

COB - BOSAIR FORM

05/21/2026 10:27 AM (MST)

Submitted by Andrew.Flagg@pima.gov



BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.

Record Number: PO CWD PO2600014785

Award Type: Contract

BOSAIR Activity: Board Meeting Request

Requested Board Meeting Date: 06/09/2026

Supplier / Customer / Grantor / Subrecipient: City of Tucson

Project Title / Description: The Craycroft Bridge Housing

Purpose: This Intergovernmental Agreement (IGA) (PO2600014785) is for operation of The Craycroft (formerly Knights Inn), which is owned by the City of Tucson and operated by the Pima County Emergency Eviction Legal Services (EELS) program, providing low-barrier, temporary bridge housing in a noncongregate setting, focusing on serving individuals and families who are homeless due to recent eviction.

Previously funded through a combination of federal and state funds, the program will shift to the Regional Affordable Housing Fund beginning in Fiscal Year 2027, in accordance with the 10-year Regional Housing Strategy and Funding Plan adopted by the Board of Supervisors on March 3, 2026. Although the transition to a new funding source necessitates a new IGA, as opposed to amending the existing IGA, the terms remain essentially the same as prior agreements. Under the IGA, Pima County will pay the City of Tucson \$32,002.92 per month to cover basic operating costs of the property (utilities, upkeep, maintenance of systems and infrastructure, landscaping, and pest control). Pima County Community & Workforce Development (CWD) will staff the facility and provide security through VetSec to maintain a 24-hour presence on the property. CWD will also provide on-site case management and proposes through a separate agreement to continue partnering with Compass Affordable Housing to provide rehousing support to exiting households.

This program has been operating since January 2022, and has been operating at this site since October 2023. Since inception, the program has provided bridge housing to 298 households, 86% of which have exited to positive housing destinations.

Procurement Method: IGAs: This IGA is a non Procurement contract and not subject to Procurement rules.

Procurement Method Additional Info: N/A

TO: COB, 5/27/26 (1)

VERSION: 0

PAGES: 9

MAY26'26PM0324PO

Program Goals/Predicted Outcomes:	Individuals and families who have been evicted will receive temporary housing, case management, and supportive services toward the desired outcome of exiting to positive housing destinations and increased workforce participation.
Public Benefit and Impact:	Reductions in unsheltered homelessness and increased workforce participation benefit program participants and the community as a whole.
Strategic Plan Pillar	<ul style="list-style-type: none"> • Quality of Life
Support of Prosperity Initiative:	<ul style="list-style-type: none"> • 3. Improve Housing Stability
Provide information that explains how this activity supports the selected Prosperity Initiatives	The Craycroft improves housing stability by providing bridge housing, wraparound supportive services, and ongoing case management to help stabilize families, increase household income, and bridge clients to sustainable permanent housing.
Metrics Available to Measure Performance:	The primary performance metric is exits to positive housing destinations. Thus far in Fiscal Year 2026, the program has served 298 households, with 86% of clients exiting to positive housing destinations. Additionally, detailed demographic and other information is collected on program participants and maintained in the Homeless Management Information System.
Retroactive:	NO

Contract / Award Information

Record Number: PO CWD PO2600014785

Document Type:	PO
Department Code:	CWD
Contract Number:	PO2600014785
Commencement Date:	07/01/2026
Termination Date:	06/30/2027
Supplier / Subrecipient Headquarters Location	Tucson, AZ

* Headquarters information is not a consideration for awards

Total Expense Amount:

\$434,035.04

Total Revenue Amount:

\$0.00

Funding Source Name(s)
Required:

Regional Affordable Housing Fund

Funding from General Fund?

YES

If Yes Provide Total General Funds:

\$434,035.04

Percent General Funds

100

Contract is fully or partially funded with Federal Funds?

NO

Contract is fully or partially funded with Non-Federal Grant Funds?

NO

Were insurance or indemnity clauses modified?

NO

Vendor is using a Social Security Number?

NO

Department:

Community & Workforce Development

Name:

Andy Flagg

Telephone:

520-724-8508

Add Procurement Department Signatures

No

Add GMI Department Signatures

No

Department Director Signature:



Date:

5-28-20

Deputy County Administrator Signature:



Date:

5-26-20

County Administrator Signature:

Date:

5/26/20

Intergovernmental Agreement
between
Pima County and the City of Tucson for
Occupancy and Operation of Low-Barrier Bridge Housing Project at The Craycroft
(formerly Knights Inn)

This Intergovernmental Agreement (this “**Agreement**” or “**IGA**”) is entered into by and between Pima County, a body politic and corporate of the State of Arizona (“**County**”), and the City of Tucson, Arizona, a municipal corporation (“**City**”), pursuant to A.R.S. § 11-952.

1. Background and Purpose.

- 1.1. County and City may contract for services and enter into agreements with one another for joint or cooperative action pursuant to A.R.S. § 11-951, et seq.
- 1.2. City and County entered into a previous Intergovernmental Agreement, effective January 1, 2024 (“**Prior IGA**”), providing for County’s operation of a low-barrier, non-congregate, bridge-housing project (“**Project**”) at the City-owned former Knights Inn, real property identified by Pima County Assessor Tax Parcel Numbers 131-01-014J and 131-01-014H, and improvements on those parcels (collectively, “**Knights Inn Property**” or “**Property**”).
- 1.3. City funded a portion of the cost of acquiring and rehabilitating the Knights Inn Property using City of Tucson/Pima County Housing and Urban Development HOME-American Rescue Plan (“**HOME-ARP**”) funds. The Knights Inn Property is being used and is to be used as a HOME-ARP Non-Congregate Shelter (NCS) for individuals and families in qualifying populations. This use meets one of the four eligible activities for HOME-ARP funds—i.e., acquisition and development of NCS (HOME-ARP Notice CPD 21-10).
- 1.4. County has been operating the Project at the Knights Inn Property since October 2023, and paying the City a monthly payment (“**Rent**”), first from American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund (“**ARPA-CSLFRF**”) money and later from Arizona Department of Housing - Housing Shelter & Services Fund (“**ADOH-HSSF**”) money. The County fully expended its ARPA-CSLFRF allowance for this Project by June 30, 2025, and anticipates fully expending its ADOH-HSSF allowance for this Project by June 30, 2026, which is the end of the ADOH-HSSF grant term.
- 1.5. County has ensured and will ensure the Project meets admission and occupancy requirements for HOME-ARP NCS activities, per HOME-ARP Notice CPD 21-10, Section IV.C, and Section VI.E.1.
- 1.6. County has ensured that the Project is operated in compliance with ARPA-CSLFRF requirements and ADOH-HSSF requirements during the duration of those grants.
- 1.7. The Prior IGA provided County with the ability to apply to renew the Prior IGA for up to nine additional periods of up to one year each (“**Extension Option**”). County has exercised two Extension Options, extending the Prior IGA through June 30, 2026, leaving seven remaining.
- 1.8. County desires to exercise an Extension Option for one year.

- 1.9. County requires that this Extension Option take the form of a new IGA due to a change in funding. Funding for Fiscal Year 2026-27 will come from the Pima County Regional Affordable Housing Fund.
- 1.10. Neither City nor County is in default under the Prior IGA.
2. **Term; Extension Options.** This IGA commences July 1, 2026, and terminates June 30, 2027 (“**Initial Term**”). If the commencement date is before the date that this Agreement is fully approved and executed by the parties, it will nevertheless be deemed to have been effective as of the commencement date. If County is not in default, County may apply to renew this IGA for up to six additional periods of up to one year each (“**Extension Option**”). No later than 90 days before the end of the Initial Term or any Extension Option, County will notify City in writing whether it wishes to exercise an Extension Option. City may choose to accept or reject County’s renewal request in City’s sole discretion.
3. **County Responsibilities.** County will:
 - 3.1. Pay City, without deduction, demand, offset, or counterclaim on the commencement date, Rent in the amount of \$32,002.92 per month. County will pay by check of cashier’s check made payable to the City of Tucson and mailed to:

City of Tucson
Finance Division,
Customer Code LF879PIMACO
P.O. Box 27210
Tucson, AZ 85726
 - 3.2. Provide sufficient staffing to ensure safe and effective operation of the Project.
 - 3.3. Except to the extent that City is specifically responsible for maintenance or repair under this IGA, perform, at its cost, the following Project functions:
 - 3.3.1. Maintain the Property in clean, orderly, and good condition.
 - 3.3.2. Replace furnishings.
 - 3.3.3. Provide food and other shelter services.
 - 3.3.4. Pay legal fees associated with eviction, if required.
 - 3.3.5. Replace stolen or lost City-owned property, including appliances.
 - 3.3.6. Provide cleaning and janitorial services.
 - 3.3.7. Provide security services between the hours of 7 p.m. and 7 a.m. daily.
 - 3.4. Give notice to City, within 24 hours, or immediately in the case of fire, after County learns of any accident in or about the Property, all fires on the Property, all damages to or defects in the Property, including sanitary, electrical, heating, air conditioning, or other systems located in or passing through the Property or any part thereof.

- 3.5. Recognize the City by name as a Project partner in all publications, media, and electronic and printed materials related to activities conducted and services delivered at Property, and include the City of Tucson logo in all print and electronic materials related to Property.
- 3.6. When County bears financial responsibility for maintenance, repair, or improvement work under this Section 3, Section 4, or Section 6 of this IGA, and desires to have City perform the work at County expense, County may request that City perform the work, either itself or through a contractor. Subject to completion of a design, budget and any future change orders acceptable to City and County, and upon completion of the work and acceptance by County, County will reimburse City for the actual cost of the work and a reasonable administrative fee not to exceed 10% of the cost of the work. City may, in its absolute discretion, decline to perform work requested by County. Upon acceptance and completion of work requested under this Subsection 3.6, County will promptly inspect the work, and notify City in writing whether, in County's judgment (which must be commercially reasonable) the work is approved or rejected. If rejected, County may request modifications to the work, which City may accept or decline in accordance with this Subsection 3.6. For purposes of implementing this Subsection 3.6, County and City will each, in writing, designate a liaison for purposes of requesting and approving work. Either party may change the liaison at any time by notifying the other party in writing of the change.

4. City Responsibilities. City will:

- 4.1. At its cost, except in the case of damages caused by negligence or willful conduct of County or Project clients, in which case at County's cost:
 - 4.1.1. Subject to the remainder of this Section 4 and all provisions of this IGA relating to damage, destruction, or condemnation of the Property and to County's indemnification of City, maintain, replace, and make all necessary structural repairs to the buildings located on the Knights Inn Property (including the related foundations, bearing walls, roofs, sidewalks, and curbs).
 - 4.1.2. Maintain, replace, and make all necessary repairs to the common areas.
 - 4.1.3. Repair and replace the sewage, water, plumbing, and electrical systems that serve the Knights Inn Property.
 - 4.1.4. Repair and replace the heating, ventilation, and air conditioning systems that serve the Knights Inn Property and common areas.
 - 4.1.5. Be responsible for routine maintenance and repairs of the Knights Inn Property buildings and exteriors, excluding the cost of destruction or damage caused through negligence or willful conduct of County or Project clients.
 - 4.1.6. Monthly interior and exterior termite and pest control services.
 - 4.1.7. Provide (and replace) rental unit keys and locks.
- 4.2. Pay for utilities for the Knights Inn Property (gas, electricity, water).
- 4.3. Maintain and repair the landscaping on a monthly basis.

- 4.4. Promptly notify County of the approval or denial of a request to perform work under Subsection 3.6 of this IGA. Upon acceptance of a request to perform work under Subsection 3.6, City will promptly provide County a cost estimate, which County may accept or reject in its sole and absolute discretion. Upon acceptance of an estimate by County, City will commence and diligently perform the work to completion, and notify County in writing upon completion of the work. Upon approval by County, City will invoice County for the actual cost of the work plus a reasonable administrative fee not to exceed 10% of the total cost of the work.
5. **City Access.** City and City's authorized representatives will have the right to enter the Knights Inn Property at all reasonable hours (and at any time in the event of an emergency) to: (a) inspect the Knights Inn Property; (b) fulfill any City Responsibilities outlined in Section 4 above; (c) determine whether County is complying with its obligations under the terms of this Agreement; and (d) alter, improve, or repair the Knights Inn Property. City will not be required to provide notice prior to entry.
6. **Improvements to Property.** City will deliver the Property to County in "as is" condition with all equipment and operating systems in good and normal working order. County may only improve the Property during the Initial Term or any Extension Option with express written consent of City. All costs associated with County's improvements will be at County's sole expense.
7. **Mechanics Liens.** County will keep the Property free from any liens arising from work performed, materials furnished, or obligations incurred by County and will indemnify, hold harmless, and defend City from any liens and encumbrances arising from any work performed or materials furnished by or at the direction of County. Upon completion of any approved construction activity, copies of signed lien waivers and updated "As-Built" drawings and plans of said work will be supplied promptly to City by County.
8. **Termination.**
- 8.1. Either party may terminate this IGA without cause by providing written notice of termination to the other party. The termination will be effective on the date that is 90 days after the date of the notice.
- 8.2. Either party may terminate this IGA for cause by providing written notice specifying the other party's alleged default. The party alleged to be in default has 10 days from the date of the notice to cure the default, unless a longer cure period is reasonably required under the circumstances, in which case the defaulting party must commence the cure within 10 days from the date of the notice and thereafter diligently pursue the cure to completion. If the default is not cured within 10 days (or a longer cure period reasonably required under the circumstances), this IGA terminates immediately.
- 8.3. If the Property is acquired by County, this IGA terminates automatically upon the effective date of County's acquisition.
9. **Damage or Destruction.** County will give written notice to City within 24 hours, or, in the case of fire immediately, after County learns of the occurrence of any damage or destruction by fire or other casualty to or in connection with the Knights Inn Property or any portion

thereof. If during the Initial Term or any Extension Option, the Property or any portion thereof is damaged by casualty, City will repair or restore the Property to the condition required to remain in compliance with the HOME-ARP rules as outlined in HUD Notice CPD-21-10. If the City determines in its sole discretion that the damage or destruction is so significant that it is not economically feasible to restore the Property to the condition required by the applicable HOME-ARP rules or that repair would take more than 60 days, City may elect not to repair and instead terminate this IGA, which termination will be deemed to be effective as of the date of the casualty and Rent, including any Rent paid in advance, will be adjusted.

10. Condemnation.

10.1. Substantial or material taking: If all or a portion of the Knights Inn Property is taken through the exercise of the power of eminent domain such that the usefulness of the Property for County's intended use is materially impaired, either party may cancel this Agreement by notice to the other within 60 days after possession is taken, and the Rent provided shall abate as of the date possession is taken by the condemning authority.

10.2. Partial taking: If a portion of the Property is taken under the exercise of the right of eminent domain and the Property remains useable for County's intended use, then the rental herein provided shall be reduced from the date of such taking in direct proportion to the square footage reduction in the floor area of the Property (or the number of parking spaces reserved to County). After such partial taking, City at its cost and expense shall make all necessary repairs and alterations to the remaining portion of the Property to render it a complete architectural unit.

11. Insurance Requirements.

11.1. County's Insurance: Prior to County's access to the Property, County, at its sole cost and expense, shall obtain, keep in force, and maintain insurance for injury to persons or damage to property that may arise from or in connection with County's use of the Property. County may obtain a combination of insurance, self-insurance, or excess insurance to satisfy the insurance coverages and limits.

11.2. Commercial General Liability (CGL): Occurrence Form covering liability arising from Property, operations, independent contractors, personal injury, bodily injury, broad form contractual liability and products-completed operations with minimum limits not less than \$2,000,000 each occurrence and \$2,000,000 aggregate. Fire Legal Liability of \$2,000,000 each occurrence.

11.3. Workers' Compensation (WC) and Employers' Liability: Workers' Compensation statutory coverage with Employers' Liability limits of \$1,000,000 each accident and \$1,000,000 each employee-disease.

11.4. Property Insurance: County will provide Property Insurance for business personal property on a full insurable replacement cost basis for business property and improvement hereinafter constructed or installed by County.

- 11.5. Evidence of Insurance: Prior to occupancy and annually thereafter, County is to provide evidence of insurance coverages and limits naming City as an additional insured on primary and non-contributory basis. If County is self-insured, it will provide proof of program self-insurance limits to City.
- 11.6. City's Insurance: City will obtain and maintain during the term of this Agreement a combination of property insurance and self-insurance against "all risk" for the full replacement value of the Property.
- 11.7. Waiver of Subrogation: Each party agrees to a waiver of subrogation for CGL, WC and property coverages in favor of the other party and agrees to cause insurer to endorse policy for waiver, if necessary.
- 11.8. Injury Reports: County will provide to City by way of an incident report any occurrence involving injury to persons or damage to property related to the County's occupation of the Property. If any such injury to persons requires emergency medical treatment, County will contact City within one (1) business day of such incident. City has the right to investigate any incident involving injury to persons or property occurring at the Property and County will provide City with all information available to County about such incident.
- 11.9. Indemnity: To the extent permitted by law, each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims, which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers. Each party's obligations and liabilities under this paragraph survive the expiration or termination of this Agreement.
12. **Assignment.** County will not assign its interest herein, nor will it sublease the Property or permit to be used by any unauthorized person or firm without the written consent of City at City's sole discretion.
13. **Surrender.** On or before the expiration or earlier termination of this Agreement, County, at County's expense, will remove any and all personal property ("**County's property**") placed on the Property by County. If removal of County's property impairs the security or structural integrity of the Property, County, at County's expense, will be responsible for repairing or replacing any damage caused by such removal prior to surrendering the Property back to City. Should County want to allow its property to remain in the Property after this Agreement's expiration or termination, and City does not object to County's property remaining in the Property, such property will become the sole and separate property of City at no cost to City. Upon surrendering the Property to City, County agrees to leave the Property in a condition at least as good as its condition on County's first day of occupancy, allowing for ordinary wear and tear, insured damage, and other damage for which County is not responsible for under this Agreement. County will reimburse City for any documented and itemized damage done to the Property that the City determines is caused by negligent or willful conduct of County, its servants, agents, invitees (including Project clients), volunteers, or employees. Nothing herein

will be deemed a waiver of any City rights to demand and obtain possession of the Property in accordance with the law in the event County breaches any of the terms or conditions hereof.

14. **Survival.** Any provision of the Agreement relating to any obligations that extend after the termination of this Agreement, including but not limited to indemnification, restoration of property, governing law, venue, and any other provisions related to the termination of this Agreement, shall survive any termination or expiration of this Agreement. Any provision which requires performance after the termination or expiration of this Agreement will also survive such termination or expiration.
15. **No Waiver.** No delay or omission by either party to insist upon the strict performance of any of the other party's obligations under this Agreement or to exercise any right or remedy available hereunder will impair any such right or remedy or constitute a waiver thereof in the event of any subsequent occasion giving rise to such right or availability or remedy or obligation, whether of a similar or dissimilar nature.
16. **Force Majeure.** Neither party will be required to perform or be held liable for failure to perform if nonperformance is caused by labor strikes, work stoppages, war, hostilities, a national emergency, acts of God, epidemics, quarantines, natural disasters, power failures, or any other causes beyond the control of the party unable to perform. The non-performing party will notify and consult with the other party regarding the event and how to minimize its impact, and in all cases will make commercially reasonable efforts to address the problem and carry out its obligations.
17. **Compliance with Laws.** The parties will comply with all federal, state and local laws, rules, regulations, standards and lawful and applicable Executive Orders, including but not limited to the HOME-ARP rules. The laws and regulations of the State of Arizona will govern the rights of the parties, the performance of this IGA and any disputes. Any action relating to this IGA will be brought in a court in Pima County.
18. **Non-Discrimination.** The parties will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin in the course of carrying out their duties under this IGA. The parties will comply with the provisions of Executive Order 75-5, as amended by Executive Order 2009-09, which is incorporated into this IGA by reference.
19. **ADA.** The companies will comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.
20. **Severability.** If any provision of this IGA, or any application of a provision to the parties or any person or circumstance, is found by a court to be invalid, that invalidity will not affect other provisions or applications of this IGA that can be given effect without the invalid provision or application.
21. **Conflict of interest.** This contract is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.

22. **Non-Appropriation.** Notwithstanding any other provision in this IGA, this IGA may be terminated if for any reason the Pima County Board of Supervisors or the Tucson City Council does not appropriate sufficient monies for the purpose of maintaining this IGA. In the event of such cancellation, the parties will have no further obligations under this IGA other than for payment for services rendered prior to cancellation.
23. **Legal Authority.** Neither party warrants to the other its legal authority to enter into this IGA. If a court, at the request of a third person, should declare that either party lacks authority to enter into this IGA, or any part of it, then the IGA, or parts of it affected by such order, will be null and void, and no recovery may be had by either party against the other for lack of performance or otherwise.
24. **Workers' Compensation.** Each party will comply with the notice of A.R.S. § 23-1022 (E). For purposes of A.R.S. § 23-1022, irrespective of the operations protocol in place, each party is solely responsible for the payment of Workers' Compensation benefits for its employees.
25. **No Joint Venture.** It is not intended by this IGA to, and nothing contained in this IGA will be construed to, create any partnership, joint venture or employment relationship between the parties or create any employer-employee relationship between a party and the employees of the other party. Neither party will be liable for any debts, accounts, obligations or other liabilities whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security and income taxes for itself or any of its employees.
26. **No Third-Party Beneficiaries.** Nothing in this IGA is intended to create duties or obligations to or rights in third parties not parties to this IGA or affect the legal liability of either party to the IGA by imposing any standard of care with respect to the maintenance of public facilities different from the standard of care imposed by law.
27. **Amendment.** This IGA may only be modified, amended, altered, changed, or extended by written agreement signed by the parties.
28. **Counterparts.** This IGA may be executed in counterparts, each of which, when taken together, will constitute one original contract.
29. **Notice.** Any notice required or permitted to be given under this IGA must be in writing and served by email and by hand delivery or certified mail upon the other party as follows (or at such other address as may be identified by a party in writing to the other party):

<p>County: Dan Sullivan, Director Daniel.Sullivan@pima.gov Copy: Andrew.Flagg@pima.gov Lenora.Anderson@pima.gov Community & Housing & Community Workforce Development 2797 E. Ajo Way, 3rd Floor Tucson, AZ 85713</p>	<p>City: Ann Chanecka, Director Ann.Chanecka@tucsonaz.gov Copy: Jason.Thorpe@tucsonaz.gov Andrew.Paredes@tucsonaz.gov Development 310 N. Commerce Park Loop Tucson, AZ 85745</p>
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30. **Entire Agreement.** This document, and any exhibits attached to it, constitutes the entire agreement between the parties pertaining to the subject matter addressed, and all prior or

contemporaneous agreements and understandings, oral or written, are superseded and merged into this IGA.

PIMA COUNTY:

CITY OF TUCSON:

Jennifer Allen, Chair
Board of Supervisors

Mayor, Regina Romero

ATTEST:

ATTEST:

Clerk of the Board

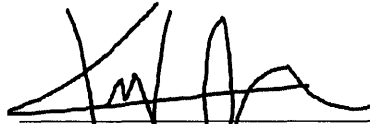
City Clerk, Marisa Stoller

Intergovernmental Agreement Determination

The foregoing Intergovernmental Agreement between Pima County and the City of Tucson has been reviewed by the undersigned, each of whom has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the party they represent.

PIMA COUNTY:

CITY OF TUCSON:



Deputy County Attorney

City Attorney