



MEMORANDUM

DATE: April 9, 2015
TO: Members, Board of Directors
FROM: Juan Salgado, Executive Director
SUBJECT: Valley of the Sun United Way – Rapid Re-Housing

BACKGROUND

Since 1925, Valley of the Sun United Way (VSUW) has worked to advance the common good by joining with businesses, nonprofits, the faith-based community, and state and local governments to develop, provide, and manage innovative programs. Today, VSUW is the largest nonprofit funder of health and human services in Maricopa County, with a service area of 25 cities and towns in the Phoenix-metro area. VSUW's strength is in leveraging collaborations and partnerships to effectively address immediate and long-term challenges. Its current focus is on three community objectives: ensure children and youth succeed; increase financial stability for individuals and families; and end hunger and homelessness. (See attached VSUW letter for details regarding this summary.)

CURRENT CHALLENGE

The Men's Overflow Shelter ("MOS") opened in 2007 southwest of downtown Phoenix as a temporary, short-term shelter in response to high temperatures and life-threatening conditions for individuals experiencing street homelessness. The MOS continued to operate year-round as an overnight shelter with a capacity for up to approximately 250 individuals. Recently, structural facility issues were identified that were cost prohibitive to repair, hence closing the MOS outright would have immediately increased street homelessness. Therefore a decision was made to phase out the MOS over a six-month period with a closure date set for April 1, 2015.

Additionally, single adults have been allowed to sleep overnight in a parking lot adjacent to the MOS and at times the number of individuals sleeping in the parking lot has reached of nearly 400 people. The parking lot does not offer humane conditions, and as temperatures rise, the VSUW along with others in partnership with the Human Services Campus, are working to identify short-term, indoor solutions.

PROGRAM DESCRIPTION

A regional Funders Collaborative of public and private interests have come together to address the need to transition 250 individuals from the MOS and the parking lot into appropriate housing by ensuring there is adequate funding to successfully transition them into a stable housing situation through Rapid Re-Housing ("RRH"). This term describes the practice of focusing resources on helping families and individuals quickly move out of homelessness into permanent housing. VSUW is actively pursuing corporate and private philanthropic entities to provide additional support for this effort and the Funders Collaborative has been working closely with service providers to develop a plan to respond to the closures. Services to support RRH include housing search and landlord negotiation, short-term financial and rental assistance and the delivery of home-based housing stabilization services, as needed, in an

effort to assist clients in obtaining and maintaining permanent housing. Priority is placed on helping clients move into and maintain, permanent housing as rapidly as possible to increase turnover in shelters, which allows for more clients to be accommodated without increasing capacity. Data indicates that 90 percent of clients served by RRH are successfully housed and do not return to shelter. In addition, all clients are referred through the Maricopa County Regional Coordinated Entry System with the aim to serve the most acute.

POPULATION TO BE SERVED

All RRH recipients will be individuals identified as users of the MOS and the parking lot and will be prioritized by acuity as determined through the assessment. Using October 31, 2014 assessment scores from the Human Services Campus, the estimated breakdown of needed intervention for 500 people (250 former MOS and 250 for the parking lot) is as follows:

Permanent Supportive Housing	75
RRH	250
General Assistance	150

To address the Permanent Supportive Housing (“PSH”) intervention, the City of Phoenix Housing Department committed 75 Housing Choice Vouchers and VSUW provided the supportive services funding to meet the PSH need for those 75 individuals. A request for proposal was issued, and a contractor was selected. The program was scheduled to begin to house individuals by April 1, 2015. The General Assistance population is served with resources offered through the service providers on the Human Services Campus and with connections to other community-based resources.

Outcomes include: 1) reduce the length of time experiencing homelessness/utilizing emergency shelter; 2) connect individuals to existing community based services; 3) increase individuals’ income; 4) decrease in returns to homelessness; and 5) decrease household acuity and increase housing retention.

REQUEST

VSUW is requesting that the Phoenix IDA invest the amount of \$1,000,000. A similar request of \$1,000,000 will be made to the Maricopa County IDA. In addition to support from the IDAs, VSUW will provide \$500,000 from private philanthropy for a total pool of \$2,500,000, as well as manage the pool of funding.

These funds will allow for an estimated 250 placements of individuals into RRH across the region. RRH funding from the City of Phoenix, Maricopa County, and the Arizona Department of Economic Security totaling \$610,000 has already allowed for placement activity that has occurred over the last six months through a contract with Community Bridge, Inc. Once the funding is received, VSUW will initiate a competitive procurement process to select provider(s) that will deliver the RRH services as described above. VSUW will include representatives from the City of Phoenix and Maricopa County through the procurement, reporting, and monitoring process.

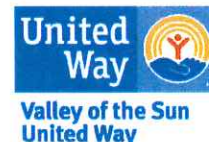
Housing placement and services are anticipated to begin as soon as possible but no later than June 1, 2015. The number of individuals housed per day, week, month, will be dependent upon the number of providers that apply for and are awarded the contract. Given that assistance is tailored to each individual, the time that a person receives service and financial assistance could range from six to 12 months. Should the pooled funds of \$2,500,000 be insufficient to support 250 people, the numbers served will be

adjusted and mainstream RRH dollars will be requested through current recipients of HUD Emergency Solutions Grants (ESG).

Once the number of providers is determined, VSUW will communicate to the Phoenix IDA the timeline for project ramp up and implementation. As housing placements begin, VSUW will provide weekly reports on its progress. VSUW will require quarterly outcomes reporting from contracted provider(s). These reports will then be shared with the Phoenix IDA.

RECOMMENDATION

I recommend financial support and request the Board of Directors to direct \$1,000,000 of the Phoenix IDA's Community Development Fund to support VSUW's RRH initiative.



March 31, 2015

Mr. Juan Salgado
Executive Director
Phoenix IDA
251 West Washington Street, 9th Floor
Phoenix, AZ 85003

Dear Mr. Salgado,

On behalf of the Funders Collaborative to End Homelessness in Maricopa County, Valley of the Sun United Way (VSUW) respectfully requests a \$1,000,000 grant from the Phoenix IDA, to be used in combination with other IDA and philanthropic funds. This grant will support the Rapid Rehousing of 250 individuals who will be adversely affected by the closing of the Men's Overflow Shelter, southwest of downtown Phoenix.

The Current Problem

The Men's Overflow Shelter (MOS) opened in 2007 as a temporary, short-term shelter in response to unusually high temperatures and life-threatening conditions for individuals experiencing street homelessness. The MOS has continued to operate year-round as an overnight shelter with a capacity for up to approximately 250 individuals. Recently, structural facility issues were identified that are cost prohibitive to repair. This necessitates that the community no longer use the facility.

At various times over the years, single adults have also been allowed to sleep overnight in a parking lot adjacent to the MOS. The number of individuals sleeping in the parking lot has reached a maximum at times of nearly 400 people.

Today there is a backlog of individuals who cannot access emergency shelter. Individuals who have accessed the MOS or parking lot have also accessed other emergency shelter services, as identified through an analysis of the Homeless Management Information System (HMIS). By looking at the combined need and the necessary capacity to serve single adults, we can identify interventions that are safe and stable. We can also ensure shelters operate with policies and procedures in place that connect and engage individuals through a coordinated intake and assessment process to the appropriate services and housing interventions.

Closing the MOS facility outright would have immediately increased street homelessness. The MOS was phased out over six months with a closure date of April 1, 2015. The parking lot does not offer humane conditions, and as the temperatures are on the rise, the Funders Collaborative working in partnership



3200 East Camelback Road, Suite 375 | Phoenix, AZ 85018-2328 | tel 602.631.4800 | fax 602.631.4809 | vsuw.org

Improving lives by mobilizing the caring power of our community.

with the Human Services Campus is working to identify short-term indoor solutions and is creating urgency for the placements of individuals into a variety of housing options. The parking lot and/or other alternatives will continue while needed, but these options typically do not provide safe conditions or the engagement necessary to find better solutions for individuals.

The Solution

A regional Funders Collaborative of public and private interests has come together to address the need to transition individuals from the MOS and the parking lot into appropriate housing interventions. This will effectively end their homelessness by ensuring there is adequate funding to successfully transition them into a stable housing situation.

The Funders Collaborative, convened by VSUW, includes the Arizona Department of Housing, city of Phoenix, and Maricopa County. VSUW is actively pursuing corporate and private philanthropic entities to provide additional support for this effort. Conversations are underway with: Arizona Community Foundation, BHHS Legacy Foundation, Nina Mason Pulliam Charitable Trust, The Bob & Renee Parsons Foundation, and Virginia G. Piper Charitable Trust.

The Collaborative has worked closely with service providers to develop a plan in a responsible and timely manner. Given the urgency of closing the MOS structure, community partners are accelerating processes and interventions to ensure safe transitions for individuals. The MOS and the parking lot were initially created as an emergency response to demand and do not provide engagement and services to move individuals out of homelessness. While the closing of these locations creates an immediate challenge, it also provides an excellent opportunity to offer homeless individuals a more long-term solution through Rapid Rehousing.

Rapid Rehousing

As described by the United States Interagency Council on Homelessness (USICH) via http://usich.gov/usich_resources/solutions/explore/rapid_re_housing:

Rapid re-housing is the practice of focusing resources on helping families and individuals quickly move out of homelessness and into permanent housing, which is usually housing in the private market. Services to support rapid re-housing include housing search and landlord negotiation, short-term financial and rental assistance, and the delivery of home-based housing stabilization services, as needed. Priority is placed on helping individuals and families move into permanent housing as rapidly as possible and providing services to help them maintain housing. Rapid re-housing has demonstrated effectiveness in reducing homelessness, particularly among families. Rapid re-housing also increases turnover in shelters, which allows them to accommodate more families without increasing capacity.

Rapid re-housing serves individuals and families experiencing homelessness who need time-limited assistance in order to get and keep housing. It reduces the length of time people experience homelessness, minimizes the impact of homelessness on their lives, and facilitates their access to resources in the community. Rapid re-housing programs often use a relatively light-touch approach to financial assistance and supportive services, seeking to provide just enough assistance to help people get back into housing, while being available to offer additional support or connections to other resources and programs if more help is needed. Rapid re-

housing does not necessarily ensure that people will have housing that meets the affordability standard (meaning housing where the tenant pays only 30 percent of their income toward housing costs), nor is it designed to eliminate poverty or housing mobility. Even so, data from some experienced programs indicate that 90 percent of households served by rapid re-housing are successfully housed and do not return to shelter. Compared to long stays in shelters and transitional housing programs, the rapid re-housing approach allows communities to assist more households with the same resources.

Two additional points are critical to understand our Region's approach to Rapid Rehousing:

1. **Eligibility:** All clients must have been referred through the Maricopa County Regional Coordinated Entry System. Rapid Rehousing should aim to serve the most acute families and individuals scoring in the Rapid Rehousing range on the VI-SPDAT (Vulnerability Index - Service Prioritization Decision Assistance Tool), which is used to recommend what type of housing and services are best-suited to the individual and/or family completing the assessment. All clients should receive a SPDAT assessment (used as a holistic case management tool) prior to service to ensure appropriateness of the Rapid Rehousing intervention.
2. **Services:** Services include short- and medium-term rental/utility assistance, case management (using assertive and progressive engagement, SPDAT assessment and housing-based case management techniques), housing search and placement, landlord tenant mediation/negotiation, connection to mainstream benefits, SOAR (a national best practice, developed to assist homeless individuals with navigating the Social Security application process), employment search, and any other appropriate and relevant service that will assist a household in obtaining and maintaining permanent housing.

Target Population

One hundred percent (100%) of all Rapid Rehousing recipients will be individuals identified as users of the MOS and the parking lot. Participants will be prioritized by acuity as determined through the VI-SPDAT.

The chart below shows the estimate of how many users of the MOS and the Parking Lot are anticipated to be candidates for Rapid Rehousing based upon VI-SPDAT scores of individuals served by the Human Services Campus.

MOS AND PARKING LOT MODEL

Assumptions for necessary service interventions have been made based on the following information.

Using VI-SPDAT scores from Human Services Campus as of 10/31/14 with 4,455 assessments completed:

- 15% score for Permanent Supportive Housing
- 55% score for Rapid Rehousing
- 30% score for General Assistance

For 500 people (250 former MOS and 250 Parking Lot) the estimated

breakdown of needed interventions is as follows:

Permanent Supportive Housing	75
Rapid Rehousing:	275
General Assistance:	150

To address the Permanent Supportive Housing (PSH) intervention, the city of Phoenix Housing Department committed 75 Housing Choice Vouchers and VSUW provided the supportive services funding to meet the PSH need for 75 individuals. A request for proposal was issued, and a contractor was selected. The program will begin to house individuals by April 1. The General Assistance population is served with resources offered through the service providers on the Human Services Campus and with connections to other community-based resources. No incremental dollars have been allocated to this segment of 150 people.

Demographics

The collection of client specific data on individuals in the MOS and parking lot over the years has been sparse. With a focused effort partners were able to collect the demographics of individuals utilizing the parking lot between 2/9/15 and 3/9/15 as listed below:

- 6% youth aged 18-24
- 5% aged 62 or older
- 23% chronically homeless
- 2% chronically homeless veterans
- 43% reported a disabling condition
- 26% reported income more than \$100 per month
- Average time homeless 4.08 years

Outcomes and Timeline

Rapid Rehousing encourages self-sufficiency through time-limited case management and financial supports. This program allows for the provision of services that are person-centered and provide only the necessary services to maintain housing stability.

Key outcomes include:

1. Reduce length of time experiencing homelessness/utilizing emergency shelter:
 - A goal of Rapid Rehousing is to eliminate homelessness and reduce the length of time individuals experience homelessness by quickly connecting them to housing and case management services.
2. Connect individuals to existing community based services:
 - Leveraging mainstream resources and community supports provide a lower cost service while connecting households to local support systems.
3. Decrease household acuity and increase housing retention measured by the SPDAT assessment at the following points in time:

- After the VI-SPDAT assessment has been conducted, prior to housing referral to determine appropriateness of intervention
 - At no more than 3 business days after move-in
 - 30 days
 - 90 days (as applicable)
 - 180 days (as applicable)
 - 270 days (as applicable)
 - 365 days (as applicable)
 - Every 3 months if program participation exceeds 12 months
 - Any time there are significant changes in the case plan
4. Increase individuals' income:
- Social Security Income/Social Security Disability Income Outreach, Access, and Recovery (SOAR); employment assistance; and other strategies to increase income provide a pathway to self-sufficiency and housing stability without financial supports.
5. Decrease in returns to homelessness:
- Rapid Rehousing models have shown high housing retention rates with less than 10% returning to homelessness; which will reduce the total population of individuals experiencing homelessness in Maricopa County.

Use of Funds

In order to fill the need for Rapid Rehousing VSUW is requesting funds as follows:

City of Phoenix IDA	\$1,000,000
Maricopa County IDA	\$1,000,000

VSUW will match with \$500,000 from private philanthropy.

The total pool of \$2,500,000 will allow for an estimated 250 placements of individuals into Rapid Rehousing across the region. Rapid Rehousing funding from the city of Phoenix, Maricopa County, and Arizona Department of Economic Security totaling \$610,000 has already allowed for placement activity that has occurred over the last six months through a contract with Community Bridge, Inc. The remaining number of individuals expected to be served is 250 with Rapid Rehousing support from this request and the request to Maricopa County IDA for \$1M.

VSUW will manage the combined pool of funding. VSUW will include representatives from the city of Phoenix and Maricopa County throughout the procurement, reporting, and monitoring processes.

Once the funding is received, VSUW will initiate a competitive procurement process to select provider(s) that will deliver Rapid Rehousing services to end the homelessness of individuals that have cycled through the MOS and the parking lot. Housing placement and services are anticipated to begin as soon as possible but no later than June 1, 2015. The number of individuals housed per day, week, month, will be dependent upon the number of providers that apply for and are awarded the contract. There are a number of local, proven service providers with experience that are expected to show interest in

providing these services. Potential service provider applicants include but are not limited to: A New Leaf, Community Bridges, Inc., Lodestar Day Resource Center, Save the Family, and UMOM New Day Centers.

The Rapid Rehousing model is delivered through progressive engagement techniques to transition individuals experiencing homelessness to permanent housing. Funds will be used to support eligible activities, which include: housing relocation and stabilization financial services, housing stability case management, navigation services (including staff supervision, training, quality assurance and oversight), short- and medium-term rental assistance, and rental and utility deposits. The staffing model is one (1) case manager for 20 individuals. Case Managers must have the necessary training to provide the activities as listed; and contracted service providers must also demonstrate adequate staffing and supervision to ensure that outcomes are met.

Since assistance is tailored to each individual, the time that a person receives service and financial assistance will range from 6 to 12 months. Should the pooled funds of \$2,500,000 be insufficient to support 250 people, the numbers served will be adjusted, and mainstream Rapid Rehousing dollars will be requested through current recipients of HUD Emergency Solutions Grants (ESG).

Budget

EXPENSES - FY 14/15		
Expense	Average Cost Per Tenant	Total Cost for 250
Rapid Rehousing (Contractor costs related to housing relocation and stabilization financial services, housing stability case management, navigation services, short- and medium-term rental assistance, and rental and utility deposits.)	\$ 9,000	\$ 2,250,000
Move in household goods, furniture, etc.	\$ 1,000	\$ 250,000
TOTAL COSTS		\$ 2,500,000

Reporting

Once the number of providers is determined, VSUW will communicate the timeline for project ramp up and implementation to the IDA. As housing placements begin, VSUW will provide weekly reports on progress.

VSUW will require quarterly outcomes reporting from contracted provider(s). These reports will then be shared with the IDA.

Valley of the Sun United Way Experience

Since 1925, VSUW has worked to advance the common good by joining with businesses, nonprofits, the faith-based community, and state and local governments to develop, provide, and manage innovative

programs. Today, VSUW is the largest nonprofit funder of health and human services in Maricopa County, with a service area of 25 cities and towns in the Phoenix-metro area. VSUW's strength is in leveraging collaborations and partnerships to effectively address immediate and long-term challenges. The organization brings the passion, expertise, and resources needed to get things done. VSUW focuses on three community objectives: ensure children and youth succeed; increase financial stability for individuals and families; and end hunger and homelessness.

VSUW has made significant strides in helping to end homelessness and has set a goal of reducing homelessness in Maricopa County by 75% by the year 2020. Toward that end, in 2009 VSUW brought together business leaders, elected officials, municipal and state government leaders, and nonprofits to create an Ending Homelessness Advisory Council tasked with setting the direction of community-wide efforts to end homelessness in Maricopa County. VSUW works with its collaborative partners to focus on the following regional solutions:

Permanent Supportive Housing (PSH) – PSH provides stable housing for people transitioning out of chronic homelessness, and combines it with supportive services to help them tackle the issues that put them on the street. VSUW has brought together teams of nonprofit and for-profit organizations to finance, develop, and manage PSH apartments, and these efforts leverage millions of dollars in rental subsidies each year. Tenants in PSH also need supports including services such as physical and mental health care, recovery services, independent living skills, and job skills training. VSUW supports PSH by funding ongoing services to help residents achieve and maintain stability. Since 2009, VSUW and its collaborative partners have helped to provide more than 600 units of permanent supportive housing to chronically homeless individuals.

Project Connect – In 2008, VSUW and its partners started Project Connect to assist individuals who are at risk of, or experiencing homelessness, complete in one day what might normally take weeks to accomplish. These day-of-service events link guests to vital services and resources by bringing together more than 35 health and human service providers to one accessible location to offer immediate assistance. Caring volunteers help connect guests to much-needed food, clothing, identification documents and vital records, shelter, wellness checks, haircuts and employment services, among many other critical services. Events are rotated, throughout the year, between East Valley, West Valley, and Phoenix geographic regions to best serve the needs of the entire county. To date, VSUW and its partners have served more than 20,000 individuals through Project Connect.

Prevention and Emergency Services – Each year VSUW invests \$3 million in homelessness prevention, intervention, and emergency shelters. These investments go to 23 nonprofit organizations throughout Maricopa County. VSUW works closely with these organizations to monitor progress and maximize the impact of these investments.

VSUW's breadth of experience related to homeless issues makes it perfectly suited to lead the Rapid Rehousing efforts in Maricopa County.

A \$1,000,000 grant from Phoenix IDA for Rapid Rehousing will provide a significant benefit for those individuals who will be adversely impacted by the closing of the MOS and the parking lot.

Thank you in advance for considering this request. We look forward to your reply.

Sincerely,

A handwritten signature in black ink that reads "Katherine K Cecala". The signature is written in a cursive style with a large initial 'K'.

Katherine Cecala
Chief Operating Officer
Valley of the Sun United Way

Agency Name
A New Leaf, Inc.
Arizona Housing, Inc.
Catholic Charities Community Services (Catholic Charities)
Central Arizona Shelter Services (CASS)
Chandler Christian Community Center (CCCC)
Chicanos Por La Causa, Inc.
Chrysalis Shelter for Victims of Domestic Violence, Inc.
Community Bridges, Inc. (CBI)
Community Legal Services, Inc.
Florence Crittenton Services of Arizona
Friendly House
Homeward Bound
Labor's Community Service Agency
Lodestar Day Resource Center
Native American Connections
New Life Center
Phoenix Indian Center (PIC)
Phoenix Shanti Group, Inc.
Save the Family Foundation of AZ
Sojourner Center
Tempe Community Action Agency
The Salvation Army
The Society of St. Vincent de Paul
Tumbleweed Center for Youth Development
UMOM New Day Centers, Inc.