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After successful pilot year, Alaska's first Pay for Success project launches to reduce persistent homelessness in Anchorage

ANCHORAGE, AK – Today marks the official launch of Home for Good (HFG), a three-year public-private partnership to reduce persistent homelessness in Anchorage. Led by the Municipality of Anchorage, United Way of Anchorage, and national nonprofit Social Finance, the project brings together more than twenty nonprofit, government, and philanthropic organizations to stabilize and house 150 individuals who currently use a disproportionate amount of emergency services. This is the first project in Alaska to use a Pay for Success financing mechanism, which requires the project to achieve successful outcomes in order to unlock funding from the Municipality. Today, the project begins scaling up to enroll 100 people within the next year.

“This project takes a private sector approach to solve a complex public problem,” said Mayor Ethan Berkowitz. “It focuses on data and outcomes, and unites almost two dozen organizations to achieve a shared goal.”

Unlike other projects that seek to quickly rehouse people who need minimal assistance, Home for Good focuses on individuals with complex behavioral health and medical needs who experience persistent homelessness, frequently use emergency medical services, and cycle through shelters and the criminal justice system. Of the approximately 1,000 people experiencing homelessness on a given night in Anchorage, around 350 meet these criteria. Deploying these emergency services costs an average of \$47,000 per year per individual, but fails to address the complex underlying conditions that perpetuate the cycle.

Home for Good will break this cycle and refocus resources on a proven intervention called “supportive housing,” which combines affordable housing with wraparound support services including medical and behavioral health care, job training, and intensive case management. In this stable environment, HFG participants will develop habits and skills of independent living, and ultimately be expected to make rent payments. Support services will be delivered by the Southcentral Foundation and Alaska Behavioral Health.

“Home for Good reflects the efforts of a carefully assembled collaboration of agencies and individuals in Anchorage eager to meet the toughest challenge of homelessness in Anchorage and to continue closing the city’s most chronic housing gap,” said Michele Brown, a key architect of the project who recently retired as president of United Way. “Now we finally have the means to scale permanent supportive housing for up to 150 of the people we see every day who struggle with severe mental illness, trauma, addictions, and physical disabilities, to help them break the cycle of prison, crisis care, and street life. And we have proof it works.”

Supportive housing is a core component of the [Anchored Home Plan](#), and the Anchorage Coalition to End Homelessness’s [Gap Analysis and 2021 Community Priorities](#) identifies supportive housing as a top priority for reducing adult homelessness in Anchorage. Home for Good is the only new project on the horizon that will bring supportive housing to scale.

This week, the Anchorage Assembly authorized the Municipality to enter into a Pay for Success contract, which requires the project to demonstrate success before accessing municipal funding. The project will initially be funded through a combination of federal, state, and philanthropic grants. The Rasmuson Foundation, Alaska Mental Health Trust Authority, Providence Health and Services Alaska, and Premera Blue Cross of Alaska together contributed \$3 million to run the pilot and bring the project to scale. A third-party evaluator will analyze whether the project successfully keeps participants stably housed, and if those benchmarks are achieved the Municipality will make payments to continue through year three. If at any point the project starts to underperform, payments from the Municipality may be reduced or altogether withheld.

“Anchorage is trying something innovative: instead of simply buying services, it's paying for results,” said Jake Segal, Vice President of Advisory Services at Social Finance. “Making progress on complex social issues like homelessness isn't straightforward. By agreeing to release public funding only on the basis of carefully measured results, it gives the community a chance to make a real difference in participants' lives and to transform the system to focus on outcomes—while also giving taxpayers confidence that their money is only being spent if the program is successful.”

Today's announcement comes after the conclusion of a yearlong HFG pilot, which began in July 2019. By June 30, 2020, of 21 people housed, 19 remained in stable housing—a rate of 90 percent. Pilot participants experienced 85% fewer arrests, 85% fewer Safety Center intakes, 63% fewer stays in shelter, and 44% fewer emergency medical service trips.

“The pilot's data demonstrates that Home for Good works. And it's urgently needed,” said Eric Glatt, United Way's Home for Good project director. “With winter approaching, in the midst of an unprecedented healthcare crisis, the need for stable, supportive housing for Anchorage's persistently homeless, disabled residents is as pressing as ever.”

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