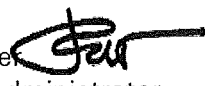




MEMORANDUM

Date: June 13, 2024

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Lesher 
County Administrator

Re: **Additional Information for the June 18, 2024 Board of Supervisors Meeting – Agenda Items Nos. 38, 39 and 40 – Emergency Eviction Legal Services**

The Agenda for the June 18, 2024 meeting includes three agreements (items 38-40) related to the Emergency Housing program, a component of the Emergency Eviction Legal Services (EELS) initiative within the Community & Workforce Development (CWD). These agreements are necessary to implement a \$3.5 million grant award from the Arizona Department of Housing (ADOH), which the Board accepted on February 6.

The Emergency Housing program is operated by EELS staff in partnership with the City of Tucson at the City-owned former hotel. By serving recently evicted, vulnerable clients, the shelter is key to implementing EELS' approach to provide interventions at all points along the eviction continuum. Participants receive on-site case management and supportive services from staff and community partners with a goal of exiting to stable housing. Through May 31, 2024, 85% of the nearly 500 households served have exited to positive destinations.

As explained in the attached memorandum from CWD Director Dan Sullivan, approval of the three agreements on June 18 will allow the County to shift operating payments to the City to the new ADOH grant and implement rehousing support through Compass Affordable Housing, Inc., to help at least 75 households exit to stable housing. With the ADOH grant implemented, the program is funded through Fiscal Year 2025-26.

JKL/dym

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer
Steve Holmes, Deputy County Administrator
Dan Sullivan, Director, Community & Workforce Development

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PIMA COUNTY

COMMUNITY & WORKFORCE
DEVELOPMENT

MEMORANDUM

Date: June 12, 2024

To: Jan Leshar
County Administrator

From: Dan Sullivan 
Community & Workforce
Development Director

Francisco García, MD, MPH
Deputy County Administrator and
Chief Medical Officer

Re: EELS Emergency Housing Agreements for June 18, 2024 Board Meeting

At the June 18, 2024 meeting, the Board will consider three agreements supporting the Emergency Housing program that is part of the Emergency Eviction Legal Services (EELS) initiative:

- Intergovernmental Agreement – City of Tucson – Operation of Low-Barrier Shelter (CT-CR-24*475)
- Amendment 1 to Intergovernmental Agreement – City of Tucson – Operation of Low-Barrier Shelter (CT-CR-24*046)
- Professional Services Contract – Compass Affordable Housing, Inc. – Rehousing Assistance (CT-CR-24*468)

This memorandum provides an update on the program and the purpose of these agreements.

Background

First authorized by Board of Supervisors' action on March 16, 2021, the goal of EELS—a division of Community & Workforce Development (CWD)—has been to implement as many eviction-diversion strategies as possible to avoid preventable evictions and, in the case of inevitable evictions, avoid homelessness. Guided by recommendations from the 23-member Eviction and Homelessness Prevention Task Force, EELS:

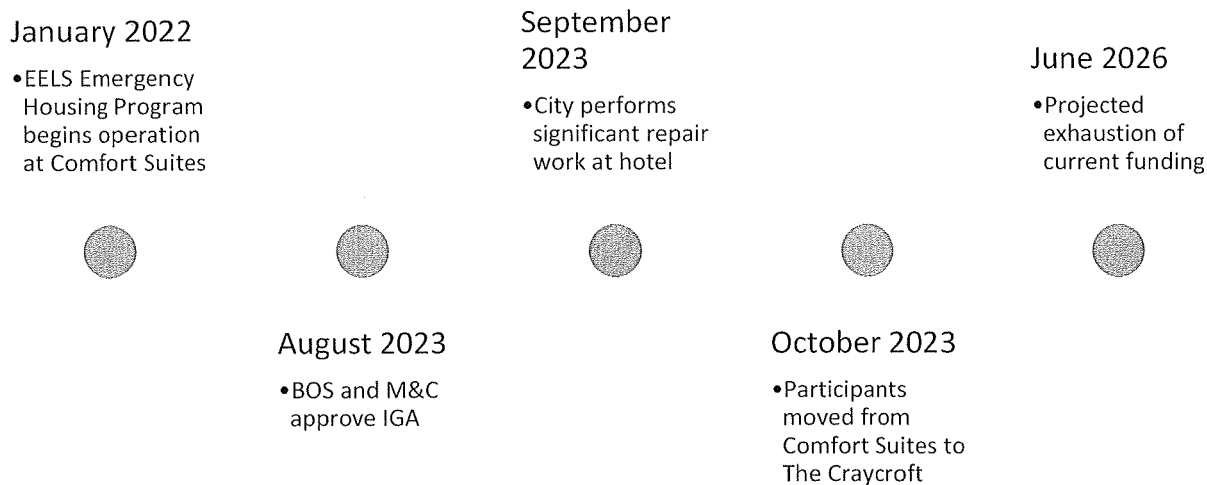
- Has provided free legal counsel to qualifying tenants since August 2021
- Partnered with the Consolidated Justice Court to consolidate all eviction matters before one judge beginning in June 2021
- Employs court navigators embedded in Justice Court to provide information about the court process, refer eligible tenants to counsel, and navigate litigants to other available services, including more than 1,000 referrals to job assistance
- Has a trained social worker/navigator dedicated to providing services to especially vulnerable tenants who face imminent eviction and are referred by Constables

- Created a dedicated team and process to expedite rental-assistance applications for tenants facing an eviction judgment

This work by EELS aligns with Policy 3 of Board of Supervisors Policy E 36.2, *Reducing Generational Poverty and Improving Individual and Community Wealth* by improving housing stability among renters.

As part of its work, in January 2022, EELS began operating a low-barrier, non-congregate shelter to house recently evicted individuals and families who have no other place to stay. Initially operated out of the Comfort Suites near the airport, the operation moved to the City-owned former Knights Inn (now known as The Craycroft) in October 2023. This move occurred after the Board of Supervisors and Mayor and Council approved an intergovernmental agreement (IGA) memorializing a first-of-its-kind partnership to operate the shelter program at the City-owned facility. As explained in a prior memorandum dated August 18, 2023, The Craycroft is a programmatically and fiscally superior site, offering more guest rooms and common spaces at a significant cost savings over the Comfort Suites.

Figure 1: EELS Emergency Housing Program Timeline



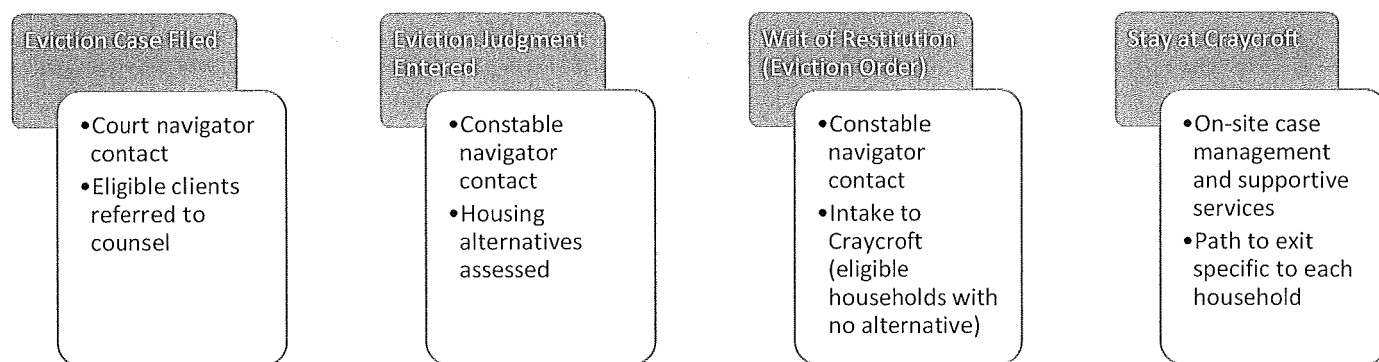
Most clients are referred to the program directly from Constables or EELS staff. However, staff also work closely with jurisdictional and community partners, especially the City of Tucson Housing First team, to both accept in and refer out clients based on proper program fit.

Clients receive on-site case management and supportive services, including assessment for eligibility for housing and other benefit programs, assistance applying for rehousing support and housing vouchers, and no-charge, on-site health care provided by El Rio Health. Partner Step Up to Justice presents monthly workshops educating participants on their rights and responsibilities as renters to facilitate a successful transition into sustainable permanent housing, and Tucson

Unified School District provides on-site support to ensure children are able to continue at their school while housed in the program.

Through May 31, 2024, the EELS Emergency Housing program has served nearly 500 households (more than 1,200 individuals), **85%** of which have exited the program to positive housing destinations.

Figure 2: Common Path for Craycroft Clients



Program Cost and Funding

Housing instability is associated with a host of negative impacts for adults and children,¹ and interventions that reduce housing instability have been shown to have a high return on investment (over 200% for rental assistance,² for example). The EELS Emergency Housing program is designed to prevent vulnerable individuals and families from falling into homelessness and provide services and resources designed to bridge them to stable housing. The program—which is entirely grant-funded—is a significant investment. The annual operating cost, including the facility, food, staff, and other supportive services, is approximately \$1.3 million. But both qualitatively and quantitatively the investment is worthwhile.

In order to ensure the program's continued successful operation, staff are regularly pursuing available funding opportunities. To date, the program has been funded through a combination of American Rescue Plan Act State and Local Fiscal Recovery Funds (ARPA-SLFRF) funding and competitive grant funding awarded through the Arizona Department of Economic Security and Arizona Housing Coalition.

¹PIMA COUNTY, AZ, *Prosperity Initiative: Reducing generational poverty and improving community wealth*, at 33 (Nov. 2023).

²*Ibid.*, at 36.

Arizona Department of Housing Grant

Leveraging the success of the program and its partnerships, on January 2, 2024, CWD was awarded \$3,513,944 in funding for The Craycroft from the Arizona Department of Housing (ADOH) Homeless Shelter and Services Fund (HSSF). This award followed a competitive process in which applicants requested over \$275 million in funding from a pool of only \$40 million. Nevertheless, CWD received the full amount of its request.

This grant, along with other existing federal funding sources, will fund operation of The Craycroft through Fiscal Year 2025-26. The activities funded by the grant include operating payments to the City of Tucson, rehousing assistance through Compass Affordable Housing, food, furnishings, supplies, staff, and capital improvements. (**Attachment 1** provides a detailed breakdown of the revised grant budget.)

The Board accepted the ADOH-HSSF award on February 6, 2024. Due to delay in receiving the funding agreement from ADOH, that agreement was executed April 23, 2024.

Necessity of Terminating Prior IGA and Executing New IGA

The IGA approved in August 2023 (CT-CR-24*046) provides for funding through ARPA-SLFRF. Because the ADOH-HSSF grant funds change the funding source for payments to the City starting January 1, 2024, and because Grants Management & Innovation requires contracts to be segregated by funding source, County and City staff prepared necessary documents to (1) retroactively terminate the existing IGA, effective December 31, 2023, and (2) implement a new IGA effective January 1, 2024.

The new IGA also makes some substantive changes based on lessons learned from the first months of operations. The major changes are:

- The responsibility to fund and provide overnight security is shifted from the City to the County, and the monthly operating payment reduced accordingly. Security will be provided through the County's existing contract with Arrowhead Security Inc. *dba* VET-SEC Protection Agency.
- Provisions have been added to allow the City to perform repair and improvement work on the property that is the County's financial responsibility, with the County reimbursing the City for the actual, reasonable cost of that work. The total aggregate cost of work performed under these provisions cannot exceed \$50,000.00. Because the property is a City asset, this arrangement is preferable to attempting to arrange for Pima County to perform this type of work itself.
- Formalize an agreement reached informally at the time of the original IGA's adoption to recognize City as a program partner in printed and electronic materials related to the program.

Beyond these changes and the changed funding source, the County/City partnership and program will continue to operate in the same manner as it has operated under the original IGA. Because the termination of the original IGA is being proposed solely to change the funding source, its approval is contingent upon the Board's adoption of the new IGA.

Rehousing Assistance

An additional highly valuable component of EELS has been rehousing assistance. Largely in partnership with the nonprofit Compass Affordable Housing, Inc., and using Emergency Rental Assistance Program (ERAP) funds, EELS helped 350 households, including many guests in the Emergency Housing program, transition to new housing by providing financial assistance, including security deposits, rent, fees, and other supportive services to facilitate housing stability. ERAP funding, however, has been exhausted, leaving a gap in service due to lack of funding.

The ADOH-HSSF grant allows the partnership with Compass Affordable Housing to continue, in addition to adding in comprehensive case management and supportive services. Under the proposed Professional Services Contract before the Board on June 18 (CT-CR-24*468), EELS will refer Craycroft clients to Compass Affordable Housing to provide rehousing assistance and case management. Compass will assess each household's unique needs and develop a housing plan and budget for the household. They will assist the household in implementing that plan, which includes flexible rehousing assistance like rent, deposits, fees, moving assistance, household goods, and payment of utility and eviction arrears. Throughout the process, the goal is to put the household on a path to stability and self-sufficiency. Compass will serve a minimum of 75 households over the life of the agreement.

Conclusion

In order to continue this successful program, and comply with the terms of the Board-accepted ADOH-HSSF award, staff recommends approving (1) Intergovernmental Agreement – City of Tucson – Operation of Low-Barrier Shelter (CT-CR-24*475); (2) Amendment 1 to Intergovernmental Agreement – City of Tucson – Operation of Low-Barrier Shelter (CT-CR-24*046); and (3) Professional Services Contract – Compass Affordable Housing, Inc. – Rehousing Assistance (CT-CR-24*468).

Attachment 1

Revised Budget for ADOH-HSSF Grant



**Arizona
Department
of Housing**

HSSF Pima County Workforce Housing EELS Project

Attachment C

Budget							
Recipient	Pima County					Date	6/6/2024
Contract No./File No.	554-24	Contract Period: 01/01/2024 - 06/30/2026				Revision No.	2
Activity	HSSF Project Specific						
Recipient Address	2797 E. Ajo Way					City	Tucson
Contact Person	Andy Flagg, Community & Workforce Development Deputy Director					Zip Code	85713
Phone	520-724-8508	Email	Andrew.Flagg@pima.gov			Website	
Program Specialist	Connie Howell	Email	Connie.Howell@azhousing.gov			County	Pima
a	c	d	e	f	g	h	
Budget Line Item or Activity No.	HSSF 2024					Total Contract Amount	
Project Specific	\$ 3,513,944.00					\$ 3,513,944.00	
Consisting of:							
Operations							
Operating payments to City of Tucson	\$ 931,683.00						
Security costs	\$ 216,000.00						
Repairs/Improvements	\$ 50,000.00						
Shelter staff costs/Salaries	\$ 163,652.00						
Shelter staff costs/Fringe	\$ 49,095.00						
Shelter furnishings and supplies	\$ 33,530.00						
Participant Food	\$ 375,000.00						
Hotel/Motel Vouchers	\$ 125,000.00						
Compass Affordable Housing (\$1,055,106)							
Direct Assistance	\$ 836,006.00						
Staff costs - Case Management/Salaries	\$ 150,000.00						
Staff costs - Case Management/Fringe	\$ 21,000.00						
Mileage	\$ 4,200.00						
Program supplies	\$ 2,800.00						
Admin	\$ 23,100.00						
Indirect	\$ 18,000.00						
Capital Improvements							
Construction costs	\$ 328,247.00						
Contingency	\$ 82,062.00						
General Conditions	\$ 26,260.00						
Contractor's Fee	\$ 32,825.00						
Bonds & Insurance	\$ 8,206.00						
Tax	\$ 18,578.00						
Escalation	\$ 4,700.00						
Landscaping	\$ 14,000.00						
	\$ 3,513,944.00	\$ -	\$ -			Total	\$ 3,513,944.00

Attachment 2

List of Prior Emergency Eviction Legal Services Updates

2024-01-29 – Emergency Eviction Legal Services

2023-08-18 – Additional Information for the August 21, 2023 Board of Supervisors Meeting, Addendum No. 5, Intergovernmental Agreement with City of Tucson for Operation of Knights Inn

2023-07-24 – Additional Information for the Board of Supervisors July 25, 2023, Agenda Item No. 55 Grant Acceptance: Emergency Rental Assistance 2 Program (includes EELS update)

2023-07-07 – Update on County Initiatives to Address Homelessness and Public Safety (includes EELS shelter update)

2022-08-24 – Emergency Eviction Legal Services Program

2022-03-08 – Update on Emergency Rental Assistance Program (includes EELS update)

2022-03-08 – Funding and Contracts Supporting Asylum Seekers and Emergency Eviction Services

2022-01-18 – Update on Southwest Border Transportation and Shelter for Asylum Seekers (includes update on EELS shelter)

2022-01-27 – Response to Supervisor Steve Christy’s Questions Regarding Aid to Asylum Seekers during the January 18, 2022 Board of Supervisors Meeting (includes update on EELS shelter)

2021-12-06 – Emergency Eviction Legal Services Update and Board of Supervisors December 7, 2021 Addendum Agenda Item 19 (Procurement – Legal Services)

2021-09-16 – Emergency Rental Assistance Program and Emergency Eviction Legal Services Updates

2021-08-24 – Office of Emergency Eviction Legal Services Update

2021-08-06 – Emergency Rental Assistance Program Update (includes EELS update)

2021-06-24 – Update on the Emergency Rental Assistance Program known as ERAP 1 and ERAP 2 (includes EELS update)

2021-04-16 – Establishment of the Office of Emergency Eviction Legal Services