



SEPTEMBER 2024

# REFORMING ARIZONA'S HOMELESS SERVICE ECOSYSTEM

**A CRISIS IN NEED OF TRIAGE: EMERGENCY SHELTER,  
TREATMENT & SERVICES, AND RAPID INCIDENT  
RESPONSE – NOT JUST LONGER-TERM SOLUTIONS  
(LIKE HOUSING)**

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## ABOUT THE JIM KOLBE FREE ENTERPRISE FELLOWSHIP

Inaugurated in 2023, the Jim Kolbe Free Enterprise Fellowship reseraches key issues affecting the Arizona economy such as international trade, finance, appropriations, tech excellence, commerce, and more.

## ABOUT COMMON SENSE INSTITUTE

**Common Sense Institute** is a non-partisan research organization dedicated to the protection and promotion of Arizona's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Arizonans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Arizonans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the Arizona economy and individual opportunity.

## TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Arizonans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

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## EXECUTIVE SUMMARY & KEY FINDINGS

Earlier this year, the Common Sense Institute released a thorough review of homelessness spending at all levels – non-profits, state and local governments, and federal grants and transfers. The report identified over 200 Arizona providers – public and private - who today spend a collective \$1 billion per year on homelessness-related expenses.<sup>i</sup> Despite those resources, Arizona's counted homeless population has increased more than 40% in the past five years; over half of them are unsheltered.

Following up on that initial research, Common Sense Institute has worked with two dozen stakeholders throughout Arizona from the more than 200 public and private homeless service providers and other stakeholders. They were asked a simple question: What is needed to solve the homelessness crisis in Arizona?

That effort led to the identification of several themes, including:

- **Gaps in the Current Systems:** Significant gaps exist in Arizona's homelessness response systems, particularly within Continuums of Care (COC's). Despite their intent, in practice it is unclear how well they are organizing the overall systemwide response. Large providers are not always fully integrated into the system, and there is a lack of coordinated outreach and policy recommendations in some parts of the state.
- **Importance of Effective Data:** Effective data collection and sharing are crucial for addressing homelessness. Databases like the COC-managed Homeless Management Information Systematic (HMIS) are not fully utilized, updated timely, or capturing all needed information. Real-time data is needed to inform policy decisions and optimize resource allocation.
- **Critical Need for Better Coordination:** Improved coordination among government agencies, non-profits, and community organizations is essential. Effective solutions require collaboration at the local level, with by-person data sharing and integrated efforts across all service providers.
- **Funding Priorities Shift Needed:** The current system remains heavily focused on meeting the requirements of federal and other external stakeholders (like national policy groups) – and in particular on providing housing and permanent shelter ahead of all other services and interventions. The system needs to evolve given the changing nature of homelessness.<sup>ii</sup> And funding priorities need to shift in acknowledgment of this change.

- **The Need for Tailored Interventions and Increased Accountability:** Specific subgroups, especially chronically homeless individuals with mental health and substance abuse issues<sup>iii</sup>, require tailored interventions that combine intensive support services with increased personal accountability. A new approach is needed to solve this crisis.
- **Homelessness is now a crisis – nationally and in Arizona.** Decades of focus on permanent solutions to poverty and housing, although well intended, have left a system poorly adapted to the pressing problem – addiction, mental health, and chronically unsheltered homelessness. Re-focusing on emergency shelter, developing an effective command system to identify and respond to incidents in real time, and other reforms are needed to solve this crisis.

Together with CSI’s prior and external research, these findings should encourage policymakers to make a change.



## INTRODUCTION & BACKGROUND

“How many steps away are you from being unhoused right now?” This question, posed by an emergency room physician during our interview, helped shape this report. For most of us, the answer is quite a few. It would take a significant combination of changes in our employment, physical or mental health, and personal relationships for us to find ourselves without shelter. Moreover, the longer someone remains on the street or in a shelter, the more difficult it becomes to return to a stable living situation.

The homelessness crisis is a complex issue, and its solutions may need to be equally intricate. But it is clear the status quo isn't working. As highlighted in the Common Sense Institute's recent report, Arizona is already investing significant financial resources into addressing homelessness, yet the problem persists.<sup>iv</sup> To safeguard Arizona's economic resilience and maintain a robust safety net for our most vulnerable citizens – the chronically homeless, who are often suffering with mental illness or addiction - public policy must acknowledge the paradox that the true strength of this safety net lies in preventing as many people as possible from needing it, rather than maximizing funding for, and the number of people permanently dependent on, that safety net. This requires policymakers not only to implement proactive measures, but also to compel personal accountability, ensuring that individuals take responsibility for their own well-being whenever possible and are restored to independence.

This report examines various initiatives in Arizona and across the country, highlighting both successful strategies and areas where efforts have fallen short.

Many of the best solutions to our most challenging societal problems often come from the grassroots level. The wisdom to solve these issues is frequently found among those who are closest to the problem. This report is a compilation of ideas from individuals across Arizona who are on the front lines of the homelessness crisis. Despite the varied roles of the people interviewed, common themes emerged from their insights.

*“When you hear success stories there is a common thread. They were at a point in time where they were ready. They were tired of it; they were offered the right resources; and they found a purpose.”*

**Arizona City Official**

## Common themes

- According to the 2023 Point in Time (PIT) count, Arizona has over 14,000 unhoused individuals, and this is likely an undercount. While this number may seem staggering, experts warned that the numbers could increase.
- All interviewees agreed that addressing homelessness in our communities requires an “all of the above” and “all-hands-on-deck” approach. Government, the private sector, and various providers each have their strengths, and effective solutions must involve coordinated efforts among all these entities.
- Individual communities need flexibility to craft solutions that meet their specific community needs.
- Interviewees with years of experience addressing the needs of unsheltered individuals emphasized that the key to successful interventions lies in providing resources when individuals are ready to accept help and ensuring they discover a sense of purpose.



- Many people grapple with balancing an individual's right to make decisions in their best interest and how a compassionate society should respond when individuals are either uninterested in or unable to clearly understand the help being offered.
- People who are newly unsheltered or on the verge of losing their housing require different interventions than those who are chronically homeless. The longer someone remains unsheltered, the more complex and challenging effective mitigation measures become.

## Prevention

There was disagreement about the root causes of homelessness. Several interviewees referred to the book *Homelessness is a Housing Problem* by Gregg Colburn and Clayton Page Aldern, pointing to structural factors related to housing markets. Others cited mental health and addiction as the primary causes among the populations they serve. Some noted that multiple factors are interconnected, making it impossible to isolate a single root cause. What is clear is the problem is getting worse and existing priorities – often housing-focused – don't seem to be working.

Regardless of differing opinions on the root causes, one common theme emerged from nearly all these conversations: prevention is the wisest investment. Keeping people in their homes is almost always less expensive than stabilizing and rehousing them once they become homeless. While housing support services may be a crucial part of this, if addiction and mental health are the more proximate causes, strong social structures around the prevention of drug abuse and treatment of the mentally ill – including from the law enforcement and court systems – may help.

## Chronic Homelessness in Arizona

Chronic homelessness in Arizona has significantly increased over the past five years. According to HUD, a person is considered chronically homeless if they (1) live in a place not meant for human habitation, Safe Haven, or Emergency Shelter, (2) have a disability, and (3) have been homeless continuously for one year or have experienced homelessness four or more times in the last three years, with a total duration of at least 12 months. If a head of household meets this definition, all household members are counted as chronically homeless.

**FIGURE 1**

### Total & Chronic Homelessness in Arizona

Today, the share of Arizona's overall homeless population that is "chronically homeless" - as defined by HUD - has risen to more than 22%.

Year	Total Homeless	Chronic Homeless	Chronic Homeless Share
2023	14,237	3,185	22%
2022	13,553	2,685	20%
2021	No PIT Count	No PIT Count	No PIT Count
2020	10,979	2,086	19%
2019	10,007	1,876	19%
2018	9,865	1,774	18%
2017	8,947	1,552	17%
2016	9,707	1,395	14%
2015	9,896	1,395	14%

Source: U.S. Department of Housing & Urban Development



The Maricopa Regional Continuum of Care reports an 119% increase in the total number of chronically homeless individuals from 2018 to 2024. Additionally, there has been a rise in the number of people reporting mental illness and substance abuse during this period.<sup>v</sup>

- **Overall Increase in Total Homelessness:** From 2015 to 2023, the total homeless population in Arizona increased from 9,896 in 2015 to 14,237 in 2023, reflecting a significant rise in homelessness across the state.
- **Sharp Increase in Chronic Homelessness:** Chronic homelessness has also increased substantially over the same period. The number of chronically homeless individuals more than doubled, rising from 1,366 in 2015 to 3,183 in 2023.
- **Year-by-Year Trends:**
  - > 2015 to 2018: Both total homelessness and chronic homelessness were relatively stable, with only gradual increases each year.
  - > 2019 to 2023: There is a marked acceleration in the growth of chronic homelessness, particularly between 2020 and 2023. For instance, chronic homelessness jumped from 2,086 in 2020 to 3,183 in 2023, which represents a 52.6% increase over just three years.
- **Proportion of Chronic Homelessness:**
  - > In 2015, chronic homelessness accounted for approximately 13.8% of the total homeless population.
  - > By 2023, this proportion had grown to about 22.4%, indicating that chronic homelessness is becoming a larger share of the overall homeless population in Arizona.

# HOMELESSNESS RESOURCE ALLOCATION

The U.S. Department of Housing and Urban Development (HUD) is a major funder of services for the unhoused in our community and has established systems intended to manage the organizations receiving their funds. The dominant importance of their grant funding to local government and non-profit homeless budgets means HUD priorities have tremendous influence on how local governments and non-profits ultimately respond to homelessness. Beginning in the early 2000's, federal agencies began to prioritize housing and permanent shelter ahead of other treatments and solutions; this had tremendous impact on where resources in Arizona have been allocated since.<sup>vi</sup>

According to the 2023 CSI report, there are at least 167 non-profits providing homeless services in Arizona. Annual spending by state and local government and these non-profit providers is over \$1 billion today. Federal agencies provide over \$10 billion in support for homeless assistance in the United States – and during the pandemic this spending surged. According to an investigative report by the Goldwater Institute, the City of Phoenix alone has spent at least \$250 million on homelessness since 2021.<sup>vii</sup> CSI estimated that over \$40,000 is spent per homeless individual each year. As CSI highlighted, much of this has gone towards housing affordability and permanent shelter. Despite these investments, homelessness continues to rise (+40% in Arizona since 2019).

**FIGURE 2**

## Homelessness Service Providers in Arizona by COC and Service Area

Of Arizona's 167 non-profit homeless service providers identified by CSI, three-fourths provide some time of long-term housing or shelter support.

Service Area	Healthcare	Shelter (Temporary)	Drug & Addiciton Treatment/Recovery	Community Support	Workforce Training/Education	Employment Opportunities	Housing Opportunities (Long-Term)	Aftercare	Total Non-Profit Providers, by COC
Maricopa	43	65	34	82	48	51	47	52	118
Pima	23	27	14	33	21	20	27	20	51
Balance-of-State	31	59	28	59	35	32	36	40	86
<b>ARIZONA</b>	<b>75</b>	<b>120</b>	<b>56</b>	<b>143</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>86</b>	<b>167</b>

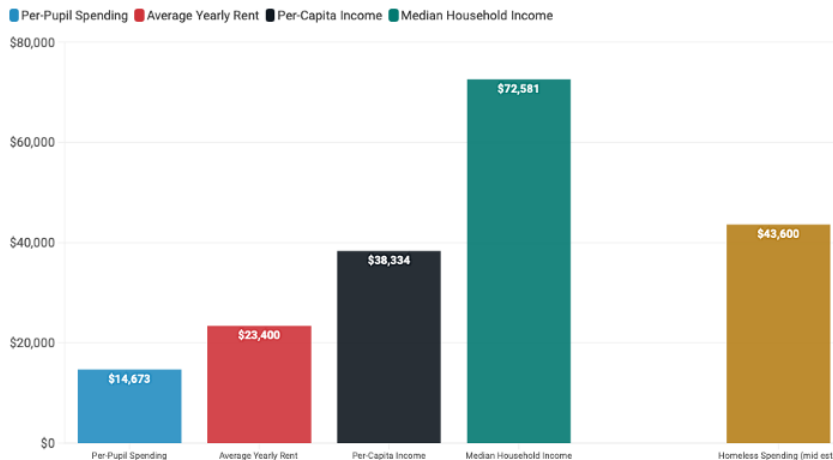
Source: Common Sense Institute AZ, Internal Revenue Service

The chronically homeless, particularly those dealing with mental health and substance abuse issues, require distinct and more intensive interventions to achieve stabilization compared to the non-chronic homeless. These individuals often face more severe and long-term barriers to housing, making it essential to provide tailored support services that address their specific needs, such as ongoing mental health care, substance abuse treatment, employment training resources, and long-term housing solutions. But the evidence shows many often decline these services.

**FIGURE 3**

**Annual Spending Comparison in Arizona**

On average, spending per homeless person exceeds the average annual cost of rent, and exceeds 70% of per-capita personal income in Arizona.



Source: U.S. Census, JLBC, Zillow - CSI Calculations  
Homelessness spending was calculated as the midpoint between the low per-person estimate of \$20,700 and high estimate of \$66,500

## HOMELESS SYSTEM STRUCTURE

The geographically-based Continuums of Care are authorized by HUD to coordinate the resources and activities of nonprofits, governments and other advocates and service providers in the homeless community. Arizona has three COC's: Maricopa, Pima, and "Balance of State". According to HUD guidelines, COC leadership should include representatives from a wide range of relevant organizations, including nonprofit homeless providers, victim service providers, faith-based organizations, government agencies, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations serving homeless and formerly homeless veterans, and homeless and formerly homeless individuals.

A Continuum of Care is responsible for operating the COC, designating and managing a Homeless Management Information System (HMIS), conducting the annual Point in Time count, planning and coordinating the implementation of a housing and service system that meets the needs of individuals and families experiencing homelessness within its geographic area, and designing and implementing the process for applying for COC Program funds. In practice, COC's in Arizona and across the country operate in various ways, often fulfilling some but not all of these responsibilities.



In the greater Phoenix area, the Maricopa Association of Governments staffs the COC, while in Pima County, it is the Tucson Pima Collaboration to End Homelessness. The Arizona Department of Housing serves as the lead agency for the Continuum of Care for the 13 rural counties in the state. Each of these organizations excels in certain areas, but significant gaps remain unaddressed – especially between the COC's and from a statewide standardization perspective. For instance, large faith-based providers with open shelter beds reported are often not being included in COC coordination or data collection because HUD does not require COCs to include organizations that do not receive federal dollars. Further, these organizations may not be required to file IRS Form 990, either – meaning CSI itself may have overlooked some of them as well.

Better coordination using real-time data with these providers would result in improved outcomes. Participants in the COC also mentioned the lack of urgently needed policy recommendations coming from the group. Additionally, several individuals statewide highlighted the limited outreach coordination, noting this as an area where the system could greatly improve its efficiency.

### **Case Study: Houston, *The Way Home*, and the Coalition for the Homeless.**

Houston has seen overall homelessness **decrease** by more than 60% since 2011. They attribute much of their success to the coordination among all providers and the use of real time, not once a year, data. An example of this data is their **Successful Outcomes tab** on their **System Performance Measures** dashboard.

From a **6/14/2022 NYT article**, “We are not here to solve poverty. We aren’t here to fix the affordable housing problem” is how Ms. Rausch puts it, adding, “Think of the homeless system in America as an emergency room for a triaged slice of poverty. What Houston has achieved is to get itself far enough along in addressing the challenge that we can hope to begin to think about the pipeline to homelessness.” Annise Parker, a former mayor of Houston, adds “... But the bottom line is that nearly everybody in Houston involved in homelessness got together around what works. That’s our secret sauce.”

## COORDINATION

The federal and state governments play a vital role in managing homelessness, but the most effective coordination happens at the local level. A comprehensive, “all-of-the-above” approach is needed, with community involvement being crucial. Some subgroups, like military veterans and those in the behavioral health system, have seen better outcomes due to coordinated, individualized support. Expanding this model to a broader population could help more people access timely and effective support, leading to better housing and treatment solutions for those in need.

### Among state and local/regional agencies

There are numerous examples of successful collaborations among federal, state, and local government agencies addressing homelessness. A particularly innovative and impactful initiative frequently mentioned is the [1115 demonstration waiver](#) granted to the Arizona Health Care Cost Containment System (AHCCS) by the Centers for Medicare & Medicaid Services in 2022. This funding aims to support medically vulnerable individuals, including those with serious mental illnesses, by helping them remain in their homes, providing transitional housing support, and offering up to six months of rent and temporary housing for those transitioning from institutional care or homeless shelters. While this could help individuals struggling to pay rent because of medical issues, organizations would benefit from coordination in providing thorough treatment options for homeless individuals beyond rent assistance.

A repeated theme of stakeholder interviews was that an important first step in maximizing coordination among organizations is to first look inward, conducting an inventory of the services they currently offer and identifying additional innovative ways they could impact homelessness. These individual inventories could then be leveraged to better identify redundancies and potential new collaborations. The state, counties, cities, and private organizations should undertake a thorough self-study of the resources they have to address homelessness.

Some suggestions included prioritizing the unhoused within ALTCS (Arizona’s Long Term Care System) and exploring how Public Housing Authorities can better leverage resources specifically for this population. Additionally, revising the Homeless Emergency Assistance and Rapid Transition to Housing Act to mandate coordination between COC’s and HUD Emergency Solutions Grantees was recommended. There’s also a call for a systematic review of land use policies, criminal justice policies, and affordable housing financing. If this work has been done, sharing it widely is essential, as many direct service providers and government officials are currently unaware of it.

## Public/Private Service Providers Coordination

Improved coordination is essential among public and private providers and funders, particularly in outreach and shelter services. Many parts of the homeless service cycle suffer from a lack of coordination and a lack of utilization. **In Tucson, it was reported by people directly engaged in homeless outreach that only 10% of unhoused individuals living on the streets accept resources the first time they are offered.**

Multiple organizations conduct outreach, and due to the transient nature of unhoused populations, there is a significant amount of redundant effort without real-time data on who has already been contacted and by which organizations. This redundancy can frustrate unhoused individuals receiving mixed messages about available services, undermining the trust and relationship-building necessary for them to accept help. In the Phoenix COC, each municipality has its own outreach team with little or no coordination among them, presenting an opportunity for meaningful change.

Outreach and offering services are just two of many areas that could benefit from more direct and intentional coordination. Other areas include filling shelter beds, support services, data collection, volunteer management, and business community support. For additional ideas, refer to the excellent 2022 Arizona Town Hall report, *Mental Health, Substance Use, and Homelessness*, which included input from more than 2,000 Arizonans.<sup>viii</sup>

A promising collaborative initiative is the Pima County Transition Center, located just outside the Pima County Adult Detention Center. This center provides various forms of assistance to individuals as they exit jail. In its first six months of operation, data revealed that 57% of those served were homeless or facing housing instability. Notably, 97% of those who entered the Transition Center engaged meaningfully with navigators and accepted some form of assistance.<sup>ix</sup>

## DATA COLLECTION AND SHARING

Effective data collection and sharing are crucial for addressing homelessness, enabling better coordination of limited resources and a responsive approach to the needs of the constantly changing unhoused population. Beyond numbers, data informs customized community responses. Federal funding, primarily managed through HUD, often lacks a systematic evaluation of homelessness programs' overall impact, focusing more on service numbers than transformative outcomes like employment.

A coordinated, systematic data collection across all providers, including non-profits, faith-based organizations, government agencies, and healthcare providers, is essential but currently lacking. Frequent Users Systems Engagement studies highlight how individuals experiencing homelessness cycle through public systems like hospitals and justice systems. Research by institutions such as the University of Arizona and Arizona State University can guide evidence-based policy improvements. A statewide data-sharing initiative in Arizona would help all service providers contribute to and benefit from a comprehensive approach to significantly impact homelessness.

### **Case Study: Four of the five COCs that saw the largest decline in homelessness over the past 10 years are in Florida.**

These areas emphasize collaboration among local governments, non-profit organizations, community groups, and other stakeholders. By working together, they can pool resources, share information, and coordinate efforts more effectively. The State of Florida also guides successful initiatives through the **State of Florida Consolidated Plan and Annual Action Plan**.

Utilizing federal and state funds effectively is a common strategy. Grants such as the Emergency Solutions Grant (ESG) and other state-specific homeless grants provide crucial funding for shelters, outreach services, and rapid re-housing initiatives. Proper allocation and management of these funds are critical for sustaining and expanding homeless services.

These areas rely on data to inform their strategies and measure their impact. Using systems like the Homeless Management Information System (HMIS) and conducting annual Point-in-Time (PIT) counts helps in identifying the needs of the homeless population, tracking progress, and adjusting strategies accordingly.



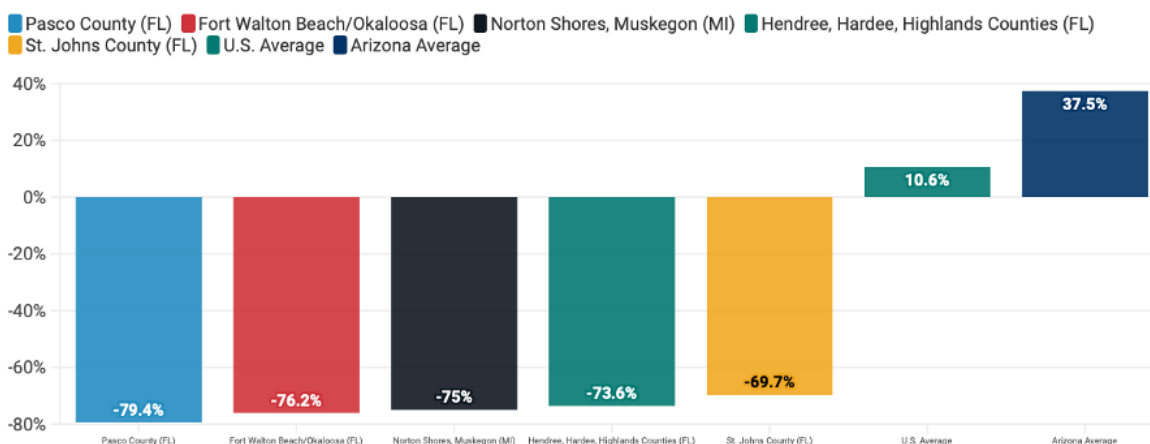
## By-name data

Some communities are achieving success through real-time, by-name data collection and sharing. The U.S. Conference of Mayors recently highlighted the importance of real-time data in effectively managing homelessness. They advocate for enhanced data sharing and integration to improve service delivery and inform policymaking. Specifically, the resolution calls for updates to the Homeless Management Information System to include dynamic, real-time, person-specific data and reporting. These enhancements would enable communities to deploy efficient services, address bottlenecks, and optimize resource allocation based on current data and local market dynamics. However, if data from organizations that do not accept HUD funding continue to be excluded from the HMIS system, the overall outcomes will not be as robust and helpful.<sup>x</sup>

**FIGURE 4**

### Regional COC's With the Largest Decreases in Homelessness, 2013-2023

As measured by the PIT counts, four of the five COC's with the largest declines in their homeless populations are in Florida.



Source: HUD Point-in-Time Count

### Case Study: One data management success story occurred in Rockford, Illinois, where the implementation of real-time, person-specific data has significantly improved homelessness management.

By linking data from various service providers, including those in behavioral health and housing sectors, Rockford has been able to offer more targeted and timely interventions. This model has proven successful in reducing chronic homelessness and could serve as an example for other regions, including Arizona, and other parts of Illinois, to follow.

“As they worked through all that in a more collaborative way, they also learned that data is key. They needed an overview of the housing stock, the health context and the precise individuals in need.” *Politico*

## EMERGENCY SHELTERS – THE CRUCIAL NEED

Lack of emergency shelter beds was reported in almost every community in Arizona. Shelter operators, both government and private, are loosening access barriers by allowing pets, reducing sobriety requirements, focusing more on alternative populations versus the traditional person experiencing homelessness (e.g., seniors' needs), and increasing safety measures.

Over the past decade, Arizona has seen various trends in shelter beds and permanent supportive housing aimed at addressing homelessness:

- **Emergency Shelter Beds:** Arizona has only marginally increased the number of available shelter beds (to 7,569 in 2023 from 6,568 in 2019) despite seeing a 42.3% rise in the homeless count during this same time (from 10,007 in 2019 to 14,237 in 2023). At the same time, service providers have made it easier to access the relatively smaller supply of beds and continued to prioritize access (or demand) to supply.
- **Permanent Supportive Housing (PSH):** Arizona has expanded its permanent supportive housing options, prioritizing long-term solutions for chronic homelessness and acknowledging the tremendous inflow of resources in this space in the first two decades of the 2000's (consistent with a shift in funding and priorities at the federal level to the "housing first" model). 2023 HUD data showed 9,797 PSH units in Arizona, a slight 6.5% increase from 2019 (when Arizona had 9,238 PSH units). But in 2007, there were just 3,000 PSH units in the state (+324%).

According to the National Alliance to End Homelessness, "Housing First does not mandate participation in mental health or substance abuse services either before obtaining housing or in order to retain housing", even though 78% of the unsheltered homeless self-report a mental health condition, 75% report a problem with substance abuse, and at least 50% report a problem with both conditions." <sup>xi xii</sup>

*"While we know shelter alone does not solve homelessness, it is a crucial first step for many people to connect with the right resources and support to end their homelessness."*

Rachel Milne, Director of Homeless Solutions in Phoenix, as reported by [ABC15](#)

Point in Time data is imperfect, but it can show important trends. Maricopa’s 2024 unofficial PIT data shows an overall decline in the total homeless count from 2023 and an increase in the number of unhoused people living in a shelter.<sup>xiii</sup> It is important to note that on the night of the 2024 count there was heavy rain and many people who may have typically lived in an unhoused condition may have sought shelter that evening, but there were other factors in play as well. Phoenix was forced to clean out the area known as “The Zone” six months before the PIT count was taken, and shelter counts show many of those people turned to already available but vacant temporary shelter beds. Phoenix is also working to increase the number of shelter beds available – and particularly beds available where they’re needed.

Emergency shelters alone are not the solution to homelessness in our communities, but the Phoenix experience suggests when emergency shelter beds are offered and the alternative (living on the street) is no longer tolerated by local officials, people will seek shelter and leave the streets.

Correspondingly, shelter settings provide an opportunity both to encourage behavioral change (through curfews, drug testing, and policies prohibiting possession or use of addictive substances) and provide supportive interventions like job and life-skills training. In many shelters, there is also an opportunity to experience community with others.

The 2024 Pima COC Point-in-Time count identified 2,101 individuals living in shelters, transitional housing, or unsheltered on the night of January 23, 2024.

Data submitted by Pima County to HUD revealed 2,943 beds across various housing programs available that night, including emergency shelters, permanent supportive housing (PSH), rapid rehousing, and transitional housing. Of these, 431 beds—about 14.65%—remained unoccupied. It’s important to clarify that not all of these are “shelter” beds in the traditional sense and many of these beds are not accessible for immediate, short-term needs.<sup>xiv</sup>

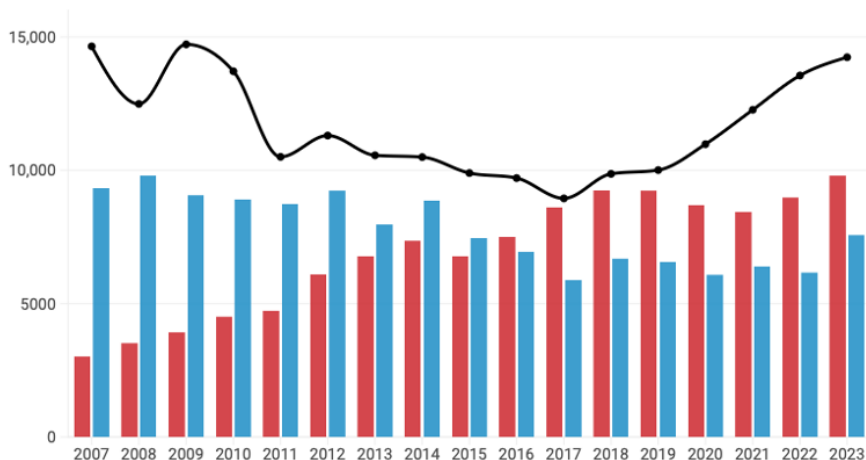
The distinction between different types of beds is crucial. Emergency shelter beds, which provide immediate, short-term accommodation, are often in short supply and difficult to access on a day-to-day basis. Other housing program beds, such as those in PSH or rapid rehousing, typically require individuals to complete a housing assessment and often involve long waiting periods before a referral is made.

**FIGURE 5**

**Arizona Housing Inventory and Point-In-Time Counts**

The state has rapidly increased its PSH population, even as shelter capacity has fallen. The state’s literally homeless population continues to rise.

■ Arizona PIT Count ■ Permanent Supportive Housing ■ Shelter Beds



Source: HUD

## Case Study: The Center for Opportunity in Tucson.

The Gospel Rescue Mission's Center for Opportunity in Tucson is described by many as a beacon of hope with the mission "Homeless to Wholeness." This privately funded center offers 350 beds and currently operates at a capacity of 300-310 individuals. The center is remarkable for its comprehensive approach, hosting 50 service providers on campus to deliver a range of anchor services aimed at supporting individuals on their journey to self-sufficiency.

The center operates on a five-year program structure, underpinned by a Memorandum of Understanding (MOU) with clients to outline mutual expectations. This structured approach has proven highly effective, demonstrating that a well-executed model attracts the necessary funding to sustain and expand operations. In fact, the center has tripled its capacity within the past five years.

The impact of the Gospel Rescue Mission's Center for Opportunity in 2023 alone is impressive: 217,922 meals served, 90,288 shelter nights provided, 338 recovery program completions, 338 individuals secured employment, and 430 individuals transitioned to independent living. These achievements highlight the center's commitment to transforming lives through comprehensive, integrated support services.

Due to limited availability and specific eligibility requirements, these beds are not immediately accessible to many people experiencing homelessness.

Given these challenges, the immediate priority should be to improve coordination to better utilize the existing shelter beds. While it's true that not everyone has access to these beds, with more effective real-time tracking and resource allocation, we could ensure that every bed available is filled. By refining our approach to how we manage and coordinate these resources, we can address the pressing need for short-term shelter while also working towards longer-term solutions.

Additionally, stakeholders identified through their interviews the loss of pandemic-era federal funding for emergency shelters, revealing a need to find new and permanent temporary shelter funding sources – including perhaps through the reallocation of resources away from housing and permanent services towards emergency and temporary interventions.

Equally important are the support services available for people, especially the chronically homeless, many of whom have addiction and mental health issues.<sup>xv</sup>

Some privately funded providers have found success by maintaining high standards for the people they serve. The Center for Opportunity in Tucson, for example, is a transformative program well-suited for people who are ready to seek help and who have the personal motivation to be there. Currently, the Center for Opportunity is not operating at capacity, likely because the Pima COC and Pima County courts are not referring people to their program. Similarly, behavioral health facilities like La Frontera in Tucson also have open beds.



This situation prompts an important question: why? For decades, the prevailing approach among courts, public agencies, and often the nonprofit community has been to prioritize housing and permanent shelter above all other interventions.

CSI's research has revealed that it's crucial to consider the entire pipeline in addressing homelessness, including the availability of transitional programs and temporary and emergency interventions – not just permanent housing support to prevent recurrence. It's essential to ensure that our behavioral health system and addiction programs are integrated into these efforts. Are organizations using real-time data and sharing it systematically with policymakers so they can address these issues effectively?

*“At the end of the day this is still a customer choice – people get to choose who they spend their time with. They have the opportunity to find a good fit for the services they need, as long as they are able to make rational decisions with clarity of thought. But when they can't, that's where assistance is needed.”*

**Tucson Non-Profit Leader**

*“We can't coax people into shelter. We've tried that for too long now.”*

**Tucson Business Leader**

## WHEN PEOPLE DON'T ACCEPT HELP

Public agencies and courts play a crucial role in the policy response to homelessness, as they possess the exclusive legal authority to enforce behavioral changes. While non-profit service providers can implement rules such as curfews or no-drug-use policies on their premises, their ability to ensure compliance in public spaces is limited.

State and local governments have traditionally relied on law enforcement to encourage people experiencing homelessness to seek treatment and complete rehabilitation programs, often using the threat of incarceration or other legal penalties as leverage.

However, the decline in the enforcement of these laws in recent decades has coincided with an increase in homelessness, particularly in issues related to public nuisances and drug-related problems. This underscores the need for a balanced approach that combines supportive services with appropriate enforcement to address the complex challenges of chronic homelessness.

### Urban Camping Bans

Following the Supreme Court ruling on *Grants Pass v. Johnson*, states and local municipalities around the country are re-examining their laws about how people utilize public spaces.

- Notably, in California - a state accounting for 28% of the nation's total homeless population, or an estimated to be 160,000 people - Governor Gavin Newsom recently issued an executive order ordering state agencies and departments to adopt clear policies that urgently address homeless encampments. The Governor's order also urges local governments to use substantial funding provided by the state to act.<sup>xvi</sup> Arizonans should also note the potential of some of California's unhoused people receiving bus tickets to other parts of the country, including Arizona.<sup>xvii</sup>
- Austin, Texas is an interesting case because when the City of Austin ended its 23-year-old ban on public camping in 2019, the homeless population grew and a grassroots group (*Save Austin Now*) gathered enough signatures to put a new camping ban on the ballot, which Austin voters overwhelmingly approved on May 1, 2021. Austin voters made it a criminal offense for anyone to sit, lie down, or camp in public areas and prohibited solicitation of money or other things of value at specific hours and locations. The Austin Police Department is working with other city departments

and community-based providers to promote voluntary compliance for people who are camping in public spaces in violation of the new law. Officers are acting when voluntary compliance does not occur through citations and in some cases, arrest. This new enforcement was coupled with Austin community leaders setting an ambitious goal to house 3,000 additional people through a plan called Finding Home ATX.<sup>xviii</sup>

- On May 29, 2024, the Phoenix City Council unanimously approved an ordinance expanding existing regulations to ban camping within 500 feet of schools, childcare facilities, parks, and shelters, with fines not exceeding \$100. This decision followed a court-ordered clearing of “The Zone” in April 2023, where nearly 1,000 unhoused people had been living, many for years.
- The City of Flagstaff has had a ban on urban camping since 2005. They use the ban as a tool to direct people into shelters. There have been efforts to repeal the ban over the years, but city leaders believe they have found the right balance between protecting the rights of people to enjoy public spaces and the rights of the people experiencing homelessness. Flagstaff police officers are required to issue warnings for first offenses and provide a list of resources for people who are homeless. Flagstaff Fire also supports enforcement and established the Community Alliance, Response & Engagement (CARE) program to address a variety of 911 calls that would have otherwise been handled by a combination of police, ambulance, or a fully staffed fire truck. Each CARE team is staffed by a mental health professional and an EMT who isn’t actively on a call.<sup>xix</sup>

## Community Courts

Specialty courts in Arizona and across the nation can successfully help individuals experiencing chronic homelessness by requiring them to access substance-abuse treatment and other supportive services as a condition of avoiding traditional punishments (like jail time). Expanding access to the behavioral health system through community courts is a recognized need across this state. Some places where this approach is currently being implemented effectively include:

- The Homeless Outreach Team (HOT) in Houston works closely with specialty courts to divert homeless individuals from jail to treatment and support services, aiming to reduce recidivism and improve quality of life. This specialized group of Houston police officers and mental health case managers engage in street outreach to the chronically homeless. The team is relationship focused and works to find individual solutions to the problems that have caused people to live on the streets.<sup>xx</sup>
- The Homeless Court Program in San Diego, California, assists individuals in addressing various misdemeanor offenses, infractions, and parking citations. Typically, participation in the program requires a referral from a local homeless-service agency rather than law enforcement. The program offers alternative sentencing that replaces fines and custody with participation in agency programs. These programs include life-skills training, chemical dependency (e.g., Alcoholics Anonymous) meetings, computer or English literacy classes, job training or employment search, counseling, and education—all designed to help participants improve their circumstances.

- Community Assistance, Recovery and Empowerment (CARE) Court in California is a \$57M program intended to address the intertwined crises of mental illness and homelessness on the streets of California. As envisioned, CARE Court will connect a person struggling with untreated mental illness – and often also substance use challenges – with a court-ordered Care Plan for up to 24 months. Each plan is managed by a care team in the community and can include clinically prescribed, individualized interventions with several supportive services, medication, and a housing plan. The client-centered approach also includes a public defender and supporter to help make self-directed care decisions in addition to their full clinical team.<sup>xxi</sup>
- In January, Phoenix announced its new Community Court designed to provide long-term solutions and services for people experiencing homelessness. Community Court participants will be assigned a caseworker who will assist them through their court process. The navigators will develop an individualized plan for each client, which will identify personal goals to help them get on the path to ending their homelessness. People found in violation of the city’s expanded campaign ban would be eligible to go through the community court process.<sup>xxii</sup>

These court-affiliated programs offer opportunities to guide unhoused individuals who are reluctant to seek assistance into beneficial mitigation programs. However, to be effective they must be more than a get-out-of-jail-free card: the system must combine required participation and benchmarks for results and success with the threat of punishment if the beneficiary doesn’t participate.

## Implications of Inaction on Local Business

Chronic, unsheltered homelessness is more than a crisis for the unhoused – it is a public nuisance with real social and economic consequences.

A small business owner shared that he has created a new job classification within his team specifically to manage the effects of chronically unsheltered individuals on his multiple restaurant locations. The issues affecting his properties, customers, and employees include urban camping, open-air drug use, public defecation, aggressive panhandling, abusive behavior, destruction of property, theft, loitering, and trash including discarded drug paraphernalia. He expressed frustration that while county health inspectors hold him accountable for conditions inside his business, the real health threats often exist just outside his door.

Business associations like the Arizona Chamber of Commerce & Industry and the Tucson Metro Chamber, representing frustrated business owners affected by homelessness-related issues, have voiced support for Proposition 312. This measure, set for the November 2024 ballot, would allow property owners to apply for a property tax refund under certain conditions. These conditions include instances where the city or locality fails to enforce laws related to illegal camping, loitering, obstructing public thoroughfares, panhandling, public urination or defecation, public consumption of alcohol, and possession or use of illegal substances.



# HOUSING OPTIONS – “ALL OF THE ABOVE” MODEL AND PERMANENT MOVEMENT FROM HOMELESS TO HOUSED

While we have identified many other pressing gaps in the current system, there is a place for housing and permanent shelters to manage homelessness – particularly after the acute problems keeping a person on the street are resolved.

Arizona housing costs, including rent, have risen dramatically in the last decade, which has made housing in Arizona more unaffordable than the average state. Home prices in the Phoenix area have risen more than 60% since 2020. American Community Survey data suggests the state is underbuilt, particularly in low-to-mid priced homes.<sup>xxiii</sup>

Housing can be compared to rungs on a ladder, representing the various stages of homeownership that people typically progress through over time. This analogy illustrates the journey from lower-cost, entry-level housing options to more expensive and desirable properties. Adding homes at all price levels, especially mid-priced homes, can help more people move up the ladder, freeing up affordable homes on the entry-level rungs.

However, some communities in Arizona require additional rungs at the bottom of the ladder. The most exciting idea discussed in all three Arizona Continuums of Care is the concept of tiny villages or micro shelters. These micro shelter villages include a mix of transitional and permanent units, providing much-needed housing options for those at the lower end of the housing spectrum. They also provide a sense of community and connection for the residents.

The gold standard for micro shelter villages is Community First! Village in Austin, Texas. This 51-acre master-planned neighborhood offers affordable, permanent housing and a supportive community for men and women transitioning out of chronic homelessness. Currently, it serves 370 formerly unhoused individuals. The key to the project's success is the sense of connection it fosters. Community First! Village believes that homelessness is a complex issue that cannot be solved by a single institutional intervention. Instead, they provide a relational approach that addresses the trauma of homelessness in ways that transactional methods cannot. This philosophy is shared by other transformative programs, but what sets Community First! Village apart is that it offers permanent housing, not just a temporary treatment program.<sup>xxiv</sup>

In Flagstaff, Habitat for Humanity and other builders are focusing on tiny homes as a solution to housing needs. They are currently conducting a land feasibility study to assess available housing sites while also examining building and zoning restrictions that could hinder progress. Similarly, in Tucson, La Frontera is advancing the tiny home village concept but faces challenges in finding suitable locations and navigating zoning issues.

Other ideas to increase affordable and innovative housing options include expanding multifamily units, mobile homes, creative use of shipping containers, master-leasing apartments, ADUs (Accessory Dwelling Units), shared housing, repurposing school-owned land for housing, and reintroducing SROs (Single Room Occupancies). Private investors and philanthropic organizations can significantly contribute to these efforts by offering the flexibility often missing in government-funded programs. Additionally, local governments can support these initiatives by implementing flexible zoning laws, streamlining the approval process, and reducing risks for builders, thereby fostering a more conducive environment for housing innovation.

## CONTINUING SERVICES (AFTERCARE)

Some interviewees expressed concern that many formerly homeless individuals placed in permanent housing eventually lose their homes and end up back on the streets or in shelters for various reasons. Programs like the Center for Opportunity, which last five years, provide participants with a better understanding of what is needed to remain self-sufficient. However, most programs offer only 6-12 months of transitional housing before being placed in permanent housing with little additional support. Follow-up support services are crucial to prevent individuals from cycling back through the system.

The City of Tucson's Housing Emergency Action Response Team (HEART) program focuses on preventing individuals from cycling back into homelessness by providing essential support during their transition from homelessness to stable housing. Comprising five Housing Navigators, HEART assists recently housed individuals in developing the routines and relationships necessary to maintain their housing. The program addresses a critical gap in the continuum of care, recognizing that individuals often need help reintegrating into the community. HEART Navigators help individuals manage the day-to-day responsibilities that are essential for long-term stability.

Aftercare is another critical phase in the homelessness cycle where philanthropy and the community can play a significant role due to their greater flexibility. For example, the Garcia Family Foundation provides homeless prevention and rapid resolution funds, which can help keep individuals and families in their homes during this transitional period. By offering such support, foundations and community organizations can help prevent homelessness from recurring and promote long-term stability.

## INCIDENT COMMAND SYSTEM ... FOR HOMELESSNESS?

The Incident Command System (ICS) is a standardized management system that helps coordinate emergency responses. It's used by many organizations, including all levels of government, NGOs, and private sector organizations. The ICS provides a common organizational structure that integrates facilities, equipment, personnel, procedures, and communications to help incident managers respond to incidents efficiently and effectively. The ICS can be used for all levels of emergencies, from simple to complex, and can also adapt as an incident's severity increases. Homelessness is now an emergency in many communities, and certainly for many individuals, so maybe it is time to apply this system to the crisis.

The ICS is typically structured into six functional areas, which are staffed as needed for a given incident:

- Command
- Operations
- Planning
- Logistics
- Finance/Administration
- Intelligence/Investigations: This area is only used when the incident requires specialized capabilities.

Incident Command System is traditionally used in emergency situations like wildfires and natural disasters. However, it has also been applied to other emergencies, particularly in managing decentralized organizations through crisis situations. For example, the University of Arizona utilized the ICS model to maintain campus operations during the pandemic, demonstrating its effectiveness beyond conventional emergency scenarios.

Earlier this year, the City of Tucson was chosen as a pilot community to collaborate with HUD's Housing Central Command. This initiative utilizes an emergency management structure and processes to address homeless encampments, with HUD recognizing the potential of applying these techniques to tackle homelessness more effectively. However, concentrating solely on resolving encampments overlooks the broader benefits of a process that considers the entire homelessness system.

## How do we get there?

Pima County, given its size and community structure, is well-suited to pilot an Incident Command System to address homelessness. The first step is to convene key community leaders to collaboratively establish clear, specific objectives for the ICS. Once these objectives are defined, individuals with emergency management expertise can be engaged to implement the plan, including identifying the necessary funding to support the initiative. This strategic approach ensures policy makers have the data they need for a coordinated and efficient response to homelessness at the community level.

## THE BOTTOM LINE

Homelessness has evolved, with surging numbers of total and chronic cases, yet we are relying on outdated strategies developed decades ago. Our response must be as dynamic as the crisis itself. It's time to adopt new, data-driven, and coordinated tactics. By investing in real-time coordination and leveraging individualized data, we can better address the complexities of homelessness. An Incident Command System tailored for the homelessness crisis offers the structure and coordination needed to achieve this.

The time to act is now.



## APPENDIX

Thank you to the two dozen experts from all over Arizona for generously sharing their insights and expertise for this report.

Experts included rural and urban elected officials, current and former policy advisors, leaders of non-profit direct service providers, emergency shelter and long-term housing operators, academic researchers, public health experts, small business owners, and emergency response practitioners.

At the request of some of the stakeholders and in order to ensure their candor in discussing these issues, CSI is keeping those interviewed in this report anonymous.



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