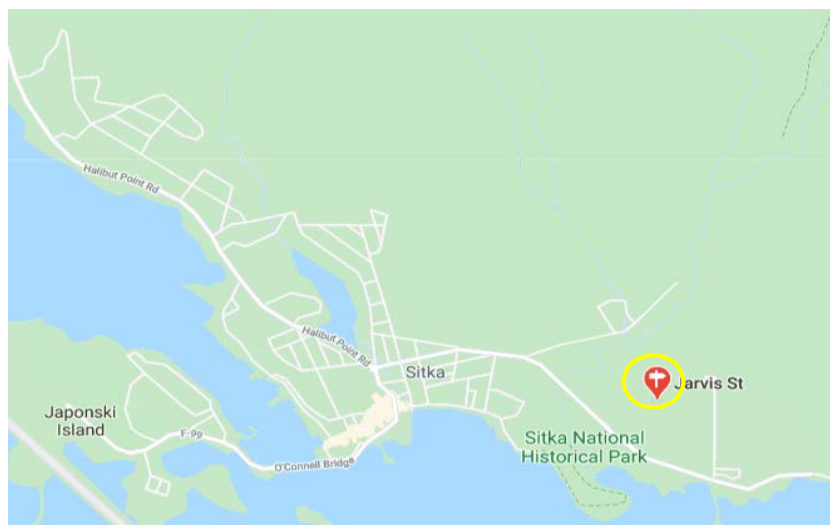
6. Site Plan Options

The project location is at the juncture of Jarvis Street and Haley Way in Sitka, as shown in the maps below:

Figure 4: Aerial View of Proposed Parcel



Figure 5: Google Map of Proposed Site



I. Small, Unattached Bedroom Units with Communal Facility

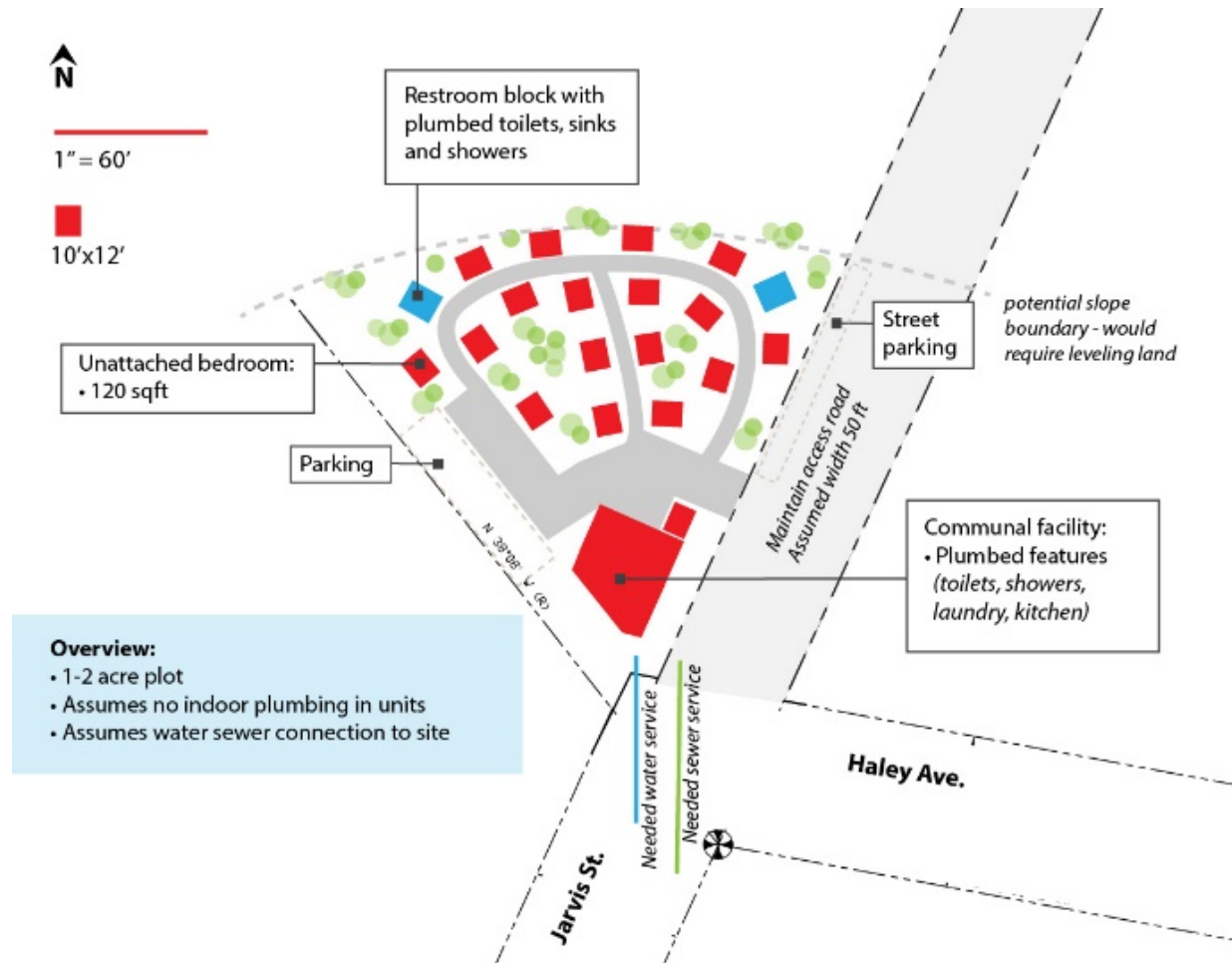
This would be a series of small, unattached bedrooms. Each unit would include a built-in bed, closet, desk, and television. The concept plan and cost estimates assume no plumbing to individual units; however, stakeholders recommended including a private toilet in each unit. This could possibly be achieved using a dry-toilet system.

The communal facility could possibly be a modular/prefab building. It would include:

- Shared showers, laundry, and kitchen
- Indoor/outdoor-entrance toilets for 24/7 access

A common space could also include meeting and recreation space. A suggestion has been made that the common facility could also serve as emergency shelter during times of overflow need; however, in order to implement this idea, SHC and any partners would need to ensure compliance with any applicable regulations.

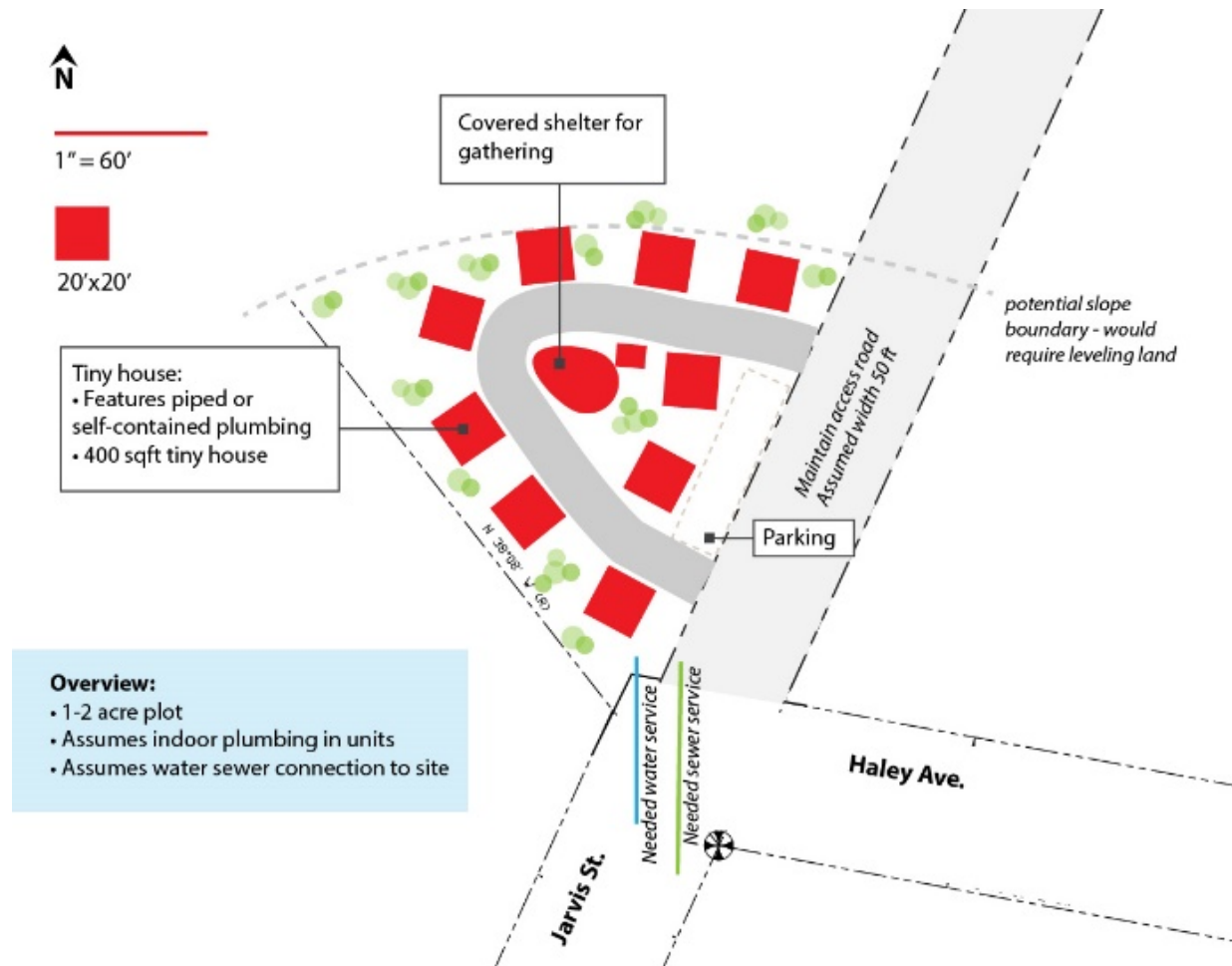
Figure 6. Option I: Detached Bedrooms + Communal Facility



2. Tiny Houses with Covered Gathering Area

This would be a group of tiny houses that are plumbed. In this scenario, a covered shelter would provide gathering space. Units would each have their own bathroom and individual kitchen. This would likely mean that there would be no laundry facilities onsite.

Figure 7. Option 2: Tiny Houses + Covered Shelter



Site-Related Considerations

Access

Currently, Jarvis Street is not improved beyond where it intersects with Haley Avenue. To access a portion of the parcel for this project, improvements to Jarvis Street are required; extension of water and sewer will also be needed. City staff commented that the right of way for a fully improved Jarvis Street is 65 feet wide, which may not be necessary to support this project and additional development on the balance of the Trust Land Office site. Since the land closer to the road is more developable due to fewer slope constraints, it might be

better to slim the size of the roadway to 50 feet wide, which is what is assumed in the site plan.² Ultimately the size of the access road depends on what the Trust Land Office requires based on what they may develop in the future on the balance of the property, as well as the City's requirements for access. Land and site prep costs in the pro forma include "roads and internal circulation" but may need to be adjusted once final decisions about road widening and/or other improvements are made.

Zoning

The proposed site is currently zoned C-1 (general commercial), which is intended for those areas surrounding major intersections where personal services, convenience goods, and auto-related service facilities are desirable and appropriate land uses. Conversation with City of Sitka planning and building staff offered different options for navigating the code. While final determinations regarding how to permit the possible site plans will be determined once building plans are submitted, staff identified two paths for permitting:

1. Commercial project for unattached bedroom concept: The unattached bedroom concept could likely be permitted as a commercial project. All the units would be on one parcel and, while detached, would be considered part of one commercial project. From a code perspective, the detached bedrooms concept might be treated similarly to a "scattered" hotel or group of cabins. Maintaining 10 feet minimum distance between structures would likely be sufficient, although a review of the code is necessary to confirm this.
2. Mobile/manufactured home for tiny home park: The new tiny home ordinance would not govern this project because that ordinance allows for a conditional use permit in certain zoning districts and is intended for property owners who want to add a tiny house to their lot. A tiny home "park," like what is proposed, might need to be regulated through the mobile/manufactured home park provisions. It is also important to note that a communal facility is not allowed with a manufactured home park. (There are older mobile home parks with a larger residential unit that is grandfathered in.) The City suggested that a covered shelter could replace the communal facility; however, that would require planning for how to incorporate showering and laundry facilities onsite.

Ultimately, the City's primary focus will be on whether the development, whatever the design, meets safety requirements.

Topography

Topography at the site may be a constraint depending on the size, placement, and specific parcel boundaries for the project. The line showing the slope boundary on the preliminary site drawing is near a spot where the land drops down to a riverbed. The land slopes immediately past this line and becomes part of the riverbed, in the flood plain. Key challenges related to this issue are:

- Adding fill is costly.
- Building in the flood plain can require flood insurance if the buildings have a federally backed mortgage. These buildings would most likely be funded through grants and not debt, so this requirement may not be applicable.
- Design should keep all buildings on the flat side of the parcel (more developable area) and not require any building on the sloped area.

² Access road requirements vary based on development size. A minor subdivision (4 or fewer units) requires 20 feet of access road. A major subdivision (more than 4 units) requires anywhere from 50 to 65 feet for the access road.

Parking

Parking requirements are negotiable but should accommodate staff, volunteers and residents. City staff expressed the opinion that two spaces per unit would not be necessary for the population living at the site. The development could use setbacks for parking space, possibly allowing parking on access road land.

Other City Considerations

The City expressed a preference for containing the entire development on a single lot. Also, anything more than 2 units will be required to be sprinklered, so the capital budget should assume this cost. There is an option to apply for a waiver of the sprinkler requirements, especially if the construction materials allow for separation, although there have not been any examples of residential projects receiving that waiver to date. Sitka is a deferred city and implements more restrictive requirements than the State Fire Marshall; the fire plan review will occur through the City of Sitka. Any fire apparatus will need to reach within 150 feet of each structure and will require road access to support that. Finally, no “camping” toilets will be allowed indoors.

7. Capital Costs and Funding

Figure 8. Capital Cost Estimate

Sqft per Unit	120	
Number of units	12	
Sqft of restroom blocks	200	
Number of restroom blocks	2	
Sqft of units & restroom blocks	1,840	
Sqft of Communal Facility	1,200	
Total Project Sqft	3,040	
Land: Acres	1.5	

<i>Item</i>	<i>Estimate</i>	<i>Basis for Calc</i>
Land Acquisition		
Land Cost	\$94,743	\$1.45 per land sqft
Land Appraisal	\$15,000	Estimate
Subtotal Land Acquisition	\$109,743	
Hard Construction Costs		
Unattached Bedrooms		
Materials (including shipping)	\$144,000	\$12,000 per unit
Furnitures, Fixtures + Equipment	\$6,000	\$500 per unit
Labor for unattached bedrooms:		
Skilled Labor	\$46,029	
Less-skilled labor	<u>\$46,029</u>	
Subtotal Labor	\$92,058	\$64 per sqft
Restroom Blocks	\$50,000	\$25,000 per block
Communal Facility:		
Pre-fabricated materials & transport	\$177,464	\$148 per sqft
Other costs (labor, plumbing contractor)	\$98,595	\$82 per sqft
Site Prep, Improvements	\$196,020	\$3.00 per land sqft
Utility Connection	\$25,000	Discussion with City
General Requirements, Contractor Profit	\$15,783	2% of mat'ls + labor
Subtotal Hard Construction Costs	\$804,919	
Soft & Other Costs		
Design costs	\$64,394	8% of hard costs
Surveying/Platting/Environmental/Planning	\$10,000	Estimated
Inspections & Permit Fees	\$27,856	\$9.16 per sqft
Cost contingency	\$80,492	10% of hard costs
Subtotal Soft & Other Costs	\$182,741	
Total, excluding land	\$987,660	\$325 per building sqft
Total, including land	\$1,097,403	\$361 per building sqft

For the individual living units, capital costs were estimated using a combination of information sources, including a materials list and an individual tiny home project in Sitka that provided an overall cost per square foot. For the communal facility, a prefab/modular building approach was assumed, with costs estimated based on other projects of similar scope in Alaskan communities off the road system and therefore requiring barging of materials.

There are several key assumptions and components to highlight in the capital pro forma:

- The total development costs for the unattached bedrooms, restroom blocks and communal facility include many items in addition to the supplies necessary to build the unattached bedrooms. These additional items include:
 - Labor (both skilled and unskilled)
 - Site improvements
 - Utility costs
 - Permits
 - Land costs
 - Design and other “soft” costs
- The communal facility is based on a case study of a prefabricated structure in a rural community in Alaska using a manufacturer based in the Matanuska-Susitna Borough.
- Utility connections are rough estimates based on conversations with staff at the City of Sitka.
- Site improvements require more thorough engineering analysis to determine the overall cost to grade and prepare the site, as well as build internal circulation for roads. The cost to improve Jarvis may not be fully accounted for in the site preparation budget. A more detailed analysis is needed of required road width and improvements in order to refine this cost.
- Permit fees are based on case studies and could be revised once design is further along.
- Land costs are based on assessed values for similar properties in Sitka.

Capital Cost Comparison

To further refine the cost estimate for the project, we compared the estimates to example tiny homes built in Sitka in 2005 but escalated to 2020 dollars. For these case studies, total costs were roughly \$51,000 per unit compared to an estimated \$89,000 per unit at the Jarvis Street project. There are several differences:

- The case study tiny homes were built to have higher-end finishes and appliances, as well as bathroom/kitchen facilities in each unit compared to what is envisioned at the Jarvis Street project.
- The case study projects did not have land costs since they were built as accessory dwelling units on existing, owned sites.
- The case study projects had no requirements for site improvements and road construction because they were built on existing, ready-to-build sites.
- Soft costs for the case studies were lower due to no need for surveying and no contingency.
- The estimate includes the cost of the communal facility, which is not part of the case study projects.

To compare “apples to apples” as much as possible, we removed the communal facility from the Jarvis Street project, kept the restroom blocks in and compared the costs accordingly. This results in a cost per unit for the Jarvis Street project at \$61,000. However, if you remove land costs and site preparation, the cost per unit for the Jarvis Street project drops to \$34,000 per unit, which is less than the cost to construct tiny homes in Sitka previously (\$51,000/unit) and confirms that the Sitka Homeless Coalition’s vision and concept could be developed at reasonable cost.

Figure 9. Cost Comparison to Recent Sitka Tiny Home

Item	Proposed Project			Proposed Project: No Communal Facility + Restroom			Sitka Tiny Home Case Studies (2020\$)		
1. # units / total sqft	12	1,440		12	1,440		1	230	
2. Restroom blocks	2	400		2	400		in unit	included	
3. Communal facility	1	1,200		-	-		n/a		
4. Total		3,040			1,840			230	
	<i>amt</i>	<i>per sqft</i>	<i>per unit</i>	<i>amt</i>	<i>per sqft</i>	<i>per unit</i>	<i>amt</i>	<i>per sqft</i>	<i>per unit</i>
5. Land	\$110,000	\$36	\$9,000	\$110,000	\$60	\$9,000	\$0	\$0	\$0
6. Hard Costs	\$805,000	\$265	\$67,000	\$519,000	\$282	\$43,000	\$46,000	\$200	\$46,000
6a. Site Prep & Utility Connect	\$221,000	\$73	\$18,000	\$221,000	\$120	\$18,000	\$0	\$0	\$0
6b. Remaining Hard Costs	\$584,000	\$192	\$49,000	\$298,000	\$162	\$25,000	\$46,000	\$200	\$46,000
7. Soft Costs	\$183,000	\$60	\$15,000	\$120,000	\$65	\$10,000	\$5,000	\$22	\$5,000
8. Total	\$1,098,000	\$361	\$92,000	\$749,000	\$407	\$62,000	\$51,000	\$222	\$51,000
8a.				(less) site prep/utility & land			\$35,000		

Capital Cost Funding Sources

Based on other projects in Alaska with a similar target population, the most likely funding sources for capital funding for this project are as follows. Our recommendation is to pursue AHFC funding to cover as much of the capital budget as possible, and if additional funding is still needed, to consider the other sources listed. Figure 10 shows one scenario for mixing funding sources to meet the total capital costs.

Funder	Program	Range
Alaska Housing Finance Corporation (AHFC)	Special Needs Housing Grant (SNHG)	Varies by year (\$1M-plus)
	National Housing Trust Fund (NHTF)	Varies by year (\$1M-plus)
	Greater Opportunities for Affordable Living (GOAL) grant	Timing and amount varies by year
Alaska Mental Health Trust Authority (AMHTA)	Partnership Grant	Up to \$50,000
Alaska Mental Health Trust Land Trust Office (TLO)	n/a	Free or discounted use of Trust-owned parcel
City of Sitka	n/a	Suggest \$50,000 toward infrastructure
Community donations	n/a	Suggested to demonstrate community support
Rasmuson Foundation	Tier 1	Up to \$25,000
	Tier 2	>\$25,000 - \$1M or more
Sitka Legacy Foundation	Capital grants	Up to \$3,000
U.S. Dept of Housing & Urban Development (HUD)	Indian Community Development Block Grant (ICDBG)*	Maximum \$600,000-\$800,000

*Would require Tribe or Tribal organization as lead partner

Figure 10. Capital Funding Plan

Source	Amount	Use/Notes
Trust Land Office	\$110,000	Land & appraisal
City of Sitka	\$50,000	Utility connections, permits & construction
Rasmuson Foundation	\$200,000	Project costs
AHFC Special Needs Housing Grant (SNHG)	\$375,000	Project costs; based on \$31k/unit for sample AK SNHG awardee
National Housing Trust Funds (NHTF)	\$375,000	Project costs; based on \$31k/unit for sample AK SNHG awardee
Other potential sources:		
Indian Community Development Block Grant		If partnering with Sitka Tribe/BIHA
Sitka Legacy Foundation		
AMHTA Partnership Grant		
Local fundraising		
Total	\$1,110,000	

Alaska Mental Health Trust Land Office (TLO)

Preliminary discussion with the Trust and the TLO indicates a willingness to provide Trust-owned land for the site of the development. The value shown above is an estimate; an appraisal will be needed to determine the specific value. The land could be offered in a long-term lease for free or a deeply discounted lease rate.

Special Needs Housing Grant (SNHG)

The largest likely source of capital funding is the Alaska Housing Finance Corporation (AHFC) Special Needs Housing Grant (SNHG), which provides competitive grants to nonprofit organizations and housing developers for construction of housing for special needs populations, primarily Alaska Mental Health Trust beneficiaries. Funds from this program can be used for planning and construction activities and may provide for congregate, supportive and transitional housing types. In the 2018 funding cycle that combined SNHG with other capital development funds, a total of \$8 million was available. One awardee, Juneau Housing First received \$1 million to develop 32 units of permanent supportive housing, or \$31,000 per unit.

When AHFC releases a SNHG notice of funding availability (NOFA), it often bundles opportunities for SNHG funds for capital and operating, along with capital funds through HUD's National Housing Trust Fund, sponsor based rental assistance and, Low Income Housing Tax Credits or other funding sources as applicable. Information is not yet available regarding the next planned funding cycle, nor the amount that will be available.

Applications for SNHG funds are competitive and highly detailed and must include information about planned staffing, operations, and supportive services to be made available either directly or through referral agreements. Partnering with someone experienced in construction project management is also recommended.

National Housing Trust Fund (NHTF)

The NHTF is a federal program established in July 2008 as part of the Housing and Economic Recovery Act of 2008. The Trust Fund has provided block grants based on a formula to the states, at least 90% of which must be used for the production, preservation, rehabilitation, or operation of rental housing. No less than 75% of the funds for rental housing must benefit extremely low-income households with the rest benefiting those with very low incomes. Up to 10% of Fund resources may be used for homeownership activities for people with very low incomes.

The minimum amount for any state is \$3 million. Each state must choose a state agency to administer the funds; in Alaska, the entity is AHFC, and the allocation has been combined with SNHG funds for purposes of funding applications.

Greater Opportunities for Affordable Living (GOAL) Grants

The GOAL program provides grants, federal tax credits and zero-interest federal loans to developers and project sponsors who build affordable rental housing for low-to-moderate income (LMI) families and seniors.

The program is open to for-profit corporations, nonprofit agencies and regional housing authorities. The NHTF program discussed above may be rolled into the GOAL program funding opportunity.

Because there are multiple potential funding opportunities through AHFC, it will be important to discuss the project with AHFC staff to identify the best funding fit(s) for this project, as well as anticipated timing of upcoming application cycles.

Alaska Mental Health Trust Authority: Partnership Grants

The Trust offers one-time, one-year grants of up to \$50,000. The types of projects vary widely, with the main commonality being that the project serves Trust beneficiary populations (individuals with mental health diagnosis, substance use disorder, or co-occurring disorders; developmental disabilities; Traumatic Brain Injury (TBI); and/or Alzheimer's and related dementias).

Because the Trust has provided free technical assistance toward the project planning, and the Trust Land Office (TLO) may offer the land at free or reduced rent, it will be important to discuss this grant with Trust program staff prior to pursuing a funding application.

Rasmuson Foundation

Tier 1 grants. Rasmuson Foundation offers two levels, or "tiers," of grants. Tier 1 is for capital requests of \$25,000 or less. Examples of Tier 1 grants to other Alaskan organizations include vans for transporting clients to meet basic needs, office equipment such as computers, or furnishings for a new or renovated facility. If SNHG funding provides the capital construction costs, a Tier 1 grant might provide a good opportunity to furnish the units and the communal facility.

Tier 2 grants. While Tier 2 grants offer much higher award amounts, they also require a much more detailed process. Prior to applying for a Tier 2 grant, an organization will need to contact a program officer to discuss the project; the program officer will provide initial recommendations for next steps.

Rasmuson Foundation generally prefers to see a portion of the funding already committed or secured by other funders. Their frequent advice to potential applicants is, "We don't like to be the first or the largest funder." If SNHG funding provides most but not all the construction funds, Rasmuson may be a good source for filling in some of the remaining funding needed.

Sitka Legacy Foundation

Sitka Legacy Foundation promotes "individual, family and business philanthropy and provide grants to local projects and organizations. We offer a local vehicle for residents and visitors to invest their time, talent and resources in helping Sitka thrive. SLF also works to support and strengthen other local nonprofits."

The Foundation offers operating as well as capital grants. The operating grants are addressed in the next section of this report. Capital funds are available up to \$3,000. While this may not seem like a large amount compared to the total capital budget, having some local funding sends a very strong message to other, larger funders that the project enjoys community support, which is important to many potential funders.

City of Sitka

The City of Sitka may be willing to participate in funding part of the capital cost for the Jarvis Street project using their revenue sources and their annual appropriation process. We are suggesting \$50,000 to cover the utility connections and permit fees and possibly a portion of construction or site improvements. Alternatively, the City's access to CARES Act funding is a possible source of more immediate funding for the project.

Low Income Housing Tax Credits (LIHTC)

The LIHTC program offers 4 percent and 9 percent tax credit opportunities to partner with an investor who receives income tax credits in return for offering equity for affordable housing projects. Administered through AHFC, the 4 percent program is less competitive and has been used by supportive housing projects to help fund capital. A developer partner with LIHTC experience is typically required for an application to be considered competitive. This option has not been included in the above tables due to the lack of any currently expressed interest by a development partner.

8. Operating Costs & Funding

Figure 11: Estimated Operating Pro Forma

Number of Units: 12		
Item	Annual	Notes
Revenue:		
Fee-based revenue:		Fair housing
Rent subsidies	\$108,000	SNHG sponsor-based vouchers: \$950 FMR less \$200/mo. tenant rent
Tenant rent	\$28,800	30% of income; ~\$200/mo. based on PSH examples
Medicaid reimbursements	\$0	Partners to provide physical & behavioral health services
Subtotal fee-based revenue	\$136,800	
Vacancies	(\$1,312)	Estimated vacancy rate ~1%
Contributed revenue:		
Grant: SNHG	\$150,000	SNHG for services; based on similar award, on per-unit basis
Other grants	\$45,000	Continuum of Care Balance of State
Community donations	\$25,000	Based on other, similar projects
Subtotal contributed revenue	\$220,000	
Other revenue	\$0	
Total Revenue	\$355,488	
Expenses:		
Personnel + benefits:		
Resident Specialist	\$200,000	5.0 FTEs for 24/7 coverage @ \$20 per hour + 15% fringe
Case Management	\$34,000	0.5 FTE @ \$28/hour + 15% fringe (if BH provider)
Travel & employee training	\$5,000	
Subtotal personnel + benefits	\$239,000	
Contracted services:		
Accounting/bookkeeping/audit	\$10,000	
Property Management	\$28,000	8% of revenue; includes landscaping upkeep and snow plowing
Subtotal contracted	\$38,000	
Materials + supplies	\$10,800	\$75/month per unit; household supplies
Utilities:		
Electricity/energy	\$4,000	Based on energy costs for Sitka multi-family per AHFC 2018 housing study
Water	\$2,900	Uses Sitka non-metered water rates
Sewer	\$3,300	Uses Sitka rates
Garbage/recycling removal	\$5,700	Uses Sitka rates
Telephone	\$7,800	Estimate assuming phone in all units
Internet	\$3,600	Estimate
Subtotal utilities	\$27,300	
Insurance	\$7,200	\$50/unit per month
Routine maintenance	\$7,500	\$500/unit per year (includes main bldg)
Replacement reserves	\$4,500	\$300/unit per year (includes main bldg)
Total Expenses	\$334,300	
Net Income	\$21,188	

Operating costs for the completed development will depend highly on staffing structure, types of partnerships formed, and level of supportive services provided. The operating pro forma for the Jarvis Street project assumes the following:

- **24/7 resident specialist staffing.** The largest cost item is \$200,000 to cover the cost of five full-time equivalent (FTE) resident specialists at \$20 per hour who are available a combined total of 24 hours per day, seven days per week. In order to provide coverage in three 8-hour shifts, roughly five FTE are necessary. The role of the resident specialist is to provide a visible, physical presence for safety and security; greet residents and guests; check on residents periodically; monitor the facility; and contact responders in the case of a crisis. The extent of 24/7 staffing has not yet been determined for this project. The operator may opt to have someone onsite during the day only. Alternatively, it may be possible to provide accommodations for someone to live onsite but only be “on-duty” during the day. The cost for the resident specialist in this pro forma reflects a high-end cost estimate to provide this important service for residents 24/7.
- **Half-time case management.** The operating pro forma assumes a part-time case manager to connect residents to clinical services and other services provided by partners in the Sitka community.
- **Property management expenses.** Other expenses include utilities and property maintenance, as well as an 8 percent management fee to maintain the property. The estimated costs are \$6,200 per unit per year, which is consistent with property management and maintenance costs for other housing projects.

Sources of Operating Revenue

Tenant Rent and Sponsor-Based Rental Assistance

Many permanent housing operations offer a sliding-scale for tenants to pay a small portion of their rent. This is feasible because most residents qualify for one or more public benefits, which may include rental assistance vouchers. The charge is generally calculated so that the tenant pays no more than 30% of their monthly income, the standard HUD recommendation. Paying some level of rent can contribute to a tenant’s sense of responsibility for their living space as well as to their feeling of being treated as an independent adult.

Special Needs Housing Grant (SNHG) Operating Funds

As described previously, in addition to capital grants, AHFC’s SNHG program also offers operating funds for affordable housing projects. In a recent year, for example, Juneau’s Housing First development (permanent supportive housing) received \$1,041/unit per month in SNHG operating grant funds.

As with the SNHG capital funding, there are extensive eligibility requirements, so it is highly recommended that SHC and its partners work closely with AHFC and potentially with The Salvation Army, which currently receives AHFC operating funds (although it’s not clear if these monies are through the SNHG program). The Juneau Housing First Collaborative (JHFC) may also be a good resource for advisory assistance on accessing AHFC funds.

Continuum of Care (CoC) Funding

The CoC program is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness. The Balance of State CoC grant is managed by the Alaska Coalition on Housing and Homelessness (<https://www.alaskahousing-homeless.org>) and covers the entire state outside of the city of Anchorage. In 2019, federal CoC funding totaled around \$900,000 and was allocated to programs statewide including Fairbanks, Homer, Juneau, Nome, and other communities. Currently, there are no Sitka entities receiving CoC funds.

State of Alaska Community Initiative Matching Grant Program (CIMGP)

This 3-year grant focuses on projects that provide basic essential human services necessary to prevent serious physical or mental hardship, targeting immediate needs of those most vulnerable and in jeopardy. Eligible services are those which, if not available, would subject people to immediate physical or mental hardship or death. Specifically, services may include:

- Homeless shelters (day/night)
- Food banks
- Emergency shelters (non-treatment)
- Outreach to homeless (homeless find)
- Distribution centers for essential items such as sleeping bags, blankets, clothing and outerwear
- Medical support/vouchers
- Transportation vouchers in support of services identified above

Although permanent housing is not specifically listed above, it has a strong connection with related services and so could likely qualify for operating funds to provide additional products and services to clients, such as clothing, food, and transportation.

This program allocates funding by region, based on each region's proportion of the total state population. In the most recent funding cycle (application due date March 2020), the per-year statewide funding was anticipated to total \$861,700, with \$263,843 (30.6%) allocated to Region IX (Southeast).

Maximum funding per award is \$50,000 per year for 3 years. Matching funds must be at least 15% of total project costs. The next funding application cycle is anticipated to take place in early 2023.

Medicaid billing

Some services, particularly medical and behavioral health but also some other types of supportive services, can be billed to Medicaid for eligible clients. This will require partnering with an entity with the willingness and capability for Medicaid billing.

If it appears that a partner or partners are likely to provide Medicaid-eligible services to clients of the housing development, it is recommended that billing for these services be explored with that partner. Housing First in Juneau, for example, partners with JAMHI Health & Wellness for case management, healthcare, and behavioral health services, and JAMHI directly bills Medicaid for these services, thus helping to offset the costs.

This operating pro forma assumes that Medicaid revenues do not flow to the operator of the Jarvis Street project and that any Medicaid billing would occur through partner behavioral health organizations.

Sitka Legacy Foundation

In addition to capital grants, the Foundation offers annual operating grants. Although the grant amounts may seem small relative to the estimated operating budget, it is important to secure local funding to the extent possible, as this demonstrates to other funders that there is strong community support for the program.

The Foundation received 18 applications for funding in the most recent funding application period (due date late September 2019), and made 13 awards, ranging from \$500 to \$2,000 apiece. Recipients were diverse and included arts and culture, early education, and social services (SHC received \$1,470 for shelter supplies, but due to the lack of an ongoing shelter, had to redirect those funds).

City/Borough of Sitka

Operating grants are available in the categories of Human Services, Cultural and Educational Services, and Community Development. Under Human Services, the maximum is \$25,000 per grant. This is an annual grant; the most recent funding cycle had a due date in late August.

9. Implementation Planning

The following are recommended next steps to successfully build and sustain the proposed housing development.

Step 1. Secure Partnerships

As discussed earlier, a key to success of similar projects around the country has been sharing operations responsibilities among partners with expertise and experience with the relevant needs. The most important decision is what entity will take the lead role in operating the development, which will include coordinating several operational elements, including:

- program management (e.g., program acceptance criteria, application procedures)
- fiscal management, including revenue generation as needed
- coordination of supportive services, including referrals
- safety and security
- facility and grounds maintenance and repair

It is also important to note that some funding sources (capital as well as operating) include specific requirements related to the level of supportive services offered, such as mental health and/or substance use treatment services, assistance with accessing benefits, etc. Partners with these areas of expertise will be crucial to the project's ongoing success.

In addition to the operations, SHC, as a young organization, may find it helpful to partner with a local organization with experience in construction project management, to oversee any contractors that are hired to carry out construction activities.

Step 2. Finalize Design + Budgets

Once partners are secured, SHC should work with them to make final decisions regarding project design, capital costs, and operating budget.

Project Design

The biggest design decision will be whether to build the development as a series of tiny homes or a group of detached bedroom units with a communal facility. To date, SHC and likely project beneficiaries (tenants) have expressed a preference for simplicity and the detached-bedroom option. However, a concern that emerged through our key informant interviews was that each tenant has a private toilet. The detached-bedroom design does not currently include this but instead incorporates two outdoor “restroom blocks” that would be accessible to tenants 24/7.

In order to incorporate private toilets, regardless of the design option selected, the project leadership team will need to determine how to accommodate that, such as through a self-contained “dry toilet” system or piped water. The capital budget should also be adjusted accordingly.

The team should also work closely with the City to ensure that the final project design adheres to all local regulations and ordinances.

Capital Costs

Several other capital costs were estimated based on other projects with some similarities to the one proposed, and/or informal estimates from local interviewees. Again, working with a partner with capital project experience will help to fine tune some of these cost estimates, such as for an appraisal, permits and inspections, site prep, etc.

Operating Pro Formas

Once partnerships are solidified, key operating decisions can be made, such as how best to provide onsite staff and/or security 24/7, how to process and approve new tenants, how to connect tenants with benefits and supportive services, etc. In particular, the staffing structure will determine a large portion of the operating budget, such as whether to hire a full-time live-in property manager (and include an apartment in the communal building for that person) or several, part-time onsite resident support staff who rotate schedules.

In addition, which partner takes on the responsibility for various aspects of the operations will help determine more specifically what the costs are likely to look like, such as an organization's pay scales and benefits package.

Step 3. Identify Operating Funding Sources

Funders will want to see a sustainability plan prior to funding the construction of the development. In addition to secure partnership agreements, this will mean making sure that SHC and its partners have identified feasible, long-term (sustainable) sources of operating funds. The operating pro formas provided are estimates based on other, similar projects in Alaska; however, these estimates should be fine-tuned once all the operating details have been finalized.

Step 4. Secure Capital Funding

See the Capital Funding Plan, below, for more details. Funding should be committed or secured prior to soliciting for paid contractors.

Step 5. Secure Construction Contractor(s)

Typically, once a project is ready to hire a contractor to oversee construction, the hiring organization issues a Request for Proposals (RFP) and advertises it in the area from which it hopes to solicit proposals (bids) for the work. The possible alterations to this approach for the proposed project could include:

- There may be a project partner that wants to take on the General Contractor role, including the project management fee.
- Sitka has a higher proportion of seasonal/vacation residences than many Alaskan communities. One suggestion that emerged through our interviews for this project was that there may be a number of retired or semi-retired developers/general contractors with an interest in "doing good" through donated or heavily discounted work. Identifying and reaching out to individuals who might fall into this category will likely be most successful on an informal basis, through word of mouth (asking existing contacts and community leaders, etc.).

Step 6. Schedule and Carry Out Startup Activities

Once construction is underway, the leadership team will want to make sure they are ready to begin accepting tenants as soon as possible upon completion. This will mean working on tasks such as developing an application process, policies and procedures, securing materials and supplies, drafting job descriptions and starting to recruit for those positions.

Appendix: Stakeholder Interview Summaries

Potential Project Beneficiaries

Sitka Housing Coalition informally polled some male individuals in Sitka who are experiencing chronic homelessness. Gayle Young shared a preliminary site drawing and solicited their feedback. Their initial thoughts and recommendations include:

- Posting of rules for residents and visitors
- To-do/chore list and responsibilities for residents
- Outdoor-entrance restrooms with 24-hour access for residents
- Secure space for belongings

The Coalition plans to continue engaging beneficiaries throughout the planning, design and development process to get their feedback and insights based on their lived experience.

Alaska Mental Health Trust Land Office

The Land Office confirmed that there are no other plans for the proposed parcel, which they own, and that they would be willing to set aside up to two acres for the project. They did suggest that a residential subdivision might be something to consider for future co-location with the project.

Their preferred approach would be to retain ownership of the land and offer a long-term lease to the owner/operator of the project. There is a process for using land for less than fair market value for beneficiary purposes, and appraising the parcel is one step in this process that will need to be addressed. There are some commercial appraisers in Sitka who might be willing to donate an appraisal for a community project. They emphasized that before they commit the land for this purpose, they will need to know who will operate the project once it is completed. In addition, they want to ensure ongoing access to the site. This would likely be via a continuation of Jarvis Street.

Baranof Island Housing Authority

BIHA owns land in Sitka and indicated that their current strategic priority is for development of transitional housing for vulnerable populations. They also noted a recent grant for addressing domestic violence, though it is not clear yet whether future development of transitional housing will be specifically targeted to this population. In addition, they are planning to construct a new duplex next spring, with 3-bedroom units. They continue to consider modular housing options for affordability, thus potentially allowing for larger housing developments. With their internal construction and maintenance crew, BIHA has the capacity to develop two new housing units per year (in the form of one duplex); however, they have contracted for additional capacity on larger projects, including a 24-unit rental housing development several years ago. They would not likely take on a lead development role for this project at this time, but may be available on a limited basis for advisory assistance.

BIHA's primary strategy regarding homelessness prevention is affordable housing. Their affordable rent clients would not be able to afford market-rate housing, so by providing these households with affordable housing units, they're preventing them from experiencing homelessness. In addition, they occasionally pay for temporary lodging in crisis situations, on a case-by-case basis, such as when the domestic violence shelter is full.

Staff leadership expressed general support for the project concept and an openness to exploring future potential partnership opportunities; in addition, they are interested in learning more about how the Housing

First development in Juneau is structured in terms of its operations. BIHA's recommendations for the project include ensuring energy efficiency measures and good ventilation in the facilities, as well as building units to withstand natural disasters such as landslides and tsunamis due to the community's environmental setting. BIHA also noted that there are some in the community who feel that if the proposed project is "too nice," it might result in an increase in the population of people experiencing homelessness due to the attractiveness of the facilities. They did agree that separate living units were a good idea for a number of reasons, including the reduction in potential conflict among the residents.

BIHA also noted that they anticipate an increase in housing need in Sitka over the next five years due to (1) a new Coast Guard ship that will bring 25-30 new families, and (2) an expansion of the local medical facility. Existing housing stock is insufficient to meet current needs, and the changes are expected to increase the need by about 100 housing units.

In a second interview with the new incoming Director of BIHA, who used to be an engineer with the City, he noted that the City may insist on the maximum road width of 65 feet due to anticipated community growth and the potential for future residential development in the area. He did think, however, that the road may not necessarily need to be paved for the proposed project development. He also suggested that design costs in the capital budget may be closer to 8% than the previously estimated 5%.

City/Borough of Sitka

The City has expressed an interest in a public-private partnership to work on a permanent or semi-permanent housing solution to homelessness. This approach of providing housing for people experiencing homelessness is supported by direction from the Sitka comprehensive plan as well as individual staff members. City staff is supportive of this project idea and expressed their preference for the unattached bedroom plan: the scale is appropriate, it is easier to maximize the development potential of the site, and it is less expensive than the tiny house version. However, the tiny home option offers more independence and potential for improved sanitation, and they thought it would be a good idea to keep both options so that the eventual operator can select which plan they prefer. They would prefer to contain the entire project to the parcel owned by the Trust Land Office, rather than encroach on adjacent City-owned land.

They also noted that the City/Borough does not provide social services or community health services, so a project addressing homelessness would not fit under any particular City department, and they would not be likely to be the property maintenance entity. However, the two Planning staff would need to be involved in the development planning to ensure compliance with City code and ordinances, proper permitting, etc.

Staff noted that an RV lot would not work due to limitations on occupancy duration in one location. Mobile home parks, however, are regulated by HUD. A communal facility is not allowed with a manufactured home park, but a covered shelter could replace the communal facility. The proposed approach of building tiny houses or detached bedrooms on chassis provides a more permanent structure, and the ability to move the structure is ideal. Once it's placed, it will need to remain in the same location.

There is a new City ordinance in development regarding tiny houses, but it wouldn't govern this project because that ordinance allows for a conditional use permit in certain zoning districts and is primarily for when someone wants to add a tiny house to their lot. A tiny home "park," like what is proposed, would likely need to be regulated under the code through the mobile home/manufactured home park provisions in the C-1 district. The site is part of the C-2 zone so a rezone would be required, which would likely be doable.

In past experiences with homelessness housing projects, the City noted that issues had come up at all hours of the day, such as conflict resolution, garbage, etc. A full-time resident manager would be helpful to have for purposes of safety, security, and property upkeep and cleanliness. Also, they noted a car camping area could be considered, but the logistics and/or safety of this may not be feasible.

Technical project considerations they shared include:

- Self-contained plumbing may be an option and would reduce the cost considerably.
- Tiny house approach will have some similar constraints as the detached bedroom plan: units sprinkled, connection to sewer/water, access for fire truck, appropriate separation (at least 10 feet).
- Sewer line stops 110 feet short of property line (Haley avenue).
- Topography is an issue. The land slopes and becomes part of the riverbed and the site would be in the flood plain. Obstacles are:
 - Adding fill is costly
 - Building in the flood plain can result in flood insurance if the buildings have a federally backed mortgage; however, this likely would not be an issue since they will most likely be funded through grants and not debt.
 - Recommend keeping buildings on the flat side of the parcel (more developable area) and not building on the sloped area.
- Access road on TLO land could possibly shrink down to 20-50-ft wide. Ultimately the size of the access road depends on what the TLO requires, which will likely be based on what they may develop in the future. There are different access road requirements depending on the development.
- For building and fire review, would be reviewed as a commercial installation (as a single project).
 - From the code perspective, this could be like a scattered hotel or cabins property.
 - Likely 10ft minimum distance between structures would be sufficient; not an official estimate because code review is necessary.
 - Anything over 2 units will be required to be sprinklered, so this site plan should assume this cost. This means a larger water pipe (maybe 4"). There is an option to apply for a waiver from the sprinkler requirements, especially if the construction materials allow for separation but there have not been any examples of residential projects receiving that waiver. Sitka is a deferred city and implements more restrictive requirements than the State Fire Marshall; fire plan review occurs through the City of Sitka.
 - No indoor camping toilets.
 - Fire apparatus needs to reach within 150 ft of each structure – need road/access that would support this
- Parking requirements are negotiable, but should accommodate caretaker, volunteers and residents. Can use setbacks for parking space, possibly allow parking on access road land. The idea is to push the development closer to the roads where the land is more developable and eliminate any buildings on the slope side.
- Better to keep restroom blocks away from sloped area to allow for gravity-fed plumbing; once the structure hits the drop-off area, it would require additional plumbing elements, such as a grinder pump.

Cost considerations shared include:

- Estimated cost of an ADU, foundation, hard water/wastewater is \$50,000. Triple the cost to plumb the bedrooms.
- Utilities: Approximately \$20,000 estimate for connecting water (1") and sewer (6") to property line
- City may be able to donate cost of extending water/sewer lines to property line. TLO may need a bigger water line for the future – would want to avoid installing a smaller line now and needing to install a parallel larger line later down the road.
- Units could be constructed back to back, or in little 4-plexes or duplexes, to potentially save costs. Some of the units could be clustered, others could have more separation.
- UAS/high school has woodworking class and may have built tiny houses in past; with clear instruction they may be able to help with this again, which could help reduce construction costs.
- Suggestion to lower costs: detached bedrooms with a few plumbed toilets.

Juneau Housing First Collaborative

The Juneau Housing First Collaborative (JHFC) operates two, 32-unit permanent supportive housing facilities in Juneau for people experiencing chronic homelessness, often with other issues such as mental health and/or substance use disorders. Through partnership agreements, residents have access to a wide array of services and supports, but under the Housing First model used in Juneau, the priority is placed on providing permanent housing without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements. Housing First provides the platform from which formerly long-term homeless people can pursue personal goals and improve their quality of life. An evaluation study of Juneau's program found that after just six months, people who had moved into the development reduced their use of emergency services and the emergency room by 65%. This study also demonstrated an increase in dignity for those experiencing chronic homelessness.

JHFC expressed strong enthusiasm for the proposed project in Sitka and that it is being scaled at a level that makes sense for that community (rather than a larger-city model). They acknowledged that the Juneau project initially struggled as well; at first, nobody wanted to own or operate the facility, so they created a collaborative: a 501(c)(3) entity with a coordinator position for the collaborative. Roles and responsibilities are as follows:

- JAMHI Health & Wellness, a Federally Qualified Health Center (FQHC) operates an onsite health clinic in exchange for using the space rent-free. Through their funding mechanisms, they are able to provide case management, which means that JHFC does not have to provide case management staff.
- The Tlingit-Haida Regional Housing Authority (THRHA) maintains two contracts with JHFC, a landlord contract, and another contract to provide property management. They do charge a small fee (approximately 4-5%). Note that THRHA also served as General Contractor for the development's construction and charged a reasonable project management fee for that work.
- They do have residential support specialists on staff, which are paid almost entirely through AHFC's SNHG operating funds. It is difficult to keep these positions filled, so they make sure these staff have no clinical duties and very light support duties as it's not considered a "group home"; it's more about having somebody onsite to check in on people, make sure rooms are reasonably clean, ensuring rules are adhered to, and act as a presence in the entry area. They've had college students in this role, as well as some former fishermen; peers (people with lived experience) have not worked out so well for this role.

In order to be eligible for any type of housing subsidy or voucher, the project will need to adhere to Fair Housing regulations, such as access to essentials. This may include plumbing, but she wasn't sure. SNHG funding is more flexible and so may be a better fit for the proposed Sitka project. Also, having solid data about the number/percentage of likely clients who are tribal members will be helpful in efforts to access tribal involvement and explore possible tribal funding opportunities.

A few additional suggestions JHFC offered included:

- There may be retired or semi-retired developers in Sitka who have an interest in offering assistance on a volunteer basis with the construction.
- In Juneau, they found a representative from the for-profit sector to join the board, or advisory and other support.
- Regardless of the design option selected, she strongly recommended that each unit should have a private toilet.

JHFC is happy to engage in additional conversations and offer advisory feedback throughout the planning process and may be able to also offer guidance related to gathering partners for the operations.

The Salvation Army

The Sitka Salvation Army is managed by a couple assigned by the national organization; beyond that, they have no paid employees and are entirely volunteer operated. In Sitka, The Salvation Army runs a soup kitchen for lunch each day, provides food boxes, and since the onset of the COVID-19 pandemic offers meals to go, to avoid gatherings for meals. They also operate a small thrift store, staffed by volunteers a few days each week.

Sitka receives housing funding through the Alaska Housing Finance Corporation (AHFC), which is used to provide rental assistance and utility assistance for those in need or in danger of eviction. The chapter has no certified social workers, navigators, or case managers on staff, although on occasion they assist as they can with helping individuals and families connect with needed services and supports.

The current leadership at the Sitka chapter is relatively new, having only relocated to Sitka from out of state early in 2020, just before the pandemic hit. However, they have quickly come to familiarize themselves with the community in a number of ways. They expressed support for the concept of the proposed project, as well as strong enthusiasm for Sitka Homeless Coalition's dedication and perseverance in securing safe housing for adults experiencing homelessness. They have observed a similar situation as others have noted, which is that the main unmet need in Sitka related to chronic homelessness is housing for individual adult males. There may be occasional adult women and one or two couples at any given time who experience homelessness as well, but for the most part women are able to access the local domestic violence shelter.

Potential project beneficiaries also frequently access their soup kitchen. They noted that some of the target population for the proposed project are aging, and while they may not be likely candidates for other forms of housing, they appear to be having an increasingly difficult time living on the street. At the same time, some of the individual adults have expressed a preference for remaining homeless over living in a housing situation in which they are required to abide by a host of rules or engage in particular services. (Examples of these in some housing models might include abstaining from substance use, or accessing behavioral health care, job training, or other services and supports.) Because of these constraints, the proposed development could offer a solution: permanent housing without formal, required case management, but with the option to access referrals for desired services.

Prior to our interview, SHC met with The Salvation Army (SA). They expressed in the interview that they were of the understanding that SHC would like SA to play some kind of major role in the proposed project, although they weren't entirely clear what the specific desired role might look like. They did note that The Salvation Army is a very hierarchical organization, and that they don't necessarily have the authority to make major decisions about financial or other resource commitments. Because of that, they are not able to make any particular commitments at this time and will need more information, in order to identify ways in which they might engage and approach their regional leadership about those possibilities. They were interested in understanding more about the "nuts and bolts" of the project, as well as insurance and liability considerations.

Those questions and concerns expressed, they do think the project is possible, although they expressed the sense that it would likely take longer than SHC probably would like it to. However, they are supportive of SHC and the project concept. They offered as encouragement, "The wheels don't turn as fast as people want them to, and it's important not to get discouraged or give up."

Sitka Community Land Trust

SCLT's current primary focus is the development and sale of units in the Halibut Cottages development, a series of cottage-style units intended for homeownership by LMI buyers. Funding has come from the City and from Rasmuson Foundation, and SCLT, in its role as developer of the property, is working with a local construction company. One unit is now occupied, and another recently closed.

They are also considering the possibility of making one of the cottages an affordable housing rental unit. Land trusts around the country, they noted, have been starting to expand into property management, and this may be one way to contribute toward long-term sustainability. One of their board members is an architect who has come up with a design for a small (under 600 square feet) home that addresses common code issues for homes of that size, and AHFC has approved the design. They did note, however, that in Sitka, it is extremely challenging to find ways to reduce capital construction costs, due to the high costs of materials and shipping.

In terms of SHC's proposed development, SCLT pointed out that the general area of the site has in the past been occasionally used as homeless camps; at the same time, bears can be an issue in that area, which is another aspect of safety that will need to be addressed. However, they expressed enthusiasm for the project and may be open to an exploration of partnership opportunities. The Board might be willing to hear a presentation of additional project details and how partnerships could work, such as development and/or property management. They also suggested talking to Juneau Housing Trust (which may refer to Alaska Housing Development Corporation, a nonprofit entity based in and focused on Juneau), which they said uses YouthBuild as part of their model for building housing. (YouthBuild trains low-income young people in construction skills to help build affordable housing and other community assets such as community centers and schools.)

Sitka Counseling + Prevention

Sitka Counseling + Prevention (SCP) owns and operates several residential facilities, including a 12-bed residential (Level 3.1) substance use disorder (SUD) treatment facility, two rental 4-plexes available as residential rentals for the general community (2BD/1BA units), and River's Edge, a 6-unit permanent supportive housing (PSH) facility (1BD/1BA units, with one set aside for an onsite residential manager) for people experiencing physical, mental and/or developmental disabilities.

River's Edge is the most comparable to the proposed project. It consistently has a waitlist, and turnover is low (one person moves out every few years). Tenant supports provided at River's Edge include:

- Resident manager who assists tenants as needed
- "Handyman" available for small repairs and maintenance
- Community room
- Access to other supportive services (such as behavioral healthcare and other supports) as requested. Participation in services is not required.

The SCP staff we spoke with agreed that there is a shortage of affordable and supportive housing in Sitka and that individuals who experience homelessness and have behavioral health issues have limited options for shelter in Sitka, or for accessing treatment and supports. Some expressed that it can be challenging to serve individuals who express a preference for remaining outside if shelter or housing comes with rules or requirements. For the proposed project to succeed and establish trust and participation from the people experiencing both homelessness and behavioral health issues, staff recommended a strong partnership between the entities that will operate the project, resident staff, and those who will participate as tenants. Gaining that "buy-in" is key for success.

SHC expressed support for the project concept and for finding a solution for individuals experiencing homelessness. They were particularly supportive of the approach of building a "community" of units as well as communal/gathering space. This can help to avoid a sense of loss of community or loneliness that sometimes happens when a person moves into housing and away from their friends who may still be homeless. In light of COVID, separate living units are especially viewed as a good idea.

Their suggestions and questions/concerns regarding the new proposed facility included:

- Ensuring a consistent commitment to maintenance, including an on-site manager with a strong presence to minimize safety issues
- Determining whether and how the development (grounds and communal facility, restroom blocks) would have open access to non-tenants
- Separate toilet and shower facilities for female tenants/guests. They suggested that approximately one-fourth of individuals experiencing homelessness in Sitka are women, which may not account for women who are “invisible” because they are housed but living in situations that are unsafe for them.
- A need for a toilet in each individual unit, for health and safety reasons.
- Outdoor lighting and possibly cameras, for safety and security (including bears that frequent the wooded area).

They also suggested that because the faith-based community (local churches) offer spaces during winter for individuals experiencing homelessness, they would be a good potential resource of support for the project.

SCP participates in the Harbor Lights program, which operates as a community drop-in center for individuals with SMI diagnoses. Harbor Lights offers formal and informal activities and supports, including a hot lunch (which includes participants who help with menu planning, budgeting, and food shopping), assistance with applying for benefits such as Medicaid, and recreational and social activities. It operates weekdays from 9 a.m. to 4 p.m. and is a sober environment. There might be engagement opportunities for this program with the proposed development operations.

SCP also offers clinical services as well as its residential facilities and expressed potential interest in exploring opportunities for partnering for the provision of services. For instance, they currently provide onsite case management at the SAFV shelter facility and could potentially develop a similar arrangement if there was space set aside in the communal facility. These services would need to be on a contract basis unless the tenant is or becomes an enrollee in SCP’s programming, so that they could bill for the services.

Sitkans Against Family Violence

The local domestic violence shelter, Sitkans Against Family Violence (SAFV) also coordinates and conducts domestic violence education, prevention and intervention throughout the community. They also offer trauma-informed school programs, as well as legal and other advocacy. Housing is a key need for their clientele, since anyone who needs access to the shelter due to domestic violence is considered homeless. The shelter has a capacity for 25 people, and while it is often full or busy, SAFV rarely needs to resort to a waiting list.

SAFV offers the only shelter in Sitka, which means they often also serve women and children who aren’t experiencing domestic violence but are experiencing homelessness. On average “pre-COVID,” approximately one-third to half of the women in the shelter were experiencing homelessness but not domestic violence; however, almost all shelter utilizers have experienced domestic violence, sexual assault, and/or sexual abuse at some point during their lives. The shelter cannot serve men due to the nature of the target population, nor can it serve women who have a record of violent offenses. However, SAFV does offer information and referrals for those who contact them with needs for housing and/or other services. Since outreach to men has taken place, SAFV has experienced an increase from zero contacts per year by men to approximately 8, who are usually experiencing domestic violence issues.

Anecdotally, there are on occasion couples without children who experience homelessness; often, there is domestic violence happening in those situations, but these couples usually don’t want to have to split up to find housing, but SAFV is not aware of any couples who are experiencing chronic homelessness. There are also some homeless individuals who move from place to place, couch surf, etc., due to assertions of past harassment by law enforcement.

SAFV expressed admiration for the Housing First model and the successful Housing First development in Juneau; perhaps they could be of assistance in the development of this project. Sitka has done many things

very well, and it appears the community is now mobilizing more than ever to help and support those whose voices have not been uplifted in the past. More organizations, too, are recognizing the need. It's still not quite clear to what extent the community of Sitka perceives people experiencing homelessness as part of the community that deserve supports and services. The director of SAFV joined the board of SHC after talking with a representative in Ketchikan and learning about how much more they were doing in their community for people experiencing homelessness.

They offered that what has been demonstrated not to work is expecting homeless individuals to adhere to requirements imposed upon them by external entities, and not allowing them to make decisions as independent adults. There are many restrictions involved with subsidized housing, which means ineligibility for many people. The impression is that BIHA, for example, has a high level of regulations and restrictions. The Tribe may be a potential partner to approach.

Another concern is that a lot of the funding being made available right now (e.g., CARES Act, etc.) isn't necessarily going to be long-term, so decisions about new programs and projects will need to be considered carefully in terms of their sustainability (staffing, operations costs, insurance, etc.). For the proposed project, it will be important to have staff onsite 24/7.