

Grant Approval Memo



Grantee: Covenant House Alaska
Request Amount: \$1,000,000.00
Project Title: Scaling Homelessness Prevention Statewide – Demonstration Project Expansion
Grant Term: 7/1/2026 to 6/30/2028
Trust Staff: Kelda Barstad

Staff Analysis:

- What does this project do?
Trust funding expands Covenant House Alaska’s (CHA) homelessness-prevention model for youth exiting foster care into a statewide initiative. The project provides intensive navigation, early intervention, and flexible financial assistance to stabilize housing, prevent crises, and ensure youth transitioning out of foster care do not enter homelessness. Trust investment will allow CHA to reach 120 additional young people over two years—coordinating support before system discharge, strengthening connections to services, and addressing urgent financial barriers that place youth at risk of eviction, unsafe living situations, or system involvement. This expansion builds on CHA’s demonstration project outcomes, where all participating youth remained stably housed with zero homelessness events.
- Who is receiving the funds?
Covenant House Alaska (CHA) is a 501c3 nonprofit that serves homeless youth in the Anchorage area ages 13-24. They operate a youth shelter and youth engagement center that is open 24/7, 365 days a year. CHA also operates programs for youth including: education and employment, housing navigation, rapid rehousing, MACK units, Rights of Passage, Passage House, Covey Lofts, and homelessness prevention services. CHA is currently in the final year of a three-year federal demonstration project to prevent homelessness for youth aging out of foster care, with funding ending in September 2026.
- Why is staff recommending this project?
Approximately 100 youth age out of foster care in Alaska annually, often with few supports. The National Youth in Transition Database shows that 55 percent of foster youth in Alaska report experiencing homelessness by age 21. This project uses real-time Office of Children’s Services data to identify youth at highest risk, aligning supports before system discharge, and partners with Facing Foster Care Alaska and tribal and community providers to ensure continuity of care. Preventing youth homelessness is significantly more cost-effective than responding once homelessness occurs. The project is both data-informed and partnership-driven, and it is designed to scale statewide as a prevention-first infrastructure. Youth homelessness is a leading pathway into adult chronic homelessness, which drives long-term public costs across shelter systems, health care, and law enforcement. Trust beneficiaries are overrepresented in both child protective services and homelessness services systems. This project will primarily serve the Trust beneficiary categories experiencing a mental illness or substance use disorder, though beneficiaries with a brain injury or intellectual or developmental disability will also be served.
- Will this be a multi-year project?
This is a two-year project.

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Trust Five Year Funding History

<u>Fiscal Year</u>	<u>Project Title</u>	<u>Amount</u>	<u>Status</u>	<u>Final Expended</u>
19182	Meeting Youth Where They Are: Expanding Behavioral Health, Substance Use and Recovery Services Across CHA	\$310,000	Active	Grant ends 2/15/2027
17479	Building Capacity for Crisis Intervention and Behavioral Health Support at Covenant House Alaska	\$136,000	Closed	\$136,000
14424.02	Covey Academy Youth Employment Training	\$250,000	Closed	\$250,000
15381	Mental Health Clinician for CHA's Youth Engagement Center	\$97,586	Closed	\$97,586
14424.01	Covey Academy Youth Employment Training	\$250,000	Closed	\$250,000
14424	CHA's Covey Academy	\$250,000	Closed	\$250,000
14317	CHA Culture Coordinator and DEI Department	\$50,000	Closed	\$50,000

Comp Plan Identification

<u>Area of Focus</u>	<u>Objective</u>	<u>Comments</u>
Area of Focus 1: Early Childhood & Youth	1.6 Youth are safe and secure	Also 3.1

Trust Focus Area Connection

<u>Budget Area</u>	<u>Strategy</u>	<u>Comments</u>
Housing & Home & Community Based Services	HHCBS - Beneficiaries have safe, stable housing with tenancy supports	

Project Description (from grant application)

CHA operates a comprehensive continuum of housing programs and wraparound support services, delivered through an individualized approach. Youth may use as many or as few programs as they need, for as long as they need, through age 24 y/o.

In 2023, as a federation, Covenant House developed “The Journey Home,” a comprehensive, multi-year strategic plan that serves as a roadmap to ending youth homelessness. The plan consists of three core pathways:

1. Prevention: Keeping youth from entering homelessness.
2. Intervention: Providing the programs needed to help youth overcome homelessness.

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3. Restoration: Supporting our young people after they leave Covenant House to help keep them stably housed. Having housing that is affordable for youth is a crucial step in the pathway to restoration.

This proposed Prevention and Early Intervention project will expand prevention, strengthen housing stability, and build statewide capacity to address the youth homelessness response. Each year in Alaska, approximately 100 young people age out of foster care, exiting the very system that was designed to protect them as children— but now as they transition to young adulthood with fewer supports than ever before, this system has become a “feeder” into the experience of homelessness. The reality is stark: the National Youth in Transition Database shows that 55 percent of foster youth in Alaska report experiencing homelessness by age 21. At CHA, nearly half of those young people experiencing homelessness walk through our doors seeking shelter and safety, within the first year on their own. Often frustrated with a system of care that prohibits healthy growth and opportunities, many young people are eager to leave foster care and the constraints of “the system,” only to lose access to the very transitional age services and relationships that could help them successfully transition to early adulthood.

A report issued in January 2025 by the Trust highlighted that youth transitioning out of foster care with no permanent placement home identified are at higher risk of homelessness and victimization for human and sex trafficking. Extended support for older foster youth transitioning to adulthood is necessary. The report cites the need for extension of flexible housing, vocational and transportation supports, together with increased service coordination, to help stabilize older foster youth and improve long-term outcomes.

Starting in 2022, through a federally supported prevention demonstration program, CHA has shown that this trajectory is not inevitable. When young people have access to a consistent relationship, timely support, and flexible resources during the transition out of care -- homelessness is preventable. CHA is currently in the final year of the three-year demonstration project, with funding ending in September 2026.

The project uses real-time OCS data to identify youth at highest risk, aligning supports before system discharge, and partners with Facing Foster Care Alaska and tribal and community providers to ensure continuity of care. By stabilizing youth before they enter the homelessness system, this approach reduces reliance on emergency shelter, law enforcement, and health systems—more intensive and costly interventions later in life. The project is both data-informed and partnership-driven, and it is designed to scale statewide as a prevention-first infrastructure rather than a reactive crisis response. Research confirms that preventing youth homelessness is significantly more cost-effective than responding once homelessness occurs. Youth homelessness is a leading pathway into adult chronic homelessness, which drives long-term public costs across shelter systems, health care, and law enforcement. In 2016, the Municipality of Anchorage estimated that a chronically homeless adult costs approximately \$47,000 per year in public systems alone—excluding lost education and workforce participation that perpetuate generational poverty. National data show that 29–44% of youth experiencing homelessness have histories in foster care and report higher levels of adverse experiences, placing them at elevated risk for repeated system involvement. Evidence-based prevention strategies—early identification, housing stabilization, flexible financial assistance, and consistent mentorship—reduce first-time homelessness and improve school completion, income stability, and long-term housing outcomes.

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Outcomes from the two years CHA has implemented the Prevention Demonstration Project reflect this research. Of the 30 youth enrolled who were aging out of foster care, 100% remain stably housed and none have experienced homelessness. By engaging youth early, we reduce crisis shelter entry and prevent long-term system costs. Investing upstream in youth homelessness prevention interrupts the trajectory into adult homelessness and creates measurable savings while producing stronger individual outcomes.

Research shows that exposure to adverse childhood experiences (ACEs) significantly increases risk for homelessness, poor health, and long-term instability—especially for youth exposed to multiple ACEs. National studies find nearly 90% of people experiencing homelessness have at least one ACE and over half have four or more; higher ACE scores are strongly associated with homelessness and related challenges. In Alaska, about 47% of young children have experienced at least one ACE and roughly 9% have four or more by age three, with similar ACE exposure among older children and adults statewide. These early traumas—including abuse, neglect, household dysfunction, and instability—correlate with increased risk of housing crisis, poorer educational outcomes, and greater need for social services later in life.

This proposed expansion of CHA’s Prevention project directly advances the Trust’s priority to strengthen early, coordinated, and culturally grounded prevention and to intervene early to reduce the need for more intensive and costly interventions later in life.

Moreover, this project aligns with the Trust’s Prevention and Early Intervention strategic priority by advancing a scalable, prevention-first approach that strengthens systems, generates learning for statewide application, and reduces the likelihood that young people experience an episode of homelessness or become chronically homeless adults.

This project expands CHA’s proven Prevention Demonstration Program (PDP) to intervene before homelessness occurs. Over two years, CHA will:

- Serve 150 young adults ages 18-25, who are aging out or have aged out of foster care, including 30 new youth annually in Anchorage and through conducting targeted outreach, youth from rural hub communities statewide. This will include transitioning the current cohort of 30 youth into a stepped-down prevention phase through age 25. This step-down model maintains consistent navigation support and reduced, targeted flexible financial assistance to continue providing support to youth who are stably housed. (Y1: 60 new; 30 existing; and Y2: 60).
- Provide Prevention Navigators to support youth in accessing housing resources, healthcare, behavioral health, education and employment supports, and other needed services. Navigators will work with regional OCS offices to coordinate care and connections before youth age out of the foster care system.
- Extend community-based prevention supports, ensuring youth exiting care maintain continuity of relationships, access to vouchers, and timely intervention when financial or housing instability emerges.

Core components of the Prevention Program include:

1. Dedicated Prevention Navigator

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Each youth is paired with a trained Navigator who works alongside OCS Independent Living Specialists to proactively identify at-risk youth before discharge. Navigators build supportive networks, coordinate services, help youth secure IDs and other identity documentation, assist with employment and education access, and maintain continuity of care during transition.

2. Flexible Financial Assistance

Youth receive access to structured, accountable flexible funds. Funds are used to support rent stabilization, transportation, groceries, and any urgent needs that, if unmet, could lead to crisis, housing instability or homelessness. During the past two years, CHA distributed an average of \$2,833 per youth per year. We've found that young people are resourceful and intentional with these funds, often saving them until faced with a pressing financial crisis. By making their own spending decisions and pairing that autonomy with guidance from their Navigator, youth gain real-world skills in budgeting and financial literacy, preparing them to confidently manage money as they move toward independence.

There is increasing evidence of the effectiveness of flexible cash assistance. In addition to CHA's findings, Oregon's Direct Cash Transfer Plus (DCT+) pilot also demonstrated that flexible financial assistance paired with youth-centered navigation significantly improved both housing stability and mental health outcomes. Oregon demonstrated that at program completion, 94% of participants were housed and youth who identified as homeless decreased from 29% to 10%. Beyond housing, participants reported reduced stress related to basic survival, increased confidence and self-worth, and the ability to leave unsafe or violent situations—creating space for trauma recovery and long-term healing.

By stabilizing immediate financial crises before they escalate, flexible assistance reduces the chronic stress and instability that intensify anxiety, depression, and trauma symptoms among transition-age youth. This evidence reinforces CHA's prevention model: timely, flexible support combined with consistent relationships and navigation not only prevents homelessness, but it interrupts the compounding mental health impacts that occur when young adults enter the adult homelessness system.

3. Housing Stabilization & Voucher Alignment

Prevention Navigators help youth secure and maintain housing through AHFC youth-targeted vouchers and other community placements. Current participants in CHA's Prevention program are stably housed across diverse settings including rental apartments in the community, family placements, and in college dormitories.

4. Assessment for Independence Readiness (AIR)

Progress is measured using CHA's AIR tool. This tool tracks income stability, wellness, and permanent connections. PDP youth were 50% more likely to progress toward independence and advanced significantly faster than peers, with no regression.

The intended outcome of this project is that youth aging out of foster care do not enter homelessness during the most vulnerable period of transition to adulthood. Over two years, 150 young adults will receive Prevention Navigation and targeted stabilization support designed to interrupt the pathway

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from foster care to housing crisis. At least 90% of participants will remain stably housed and will not experience an episode of homelessness. Youth will demonstrate measurable gains in wellness, emotional stability, and connection to at least one consistent adult or supportive network. A minimum of 80% will access budgeting, financial literacy, or life skills supports that strengthen long-term independence. Progress will be tracked through housing status, AIR readiness scores, wellness and social connection metrics. Success will be defined not only by the absence of homelessness, but by improved stability, strengthened relationships, and increased readiness for living independently in adulthood.

The primary beneficiary group(s) for this project will be young people ages 18-25 experiencing mental illness and/or chronic alcoholism or substance abuse. However, based on the prevalence of disability and traumatic brain injury in the young people CHA serves, we anticipate serving these beneficiary groups as well.

Children and youth with foster care involvement carry a disproportionately high burden of trauma and ACEs. Research estimates that up to 90% of foster children have experienced at least one traumatic event, and nearly half have been exposed to four or more types of trauma — far exceeding rates in the general population. These cumulative adversities contribute to elevated mental health needs: up to 80% of foster children have significant mental health issues, compared with about 18–22% of non-foster children, and between 50% and 80% meet criteria for at least one mental disorder. Youth in foster care are also much more likely to experience long-term effects of anxiety, depression, and trauma than peers (e.g., five times more likely for anxiety and seven times for depression). These data highlight why trauma-informed prevention, early intervention, and consistent supportive relationships are critical to averting homelessness and long-term instability for youth aging out of care.

Grantee Proposed Evaluation Measures (from grant application)

Performance Measure #1 (How much we will do).

- a. Total number (#) of youth (beneficiaries and non-beneficiaries) who were provided Prevention Navigation services
- b. Total number (#) of unduplicated youth Trust beneficiaries served during the reporting period, broken down by primary beneficiary category.

Performance Measure #2 (How well we will do).

- a. Provide a narrative that describes the timeline, activities, successes, challenges, and any lessons learned during the reporting period.
- b. Number (#) of youth who remained stably housed
- c. Number (#) of youth who did not experience homelessness
- d. Number (#) and percentage (%) of youth participants with an increase in wellness scores/emotional wellbeing
- e. Number (#) and percentage (%) of youth who report feeling connected

Performance Measure #3 (Who is better off).

- a. Number of unduplicated youth who:
 - i. Maintain stable housing
 - ii. Access Budgeting, Financial Literacy, and/or Life Skills training

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- iii. Are connected to resources and networks that support stability
- b. Number (#) and percentage (%) of youth participants who demonstrate improvements in any of the three main indicators correlated most highly with adverse outcomes, such as connection to stable adults; managing an unaddressed barrier condition such as mental illness, substance abuse or alcoholism, and returning to homelessness.
- c. Number (#) of youth who demonstrate readiness for independence.

Proposed Project Performance Measures (developed by the Trust)

How much did you do?

- a. Total number (#) of unduplicated youth participants (beneficiaries and non-beneficiaries) who were provided with Prevention Navigation services during the grant reporting period.
- b. Number (#) of youth Trust beneficiaries served during the reporting period, broken down by primary beneficiary category.

How well did you do it?

- a. Provide a narrative that describes the timeline, activities, successes, challenges, and any lessons learned during the reporting period.
- b. Number (#) and percentage (%) of youth participants who felt the services and supports they received were rendered in a non-judgmental, respectful, and safe environment.
- c. Number (#) and percentage (%) of youth participants who were successfully connected to services and/or supports during the reporting period.

Is anyone better off?

- a. Number (#) and percentage (%) of youth participants who:
 - i. Maintain stable housing through the grant reporting period.
 - ii. Access budgeting, financial literacy, and/or life skills training during the grant reporting period.
 - iii. Are connected to resources and networks that support stability during the grant reporting period.
- b. Number (#) and percentage (%) of youth participants who demonstrate improvements in any of the three main indicators correlated most highly with adverse outcomes (i.e., connection to stable adults, managing an unaddressed barrier condition (mental illness, substance abuse, alcoholism), and returning to homelessness).
- c. Number (#) and percentage (%) of youth participants who demonstrate readiness for independence.
- d. Two statements from youth that describe how their participation in the program has impacted their quality of life.

Sustainability (from grant application)

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CHA prioritizes delivering services grounded in demonstrated outcomes and validated by data. Over the past two years, our results have confirmed that prevention works. We will continue advancing this upstream approach beyond the Trust's two-year investment by leveraging documented outcomes to attract additional philanthropic capital and secure multi-year private support.

CHA takes a holistic approach to sustainability, focusing on long-term financial, programmatic, and operational strategies supported by a multifaceted fundraising approach. Our FY26 budget is \$15 million and includes a blend of federal, state, local, corporate, individual, and foundation dollars. Approximately 43% of CHA's budget is funded through private, flexible dollars, which can be used for non-grant-funded positions. This project is designed from the outset for long-term sustainability, systems alignment, and measurable return on investment. Trust Partnership funding will serve as catalytic investment, but this project is intentionally designed for long-term sustainability and systems integration.

This project will serve 150 youth over two years and generate measurable public cost avoidance. As previously mentioned, the Municipality of Anchorage estimates that one chronically homeless adult costs approximately \$47,000 per year across shelter, law enforcement, incarceration, and emergency medical systems (Municipality of Anchorage, 2016 Pay for Success analysis). National research shows that adverse childhood experiences (ACEs) significantly increase risk of homelessness and long-term system involvement (Larkin et al., 2021). In Alaska, 68% of adults report at least one ACE and 20% report four or more (Alaska DHSS Epidemiology Bulletin, 2023). If prevention averts chronic homelessness for just 5 to 15 percent of participating youth, the community avoids an estimated \$376,000 to \$1,081,000 in one year alone, and \$752,000 to \$2,162,000 if two years are prevented. These figures exclude additional avoided costs tied to ACE-related health conditions and lost workforce participation, which national economic analyses estimate in the billions annually (Peterson et al., CDC, 2019). Upstream youth homelessness prevention produces both fiscal savings and improved life outcomes.

In parallel, we will work with Facing Foster Care Alaska and the Office of Children's Services to identify how existing federal child welfare resources and Independent Living funds are allocated and can be realigned to support prevention-focused navigation, mentorship, and flexible financial assistance. Currently, the Alaska Office of Children's Services currently has seven Regional Independent Living Specialists (RILS) who provide specialized independent living services to older youth statewide. These specialists assist youth 16 and older with life skills assessment, transition planning, and supports tied to aging out of care — essentially functioning as the state's core Chafee/Independent Living service delivery positions.

OCS continues to experience workforce instability that undermines consistent, trauma-informed support for youth at the highest risk of homelessness. State documentation has shown turnover and vacancy rates among child welfare case-carrying staff at times exceeding 50%, with new workers frequently leaving within 18 months and caseloads approaching 47 families per worker prior to reforms. In 2022, a Citizen Review Panel report cited that in "FYQ2 ending December 31, 2021 showed 60% turnover for case carrying staff." These conditions make it difficult for OCS staff to provide sustained independent living guidance, early intervention, and transition planning for youth aging out of foster care. By contrast, the Prevention Navigator model embeds specialized, community-focused navigators whose sole responsibility is to build lasting relationships and coordinate seamless access to housing, health, and behavioral health supports. CHA's program data and outcomes demonstrate that

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this approach is working. Our model mitigates the impact of high turnover and heavy caseloads by creating stable, consistent points of contact for youth, ensuring they receive the early intervention and continuity of care necessary to prevent homelessness rather than reacting after crisis occurs. By informing policy and funding decisions, this model can be embedded within OCS practice rather than rely solely on time-limited grants.

CHA is also in the early stages of exploring how to develop a statewide youth navigator model through a partnership with Facing Foster Care Alaska and Beacon Hill with the aim of pursuing start-up funds through Alaska’s Rural Health Transformation Program. This would include the development of technology tools to reach and connect with young people and would place trained navigators alongside youth aging out of foster care to coordinate behavioral health, primary care, housing supports, and telehealth access—particularly in rural communities where service fragmentation increases risk of homelessness.

By embedding prevention within both diversified funding streams and state policy, this project will continue as sustained infrastructure rather than a time-limited initiative.

Who We Serve (from grant application)

A significant majority of youth served by CHA meet AMHTA beneficiary criteria. In the most recent full analysis of youth accessing services at our Youth Engagement Center (emergency shelter/crisis stabilization), 65% had a mental illness, 33% had a developmental disability, 58% struggled with alcoholism or substance use, and 10% had experienced a traumatic brain injury. This project primarily focuses on beneficiary youth with mental health and substance use disorders, while also providing preventative and early-intervention benefits for the broader population of highly vulnerable young people we serve.

In FY24 CHA documented 106 critical incidents, including 34 overdoses, 14 suicide attempts, and 14 sexual assaults. In FY25, incidents dropped to 30, including one overdose incident. While opioid-related events have significantly decreased, staff are observing rising alcohol misuse, underscoring the continued need for connection to resources and support and trusted, consistent relationships as they transition to young adulthood. This project will meaningfully improve outcomes for Trust beneficiaries by reducing preventable harms and strengthening long-term stability for youth aging out of foster care.

Estimated Numbers of Beneficiaries Served Experiencing (from grant application)

Mental Illness:	82
Developmental Disabilities:	23
Substance Abuse	39
Traumatic Brain Injuries:	6

Project Budget (from grant application)

Personnel Services Costs	\$526,060.00
Personnel Services Costs (Other Sources)	\$136,813.00
Personnel Services Narrative	Personnel Costs (AMHTA Request):

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	<p>Funding will support 2 FTE Prevention Navigators whose time will be directly allocated to serving youth transitioning/aging out of foster care, ensuring consistent case coordination with OCS, housing stabilization, and early intervention supports. Funds will also support 0.60 FTE (60%) of the Prevention Director's time to provide project oversight and leadership. The Director will supervise Prevention Navigators, ensure fidelity to the prevention model, oversee data collection and performance reporting, coordinate with OCS and community partners, and guide continuous quality improvement.</p> <p>Personnel Costs (Other Funding): Other funding sources will support 1 FTE Prevention Navigator and 0.40 FTE of the Prevention Director.</p>
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Other Costs	\$473,940.00
Other Costs (Other Sources)	\$100,626.00
Other Costs Narrative	<p>Other Costs- Flexible Financial Assistance (AMHTA): \$380,000 in funds to establish a targeted Flexible Financial Assistance pool to prevent housing crises before they escalate into homelessness. We anticipate that approximately 100 youth over the 2- year project period will access emergency stabilization support, with an average allocation of up to \$3,800 per youth. Not all participating youth will require financial assistance; funds are deployed only when a documented, time-sensitive barrier threatens housing stability, health access, or safety.</p> <p>Flexible funds are used for short-term, crisis-driven expenses such as rent arrears, security deposits, utility stabilization, transportation necessary to maintain employment, identification replacement, or other urgent needs that, if unmet, would result in eviction, shelter entry, or system involvement. All disbursements are approved by supervisory staff, documented, and tied to a stabilization plan developed with the Prevention Navigator.</p> <p>Other Costs- Flexible Financial Assistance (Other Funding): Other sources of funding will include \$76,000 to support an additional 20 youth, with an average of \$3,800 per youth.</p> <p>Other Costs - Administration (18%)- (AMHTA)- \$93,940 in Administration costs.</p> <p>Other Costs- Administration- (Other Funding)- \$24,626 in Administration costs will be covered through other fund sources.</p>

Other Funding Sources (from grant application)

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Block Foundation - PENDING	\$50,000.00
Muck Foundation - SECURED	\$40,000.00
U.S. Department of Housing and Urban Development - SECURED	\$21,250.00
U.S. Department of Health and Human Services, Administration for Children and Families- SECURED	\$22,250.00
Carr Foundation- SECURED	\$100,000.00
OTHER SOURCES: Corporate and Philanthropic Support- PENDING	\$3,938.92
Total Leveraged Funds	\$237,438.92