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The Alaska Housing Trust: Preventing and ending homelessness in Alaska

Q: How many Alaskans are homeless?

A: Estimates vary; a recent AHFC survey indicated nearly 3,500 Alaskans are homeless on any given night.¹ The Alaska Department of Education and Early Development, which counts children only, reported that more than 3,000 children were homeless or inadequately housed at some time during the 2005-06 school year.² Over the last six years, an average of 88 discharges a year from Alaska Psychiatric Institute have led to homeless status.³ A 2005 Department of Corrections Homeless Offender survey found that 35% of offenders did not know where they would live upon release or planned to live in a shelter or on the street.⁴

Q: How many Alaskans are at risk of homelessness?

A: 20,000 low-income Alaskan households spend more than 50% of their income on housing costs, placing them at risk of homelessness.⁵

Q: Why are so many Alaskans homeless?

A: Homelessness results from a complex set of circumstances that require people to

choose between food, shelter, and other basic needs. Contributing factors include:

- **Inadequate income.** A 2001 study found 57% of Alaska households could not afford a median priced home and 46% could not afford the average rent.⁶ Today in Alaska, a person needs to earn \$17.05 per hour to afford a modest two-bedroom apartment at the average fair market rent of \$905.⁷
- **Inadequate supply of affordable housing.** The private housing market alone cannot supply enough affordable housing because of high land prices and other costs. The waiting list in Alaska for publicly financed housing is nearly 4,000 households.⁸
- **Catastrophic events and destabilizing forces.** A sudden economic downturn caused by illness, injury, divorce or job loss may push people into homelessness. Mental illness and addiction disorders are also destabilizing forces that can cause homelessness.
- **Insufficient supportive services.** In Alaska, homeless prevention and housing retention services are not generally available.

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Q: Who is homeless?

A: In Alaska, families with children are the largest sector.⁹ Of all homeless Alaskans:

- 45% are persons in families with children
- 15% are victims of domestic violence
- 9% are veterans
- 14% are severely mentally ill
- 24% suffer from chronic substance abuse problems
- 16% are chronically homeless¹⁰

(Some homeless individuals are counted in more than one category.)

Q: What does homelessness cost Alaska?

A: Data is not available to precisely answer this question. However, the University of California San Diego Medical Center found that, over 18 months, 15 chronically homeless inebriates were treated at the hospital's emergency room 417 times, running up bills that averaged \$100,000 each.¹¹ In Asheville, North Carolina, it was discovered that just 37 homeless men and women generated \$278,000 in jail costs over a three-year period.¹²

Q: What is a Housing Trust?

A: A housing trust is a pool of funds earmarked to provide for the housing needs of low-income families and individuals. More than 30 states have housing trusts. Experience

shows that state housing trust funds are more innovative and move quicker than federal programs to address local issues. On average, each dollar spent by a state housing trust leverages \$9.25 in additional funding for housing.¹³

Q: What will be the mission of Alaska's Housing Trust?

A: To reduce homelessness through the creation and retention of an adequate supply of affordable, long-term housing.

Q: What will be the benefits?

A: Safe, stable and affordable housing promotes strong families:

- Children are more successful in school
- Families have a foundation on which to build their dreams
- Seniors and persons with disabilities can live with independence and dignity

Home ownership promotes community stability—families are more invested in their neighborhoods and increase their civic participation. Moving people from homelessness to permanent housing reduces the amount of public funding they would otherwise use. And investing in housing creates economic opportunity in the private sector, including construction and other housing related industries.



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Q: What type of projects and activities will the Alaska Housing Trust fund?

A: All projects and activities must reduce homelessness and include (but are not limited to) the following:

- Construct new housing (single-family, multi-family, cooperative)
- Buy existing housing (single-family, multi-family, cooperative)
- Rehabilitate/repair existing housing (single-family, multi-family, cooperative)
- Fund affordable housing component only of mixed-income and mixed-use developments
- Buy land
- Perform accessibility modifications
- Provide down-payment assistance
- Provide rental assistance
- Fund homeless prevention services (e.g. prevent foreclosures and evictions)
- Fund housing retention services or facilitate transition from dependency on subsidized housing
- Support Community Land Trusts
- Fund capacity building in the development and operation of affordable housing and provide support services (operations and technical assistance)

- Fund predevelopment activities for affordable housing

Q: How will the Alaska Housing Trust differ from other housing programs?

A: The Alaska Housing Trust will support and complement existing efforts by working as a catalyst to pull together other funding sources in order to move families out of homelessness and help those at risk of homelessness. The Alaska Housing Trust will:

- Give a priority to those who have the greatest housing affordability gap—people with extremely low income.
- Target those in danger of becoming homeless with homeless prevention and housing retention services.
- Support those transitioning from homelessness who are confronting multiple barriers to becoming self-sufficient.
- Create and retain permanently affordable housing by reinvesting the initial public investment.

Q: Who will administer the Alaska Housing Trust?

A: The Alaska Housing Trust will be a separate capital budget fund within Alaska Housing Finance Corporation (AHFC). The duties of the Alaska Council on the Homeless, which



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was established by the Governor in 2004, will be expanded to:

- Develop an annual housing trust plan
- Advise on the allocation of fund resources
- Report results annually to the governor and legislature

Q: Where will the money come from for the Alaska Housing Trust?

A: A legislative appropriation of state general funds will be used to create the Alaska Housing Trust and leverage existing resources.

Q: How will the Alaska Housing Trust work with existing low-income housing programs?

A: The Alaska Housing Trust will seek to maximize the capacity of existing programs by pulling together available resources and

addressing the gaps in which the poorest Alaskans fall. The Alaska Housing Trust will not—and cannot—replace the existing service providers who are already stretched to their limits. The federal government has historically provided the lion’s share of housing assistance in Alaska, and will likely continue to do so. But for a number of reasons the federal programs are not adequately addressing the homeless problem:

- Federal funds fall far short of needs. HUD estimates that nationally only about 25% of households that qualify for housing assistance are receiving it.¹⁴ In Alaska, 4,000 families are on the waiting list for affordable housing.¹⁵
- Federal funds are poorly connected to homeless prevention and housing retention services.
- Federal programs do not effectively reach people with extremely low incomes.

Footnotes

1. AHFC, Statewide Homeless Survey: Winter 2006. The survey uses the HUD definition, which focuses on people in shelters. It is a point-in-time count.
2. Preliminary number from M.Gaber/Alaska Department of Education, Homeless Education Coordinator (personal communication to S. Schubert 9/25/06). The DOE definition also includes children in substandard housing, shared housing and non-traditional spaces such as motels, campgrounds and cars. DOE’s number is cumulative for the school year.
3. API: personal communication from D. Booth/API, through R. Adler and R. Hammaker and F. Peratrovich/State Division of Behavioral Health, to S. Schubert, 8/10/06
4. Homeless Offender Survey, 2/05, Alaska Department of Corrections
5. MOA Housing and Community Development Consolidated Plan, 2003-07; State 5-year HCD Plan, 2006-10
6. Center for Community Change, Home Sweet Home, 2001
7. National Low Income Housing Coalition, Out of Reach 2005
8. AHFC Public Housing Waitlist Status Report, 9/6/06
9. AHFC’s Statewide Homeless Survey: Winter 2006.
10. HUD defines “chronically homeless” as “an unaccompanied individual with a disabling condition who has been homeless for a year or more, or those who have experienced at least four episodes of homelessness within three years.”
11. Gladwell, M., “Million-Dollar Murray,” The New Yorker, 2/13/06
12. U.S. Interagency Council on Homelessness e-newsletter, “In the Cities and Counties: Police Officers Take Lead In Organizing St. Paul/Ramsey County Project Homeless Connect Event” and “New Data Underscore Cost of Homelessness to Communities,” 6/22/06
13. Center for Community Change, Workbook for Creating a Housing Trust Fund, 1999, p. 46
14. Harvard University Joint Center for Housing Studies, Status of the Nation’s Housing 2006.
15. AHFC Public Housing Waitlist Status Report, 9/6/06

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