

STATEMENT FOR RELEASE

**Maricopa Regional Homeless System Performance and SWOT Analysis Report Concludes  
Housing is the Key to Ending Homelessness, Maricopa Regional Continuum of Care  
Board**

The Maricopa Regional Continuum of Care (CoC) commissioned Focus Strategies to conduct a review of the homeless services system to determine the most effective manner to use community resources and guide CoC practices. The report was ordered to understand areas where greater collaboration can benefit the entire homeless services system. It assumes ideal community circumstances and allows us to evaluate opportunities for improvement for all partners regardless of funding source. We are committed to improvement and look forward to working with the array of community and homeless services partners to create a robust Housing Crisis Resolution System.<sup>1</sup>

There are three major conclusions from the report:

1. Increasing the supply of affordable rental housing is needed in the region;
2. The process of identifying, sheltering and placing those most in need could be strengthened; and,
3. Additional resources for prevention and diversion are needed.

Recognizing the lack of housing in the fastest growing county in the country, Focus Strategies has recommended that increasing the supply of attainable rental housing is the key to ending homelessness in the region. The National Low Income Housing Coalition reports that Maricopa County has an inadequate supply of affordable housing units and an additional 109,635 units are needed for extremely low income individuals.<sup>2</sup> To achieve results, it will require broad-based, multi-sector support to increase the production and preservation of affordable housing across the Valley including partnerships with the cities, county, and state.

Similarly, the process of identifying, sheltering, and placing those most in need requires the commitment of an array of homeless service providers, the funding community, and faith-based organizations. While the Continuum of Care oversees the U.S. Department of Housing and Urban Development homeless services funding, this represents less than half of all funding devoted to programs in the region. The report shows potential for all providers and funders to review the performance of their programs.

Additional funding for prevention or diversion is needed to keep households from entering the homeless system. “Feeder” systems such as criminal justice, healthcare, behavioral health, substance abuse treatment, and corresponding regional challenges like poverty, high eviction rates, and limited

<sup>1</sup> Housing Crisis Resolution System is a system that “responds to the needs of all people who are without housing in a given community.” See [Housing Crisis Resolution System Briefs: Part 2: What is a Housing Crisis Resolution System?](#). Focus Strategies, July 2015.

<sup>2</sup> [The Gap: A Shortage of Affordable Rental Homes](#), National Low Income Housing Coalition, 2017 Report.

affordable housing are important challenges for the community as a whole to address. New sources of flexible funding to prevent homelessness and quickly resolve an individual's or family's housing crisis will be needed and coordination with other systems will be critical if we are to reduce the number of people entering the homeless services system.

The Continuum of Care Board is dedicated to system improvements and the report underscores that the CoC cannot end homelessness in the region by itself. The report is aspirational by design and was commissioned at the direction of the CoC Board. As administrators, we have an obligation to administer funds in a way that maximizes utilization and performance. We recognize that the funds we administer comprise only a portion of the homeless services system. Our limited funds must be coupled with an approach that brings all funding types to the table. Nevertheless, we welcome the recommendations in the report.

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# Maricopa Regional Homeless System Performance and SWOT Analysis Report

Commissioned by Maricopa Association of  
Governments (MAG)

Prepared by Focus Strategies

November 2018



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## EXECUTIVE SUMMARY

The Maricopa Association of Governments (MAG), on behalf of the Maricopa Regional Continuum of Care (MRCoC), has engaged Focus Strategies to analyze community-wide efforts to reduce homelessness and recommend strategies to improve system effectiveness. Recent regional efforts to assist people experiencing homelessness demonstrate the Maricopa Regional CoC, local leadership, and provider community's dedication to ending homelessness, however, unsheltered homelessness has risen and become increasingly visible in recent years. This report is designed to guide MRCoC towards a more effective, systematic homeless response, informed by data analysis to more effectively integrate and coordinate efforts.

### Results of System Performance Analysis

Focus Strategies used our System-Wide Analytics and Projection (SWAP) suite of tools to evaluate the effectiveness both of individual programs and the overall homeless system in meeting its intended goals. SWAP draws upon data from the Homeless Management Information System (HMIS), Housing Inventory Count (HIC), and financial information to analyze performance on a defined set of measures, which build upon HUD's System Performance Measures (SPMs) and federal homeless policies. Key findings of our SWAP analysis are summarized below.

*Entries from Homelessness:* Our analysis showed that emergency shelter, transitional housing, and other permanent housing programs in the region are entering a high proportion of clients from housing; including their own units and living with friends or family. Many households likely could be served through prevention or diversion, freeing up system capacity for higher need, unsheltered households.

*Length of Stay:* Every day a person is homeless has an associated cost, thus reducing lengths of stay results in a higher rate of exit and a lower cost per exit and allows more people to be served. Lengths of stay in transitional housing and rapid rehousing were both more than five months each, thus reducing lengths of stay in these program types may improve system performance and increase the number of households assisted.

*Exits to Permanent Housing:* Most program types in the system are underperforming on this measure, which assesses the degree to which projects assist clients to move into permanent housing upon exit. Emergency shelters exited only 12% of households to permanent housing, transitional housing 60%, and rapid rehousing 72%, all falling below what would be expected in a high performing system.

*Cost Per Exit:* Cost per permanent housing exit assesses not only whether a program is helping clients to move to permanent housing, but whether they do so in a cost-effective manner. We found that both transitional housing and rapid rehousing cost about \$8,000 per successful exit; transitional housing costs are relatively low compared to national averages. Nevertheless, since transitional housing is a program that extends a household's length of time homeless, we do not recommend increasing the number of TH units.

*Returns to Homelessness:* High rates of returns to homelessness from programs can indicate that households are not receiving enough support to stabilize in their housing or are not being matched to the appropriate intensity of intervention, however, low rates can indicate the system is not targeting the

highest need households. In contrast to the rates of returns to homelessness reported using the HUD System Performance Measures (SPMs), our analysis found the return rate was quite low for all project types.<sup>1</sup> The low rates of return found by Focus Strategies suggest programs are not targeting as deeply as they could.

### System Mapping

Focus Strategies developed system maps to visually demonstrate system flow and outcomes, which reflect the results of our system performance analysis. The system maps further illustrate where people are entering from (i.e. housing, other homeless system programs, institutions, with families or friends, etc.) and exiting to (i.e. permanent housing, unknown, unsheltered/homelessness, other homeless system programs). The maps show a high inflow of clients from housed locations and institutional settings across all program types, except rapid rehousing.

### SWOT Analysis

Additionally, Focus Strategies assessed system-wide Strengths, Weaknesses, Opportunities, and Threats (SWOT) based on the performance data and additional information collected from key stakeholder interviews and system documents. Key findings from the SWOT include:

*Strengths:* MRCoC benefits from strong leadership and increased community momentum around solving the issue of homelessness. Stakeholders also spoke of increased system coordination and access under the recently implemented Coordinated Entry System, especially for single adults. Our system performance assessment also indicates that programs are performing well on several measures, particularly rapid rehousing programs.

*Weaknesses:* In addition to rising unsheltered homelessness throughout the region, stakeholders pointed to geographic disparities in coordinated entry, access, and services as weaknesses of the current system. The community's lack of diversion, affordable housing, rapid rehousing, and other permanent housing also pose significant challenges to assisting all people experiencing homelessness. The current governance structure also has some drawbacks and some stakeholders feel CoC leadership must act more swiftly and strategically.

*Opportunities:* As shown by our modeling work, improving performance across programs types and performance measures has the potential to significantly reduce homelessness. Other opportunities for system-wide success include increasing landlord engagement efforts, implementing system-wide diversion, and increasing collaboration with other systems of care.

*Threats:* Focus Strategies conducted a scan of the housing market in the region to better understand what reductions in homelessness are possible given local conditions. Currently, rental housing market

<sup>1</sup> The HUD SPMs assess a client's return to any project in the system over a period of time, while our measure speaks to whether a household's subsequent entry is to shelter or transitional housing.

conditions in the region reflect extremely low vacancy rates and high cost of rent – making affording housing challenging for low-income households and posing tremendous obstacles for the homeless system in its attempts to house people experiencing homelessness.

### Results of Modeling: Impact of System Shifts

Focus Strategies modeled system impacts of planned increases in the inventory of housing for people experiencing homelessness and achievement of a set of performance targets. The results of the modeling indicate that without changes to performance targets, unsheltered homelessness will increase to 6,000 adults by 2021. However, by implementing targets either at once or gradually over three years, the Maricopa Regional CoC can functionally end unsheltered homelessness by 2021 and significantly free up system capacity across program types. This conclusion, however, rests on the assumption that accessible, affordable housing is available to support those exiting homelessness to permanent housing. Nonetheless, the analysis shows that system-wide gains are possible with improved performance.

### Recommendations

Focus Strategies pinpointed some areas needing improvement and identified strategies to yield stronger results and help the community begin substantially reducing homelessness. Our recommendations are:

- 1. Set System Performance Targets & Establish Accountability Structures:* Our system modeling shows that by implementing performance targets, either fully by 2019 or with gradual implementation across three years, unsheltered homelessness in the region can be essentially resolved. These targets are ambitious considering baseline performance for some of the lower performing intervention types, thus we advise implementing these targets incrementally over three years. Shifting gradually towards performance-based contracting will help to support a process of performance improvement on all measures and should also rollout in a phased approach.
- 2. Implement System-wide Diversion:* Our system performance assessment found a significant number of households entering shelter, transitional housing, and rapid rehousing who are not literally homeless. Meeting the community's goals for reducing homelessness will require the implementation of strong, system-wide diversion to keep households who are not yet homeless from entering the system. Since affordable permanent options in Maricopa are limited, it is critical to prevent as many households as possible from entering the homeless system and support them in their current living situation if it is safe. Diversion should target those households who are imminently going to be homeless within one to three days. Diversion uses strengths-based problem-solving, mediation, and small amounts of flexible financial assistance to help people where they are or to move directly to other housing, which may be shared with friends or family.
- 3. Develop Operating Standards and Improve Effectiveness of RRH and TH:* Our assessment found that lengths of stay are somewhat high and exits to permanent housing are relatively low in both transitional housing and rapid rehousing programs. While this is partially due to housing market challenges (low vacancy rates, high costs), it is likely also impacted by program design and lack of alignment with housing first principles. We recommend MRCoC develop and implement program standards and provide training to program providers to help move participants to housing as quickly as possible. We recommend

providing housing-focused case management for emergency shelter and transitional housing and implementing progressive engagement to support and ensure client housing stability for rapid rehousing.

*4. Implement Targeted Strategies to Increase Supply of Affordable Rental Housing:* The supply of housing on the low-rent end of the market is so low that it may not be possible for the homeless system alone to achieve significant reductions in homelessness simply through improvements in performance. We have learned that while affordable housing is a serious concern, the community lacks a robust, coordinated regional housing strategy, which is needed to achieve reductions in homelessness. We recommend engaging in an intensive, focused process to identify specific barriers to housing production and preservation in the region and executing a community awareness campaign focusing on housing as the solution to homelessness.

## I. BACKGROUND AND PURPOSE

The Maricopa Association of Governments (MAG), on behalf of the Maricopa Regional Continuum of Care (MRCoC), has engaged Focus Strategies to assess the effectiveness of the community's efforts to reduce homelessness and recommend strategies to improve performance. The community has made a strong local commitment to addressing homelessness, as evidenced by the implementation of a range of initiatives and programs to address the problem. However, homelessness is continuing to increase, rising from 5,605 people in 2017 to 6,298 in 2018 as measured by annual point in time counts. Unsheltered homelessness has increased 149% since 2014. To guide the community's work moving forward, the MRCoC adopted a new Regional Plan to End Homelessness in August 2018. This system assessment is a companion to that effort and is designed to pinpoint areas where the existing system is performing well and where there are opportunities for improvement. The goal is that this report will help the MRCoC to make greater progress in reducing homelessness by a more systematic homeless response, informed by data analysis and more effectively integrating and coordinating the many different activities underway.

## II. INFORMATION SOURCES AND METHODOLOGY

The scope of work requested by MAG on behalf of the CoC included an analysis of system and project performance, predictive modeling, and an assessment of system Strengths, Weaknesses, Opportunities and Threats (SWOT). This section describes the information sources and methodology used to develop this report.

### A. Performance Analysis and Predictive Modeling

To develop the performance analysis and predictive modeling, Focus Strategies used our System-Wide Analytics and Projection (SWAP) suite of tools. SWAP, a joint project of Focus Strategies and the National Alliance to End Homelessness, is designed to enable communities to use local data to understand what their current system is accomplishing and to model what happens when specified system and program-level changes are made.

#### 1. Data Sources

To use the SWAP, Focus Strategies worked with MAG staff to collect the following information:

- The community's inventory of emergency shelter, transitional housing, rapid rehousing, and permanent supportive housing beds and units as documented in the 2017 Housing Inventory Count (HIC) submitted by MAG to HUD;<sup>2</sup>
- Client data exported from the community's Homeless Management Information System (HMIS) for the two-year period from January 1, 2016 through December 31, 2017. The HMIS system is operated by the Crisis Response Network on behalf of the CoC;
- Program budget data collected by MAG staff directly from homeless program providers, including the total annual operating cost of each program, its revenue sources, and amounts; and
- Data from the Maricopa Regional Continuum of Care Point in Time (PIT) count from 2017;
- The 2018 HUD System Performance Measures report generated by MAG.

<sup>2</sup> Maricopa Regional Continuum of Care has done substantial work in proactively correcting information prior to the 2018 HIC – the community has been assertively improving the quality of their HIC over the last year and a half.

## 2. Programs Included in SWAP Analysis

The performance analysis incorporates data on programs in the Maricopa County region that provide housing, shelter, and services to people experiencing homelessness. The programs analyzed fall into four categories: (1) emergency shelter (ES), (2) transitional housing (TH), (3) rapid rehousing (RRH), and (4) permanent supportive housing (PSH). The scope of the analysis is limited only to these four program types and does not include homelessness prevention assistance for people at-risk of homelessness, or other types of safety net assistance or mainstream system services provided to people who are homeless.<sup>3</sup> The universe of programs analyzed included the four program types that were included on the community's Housing Inventory Count (HIC) and that also participate in the Homeless Management Information System (HMIS) and had two years of data available.<sup>4</sup>

## 3. Methodology

To analyze performance, the data sets were uploaded into a customized Web-based application developed by Focus Strategies (Base Year Calculator – BYC, a component of SWAP) which generates an analysis of HMIS data quality for each project, as well as the performance of each project across a range of measures. The analysis results are summarized in this report, with the project data presented at the level of program types: emergency shelter, transitional housing, rapid rehousing, and permanent supportive housing. Additionally, each program provider received a report summarizing their individual program results and had the opportunity to discuss these results with Focus Strategies staff, surface questions, and make clarifications. Focus Strategies used the input from individual providers as well as from MAG staff to refine the performance analysis.

Once the system performance assessment was completed, Focus Strategies used the results to model a range of possible system changes and assess their impact on the size of the homeless population. This analysis was conducted using another component of the SWAP suite of tools, the System Performance Predictor.

### **B. Analysis of System Strengths, Weaknesses, Opportunities, and Threats**

The performance assessment and modeling work provided much of the information needed to conduct our SWOT assessment. To augment and contextualize this work, we also collected information from several additional sources:

- Document Review: Focus Strategies reviewed existing planning and governance documents and reports including the Regional Plan to End Homelessness, 2018 MRCoC application for CoC funds, CoC Governance Charter, Coordinated Entry policies and other materials. A list of documents reviewed can be found in Appendix A.
- Key Stakeholder Interviews: Focus Strategies conducted stakeholder interviews with 20 members of the community in May 2018; including service providers, City and County officials, and CoC

<sup>3</sup> While reviewing preliminary results, permanent supportive housing providers shared concerns about results varying for scattered site projects versus single site projects. Focus Strategies analyzed permanent supportive housing (scattered site), permanent supportive housing (single site), and other permanent housing separately.

<sup>4</sup> St. Vincent De Paul, an emergency overflow shelter, has been excluded from the analysis because for the vast number of persons served, entry data is not reliably updated in HMIS and almost all households are exited to unknown destinations. With those served staying for short periods of time and the shelter's service capacity being large and not adequately tracked, these data significantly skew the system results. Focus Strategies has removed these records from performance results in this report.

board members. The purpose of the interviews was to solicit information from those involved with efforts to address homelessness in the Maricopa County region to shed light on key elements of the current homeless response system including: coordinated entry, emergency shelter, transitional housing, permanent housing, CoC governance, family homelessness, and special populations experiencing homelessness. The interviews were also designed to illuminate how the system as a whole is operating, as well as its key strengths and challenges. A summary of major themes collected through these interviews and a complete list of individuals interviewed is available in Appendix B.

- **Housing Market Information.** To understand how the current rental market in Maricopa County impacts the community’s ability to address homelessness, we gathered data and information from publicly available sources, including U.S. Census and real estate market resources.

### **III. CURRENT HOMELESS SYSTEM IN MARICOPA REGIONAL CONTINUUM OF CARE**

This section provides a general overview of the current system of housing and services for people experiencing homelessness in the MRCoC, including data on who is homeless in the community and the inventory of homeless programs.

#### **A. Numbers and Characteristics of People Experiencing Homelessness in Maricopa County**

The table below presents data from the Homeless Point in Time Count (PIT), conducted in January 2018. The count found a total of 6,298 people (4,673 households) experiencing homelessness. The data shows that most of the homeless population in the Maricopa region is sheltered, with 1,526 (33%) of counted households living in emergency shelters or safe havens and 924 households (20%) living in transitional housing. There were 2,223 unsheltered households, comprising just over 48% of the total households counted.

The overall population is primarily single adults (72% of all people counted). Of the 4,504 homeless single adults counted, 959 (21%) are chronically homeless, defined as: (1) currently unsheltered or in emergency shelter; (2) having been continually homeless for at least a year or four or more times within the last three years with a total duration of at least one year; and (3) having a disability that significantly impairs the ability to secure and sustain housing.

2018 Homeless Populations				
All Households/All persons	Sheltered		Unsheltered	TOTAL
	Emergency <sup>5</sup>	Transitional		
Number of Persons (Children)	540	577	21	1,138
Number of Persons (age 18 to 24)	167	173	168	508
Number of Persons (Adults)	1,418	805	2,429	4,652
TOTAL HOUSEHOLDS	1,526	924	2,223	4,673
TOTAL PERSONS	2,125	1,555	2,618	6,298

<sup>5</sup> Emergency shelter numbers include 26 single adults counted in safe havens.

2018 Homeless Subpopulations <sup>6</sup>			
	Sheltered	Unsheltered	TOTAL
Chronically Homeless Individuals	345	614	959
Persons in Chronically Homeless Families	13	2	15
Veterans	275	138	413
Severely Mentally Ill	498	405	903
Chronic Substance Abuse	653	575	1,228
Persons with HIV/AIDS	73	7	80
Victims of Domestic Violence	316	109	425

The next three graphs illustrate changes in the number of people experiencing homeless since 2015. First, the CoC has been successful in reducing the number of sheltered people experiencing homelessness since 2015 by 15%. The unsheltered population, on the other hand has increased by 103%.

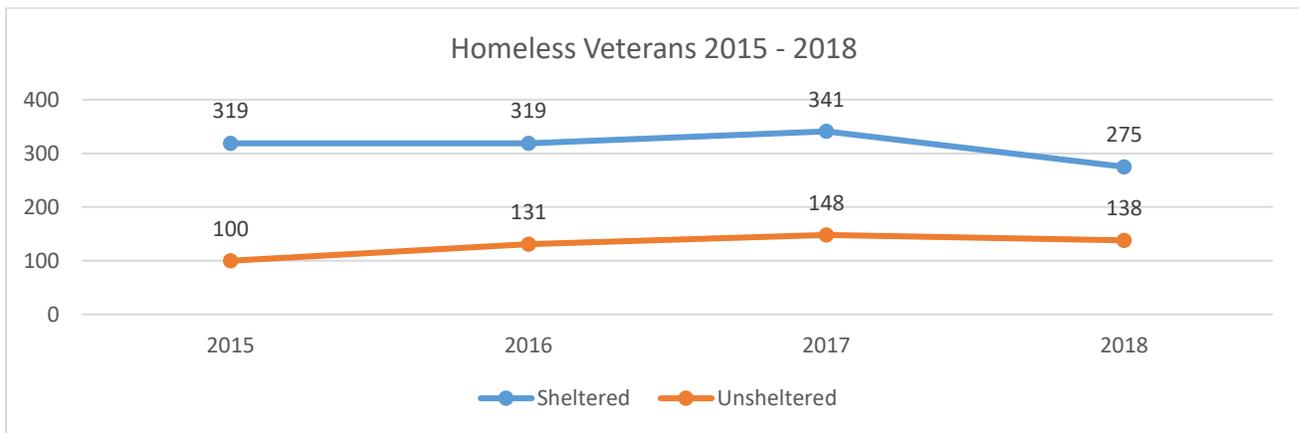


Unsheltered chronic homelessness has increased by 138% since 2015 (149% since 2014) and sheltered chronic homelessness has increased by 86%.

<sup>6</sup> Subpopulation categories are not mutually exclusive, so these figures do not sum to the total homeless population. People may be represented in multiple categories.



Finally, unsheltered veteran homelessness has increased by 38% since 2015, while sheltered veteran homelessness has decreased by 14%.



## B. System Inventory

The following table presents a summary of the system’s overall current capacity (from 2018 Housing Inventory Count as submitted to HUD) as well as capacity in 2017. The apparent change in system capacity is a result of both actual changes in inventory and the efforts over the last year and a half to more accurately reflect the system’s capacity on the HIC. Overall, the net changes in capacity by program type over the last year include slight decreases in the number of shelter beds (22 beds), transitional housing beds (36 beds), and PSH – single site beds (150 beds)<sup>7</sup>, and increases in rapid rehousing beds (77 beds), PSH scattered site beds (100 beds)<sup>8</sup>, and other permanent housing beds (118 beds).

<sup>7</sup> The decrease in these beds was primarily due to the reclassification of a PSH – single site project to other permanent housing project.

<sup>8</sup> HUD defines scattered-site PSH programs as utilizing “private market apartments, where rental assistance is provided, and tenants have access to mobile and site-based supportive services.”

Program Type	2018 System Capacity	2017 Inventory Used for Performance Analysis			
	Total Capacity 2018 HIC (Beds)	Number of Projects 2017 HIC	Total Capacity 2017 HIC (Beds)	Capacity of Projects in HMIS	Percentage of Total 2017 HIC Beds in Analysis
Emergency Shelter	2,416	37	2,343	1,784	74%
Transitional Housing	1,862	31	1,553	1,319	80%
Rapid Rehousing	1,267	20	1,190	1,190	88%
Permanent Supportive Housing – Single Site	1,019	31	1,372	1,299	67%
Permanent Supportive Housing – Scattered Site	5,309	11	4,913	3,839	74%
Other Permanent Housing	1,086	8	768	768	100%
<b>Total</b>	<b>12,959</b>	<b>138</b>	<b>12,139</b>	<b>10,199</b>	<b>77%</b>

The table also includes the percentage of beds included in the analysis to be presented in this report. The primary reasons for projects being excluded from the analysis included: serving special populations such as domestic violence or Children under 18, projects that did not have two years of HMIS data, and projects that were no longer active.

### **C. People Served in HMIS Participating Programs**

The data below shows the total number of unduplicated people served in HMIS participating programs, regardless of funding source, in the MRCoC between January 1, 2017 and December 31, 2017. Over the course of one year, the CoC served 18,324 people. Of these, 68% were adults 25 and older, 7% were transition age youth (TAY) ages 18 to 24, and 25% were children.<sup>9</sup>

Total Unduplicated People		18,324	
		#	%
Age	Adults 25+	12,439	68%
	TAY 18 - 24	1,239	7%
	Children	4,633	25%
	Missing	13	<1%

The following table shows the unduplicated number of people served in the same timeframe by program type. Individuals who received services from more than one program type are reflected more than once (i.e., in each of the service types they received). Program types with short lengths of stay

<sup>9</sup> Excludes St. Vincent De Paul emergency overflow shelter. If St. Vincent De Paul emergency overflow shelter is included the unduplicated number of people served by the CoC is 20,065 individuals.

tend to serve a larger number of people than those with longer or unlimited lengths of stay.<sup>10</sup> Of the three types of PSH, the scattered site model has the most units and therefore served the largest number of people. HUD defines scattered-site PSH programs as utilizing “private market apartments, where rental assistance is provided, and tenants have access to mobile and site-based supportive services.”

		ES		TH		RRH	
Total Unduplicated People		8,791		2,587		2,884	
		#	%	#	%	#	%
Age	Adults 25+	6,469	74%	1,459	56%	1,453	50%
	TAY 18 - 24	690	8%	110	4%	142	5%
	Children	1,632	19%	1,018	39%	1,289	45%
	Missing	0	0%	0	0%	0	0%

		PSH – Single Site		PSH – Scattered Site		OPH	
Total Unduplicated People		1,137		4,422		1,151	
		#	%	#	%	#	%
Age	Adults 25+	715	63%	3,306	75%	554	48%
	TAY 18 - 24	53	5%	277	6%	98	9%
	Children	366	32%	839	19%	489	42%
	Missing	3	<1%	0	0%	10	<1%

#### **IV. RESULTS: ANALYSIS OF DATA QUALITY AND SYSTEM PERFORMANCE**

The sections below present our analysis of homeless system performance using the Base Year Calculator (BYC), a component of SWAP. As previously noted, the BYC uses data drawn from HMIS, the HIC, and project budget information shared by providers.

##### **A. HMIS Data Quality**

A key precondition to any system performance assessment is the availability of high-quality data. In particular, it is important to have robust data on prior living situation and exit destination for each household, in order to understand how people enter and exit the homeless system. The BYC produces assessments of data quality for each program type (emergency shelter, transitional housing, rapid rehousing and permanent supportive housing), including the amount of “missing” data and the amount of “unknown” data. Overall, the quality of the prior living HMIS data from the Maricopa Regional CoC is quite good. There, is however, an area of concern for the MRCoC regarding unknown destinations for all program types, especially emergency shelters where 75% of the data is not useful for performance analysis.

<sup>10</sup> Excludes St. Vincent De Paul emergency overflow shelter. In the same time period, St. Vincent De Paul served 4,251 unique clients.

Understanding the difference between “missing” and “unknown” data is key in supporting data quality improvement efforts. “*Missing*” data is information that is simply not recorded in HMIS, which usually means that the project staff are not entering these data elements into the data system. On average, none of the MRCoC projects are missing destination data which is very high data quality in this domain.

“Unknown” data, on the other hand, reflects the percent of entries and exits that are not meaningful or useful responses for assessing performance. Unknown data includes: “data not collected,” “client doesn’t know,” “client refused,” no exit interview conducted,” and “unknown.” Higher percentages of unknown responses, therefore, suggest that data is not reflected in HMIS in a useful manner (responses not useful to performance measurement and system improvement). Maricopa Regional Continuum of Care’s unknown prior living situations upon entry to Other Permanent Housing are high (9%), although they are very low (0-1%) for entries to other program types. Other Permanent Housing projects should target this data element for improvement; all other projects exhibit very good data quality in this domain.

With respect to overall exit destination, more than half (64%) of exits are unknown. The overall average is driven up by the extremely high rate of unknown exits from emergency shelters (75%). The rate of unknown destinations is lowest for transitional housing, rapid rehousing, and other permanent housing, all at 13%, although all still need improvement. While it is a common difficulty to capture valid exit information for those who leave emergency shelter, 75% is a significant problem. Capturing accurate destination data is crucial for measuring permanent housing outcomes.

Missing/Unknown (% of all Households)					
Program Type	# of Projects	% Prior Living Missing	% Prior Living Unknown	% Destination Missing	% Destination Unknown
Emergency Shelter	17	1%	0%	0%	75%
Transitional Housing	16	0%	0%	0%	13%
Rapid Rehousing	17	0%	0%	0%	13%
Permanent Supportive Housing – Single Site	21	1%	0%	0%	15%
Permanent Supportive Housing – Scattered Site	17	0%	0%	0%	19%
Other Permanent Housing	8	9%	1%	0%	13%
Total	96	1%	0%	0%	64%

## **B. System Performance**

In recent years, federal homelessness policy has shifted to look at how well communities are performing in their efforts to reduce homelessness. To further these objectives, HUD has strongly encouraged communities to evaluate the effectiveness both of individual programs, as well as the overall system in meeting specific performance measures. Focus Strategies utilizes a set of performance metrics that build upon HUD’s system performance measures and policies as articulated in the HEARTH Act and Opening Doors: The Federal Strategic Plan to End Homelessness. While the measures we use are aligned with HUD’s goals and system performance measures, we also incorporate cost effectiveness so that communities can understand both system performance and performance in relation to the level of investment.

This section presents our analysis of Maricopa Regional Continuum of Care’s system performance on six measures:

1. Bed and Unit Utilization Rate
2. Program Entries from Homelessness
3. Lengths of Stay
4. Rate of Exit to Permanent Housing
5. Cost per Permanent Housing Exit
6. Returns to Homelessness

In addition, we conducted some specialized analyses related to rapid rehousing to assess differences in performance related to specific factors:

1. *Collaboration with HOM, Inc.:* Fourteen of the seventeen RRH projects use HOM, Inc. services for landlord outreach and ongoing management of relationships with landlords. Appendix C presents our assessment of whether these projects had more positive results than the projects that do not work with HOM, Inc.
2. *Enrollment Date vs. Move-In Date:* Rapid rehousing projects often enroll participants at the time case management begins and there can be considerable variability in how long it takes to locate, secure and move into a unit. Thus, we investigated rapid rehousing outcomes using both as the “begin” date for the program to determine whether the start date impacts outcomes. This analysis is presented in Appendix D.

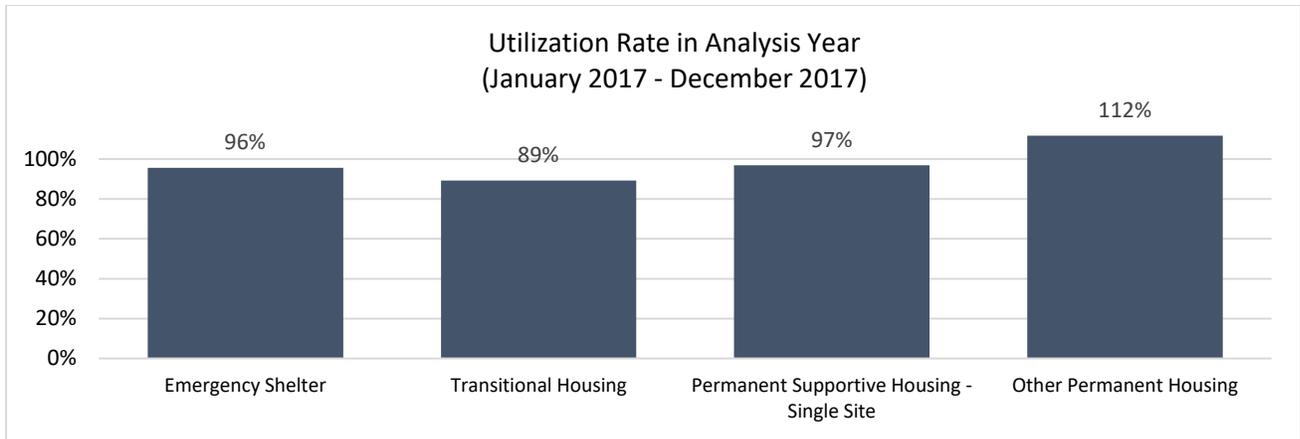
### 1. Bed and Unit Utilization Rate (UR)

This metric uses HMIS data to assess the average daily occupancy of programs in the system. Maximizing the use of available bed capacity is essential to ensuring that system resources are being put to their best use and as many people experiencing homelessness as possible are being served given the existing inventory. The graph below presents the UR for emergency shelter, transitional housing, and permanent supportive housing – single site<sup>11</sup>. The measure uses bed utilization for single adult programs, and unit utilization for family programs (sometimes a unit in a family program might have unfilled beds simply due to housing a smaller sized family than the unit is designed to accommodate)<sup>12</sup>.

The graph below illustrates that the UR for transitional housing projects appears somewhat low at 89%. Utilization rate is not of primary concern in this system.

<sup>11</sup> Note: Rapid rehousing and permanent supportive housing scattered site projects are not included in this analysis because the program types do not have a fixed bed capacity; the methodology applied to the other program types does not generate a comparable result.

<sup>12</sup> The formula used for calculating Utilization Rate is: number of beds nights used in HMIS data/number of bed nights available per HIC capacity ((beds for single adults + units for families) x 365).



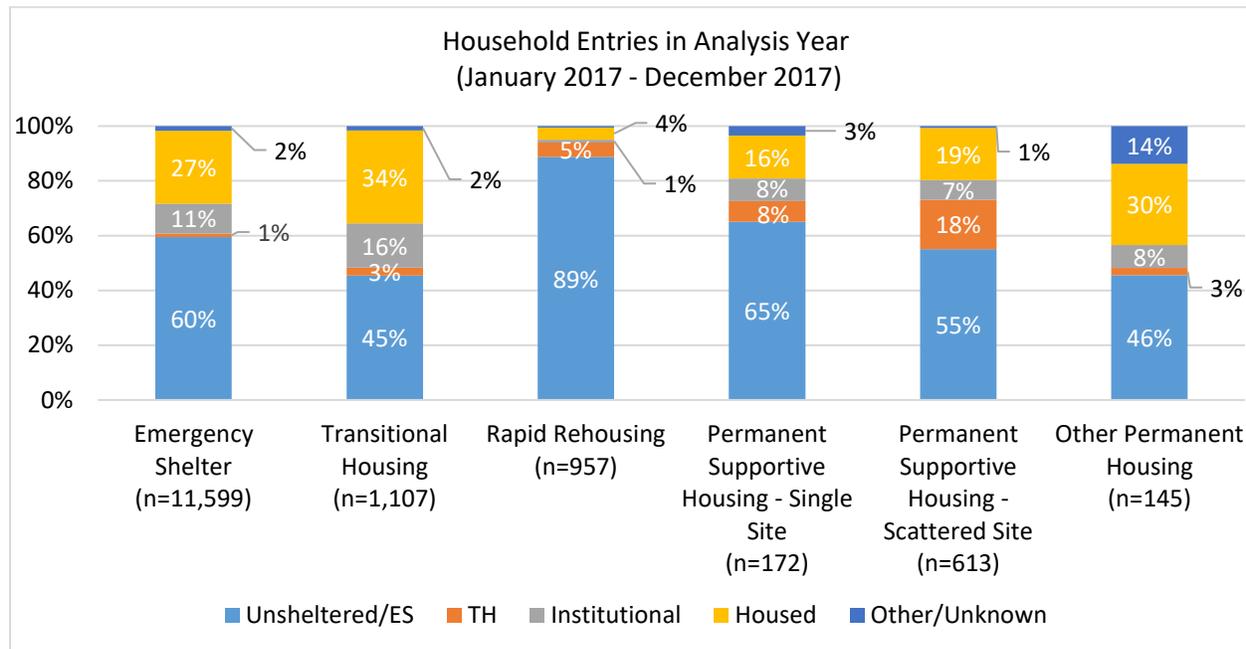
## 2. Entries from Homelessness

This measure looks at the degree to which programs are serving people with the most acute housing needs, namely those who are literally homeless (i.e., are living outdoors, in a vehicle, or in an emergency shelter). While certain funding sources (local, state, federal) may allow programs to serve people who are living in other situations (i.e., those at risk of homelessness), successfully reducing homelessness depends on prioritizing those with the highest need for available units. This measure reflects the federal policy goals of ending chronic homelessness and prioritizing literally homeless people for permanent housing. To create a “right sized” system in which there is an appropriate housing intervention for all people experiencing homelessness, those who are not literally homeless must be diverted from entering the homeless system to begin with, thereby making resources available for those with nowhere to live.

Diversion includes problem-solving conversations with a trained diversion specialist or case manager to collaboratively brainstorm and consider housing solutions outside of the homeless system and within the client’s natural pool of resources and/or social network. To assist households achieve an alternative housing solution, diversion assistance may include conflict resolution or mediation with landlords or friends/family members; help accessing mainstream benefits; and light-touch financial assistance to keep a client in their existing housing situation or pay for utilities or move in costs.

The graph below shows prior living situations for households entering emergency shelter, transitional housing, rapid rehousing, and permanent supportive housing in the Maricopa region. In 2017, transitional housing projects were enrolling 34% of households from housed situations and less than half from literal homelessness (45%; unsheltered, emergency shelter). By enrolling less than half of the households from literally homeless locations, the data suggests that this expensive resource may not be targeted to the most appropriate population. Emergency shelters are admitting over a quarter of households from housed situations (27%) and other permanent housing projects are admitting close to a third of households (30%) from housed situations, indicating the need for system-wide and/or shelter diversion. Rapid rehousing projects enroll the majority of households from literal homelessness (89%) and a small number of households from housed locations, suggesting excellent performance on this measure for this program type. Although the data for permanent supportive housing indicates that although 15-20% of households are enrolling from housed locations, this might suggest either that households are moving from rapid rehousing to permanent supportive housing or are administratively “moving” from one PSH grant to another. Finally, the data for Other Permanent Housing projects shows a very low rate of entry from unsheltered situations or from shelter, reflecting the fact that most of these projects do not take

their referrals from the community's Coordinated Entry System (CES). It should be noted that that not all projects in the system take referrals from CES.



### 3. Lengths of Stay

Achieving relatively short lengths of stay in emergency shelter, transitional housing, and rapid rehousing programs is essential to ending homelessness. Every day a person is homeless has an associated cost and reducing lengths of stay results in a higher rate of exit and a lower cost per exit, which in turn allows more people to be served. The HEARTH Act has established a goal that no one is homeless longer than 30 days, although this aspiration has not been codified in any HUD requirements. To increase effectiveness and reduce homelessness, the entire system must strive for the shortest stays needed to reach this goal.

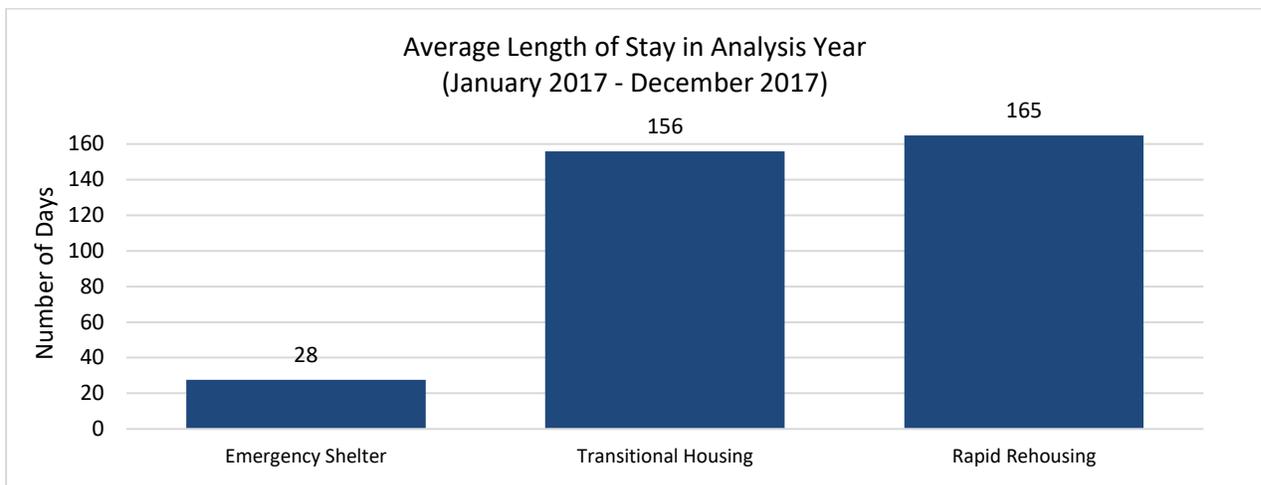
Length of stay in Maricopa Regional Continuum of Care's programs was calculated using HMIS data based on the entry and exit dates for each program stay recorded in HMIS.<sup>13</sup> Currently emergency shelter has achieved an average length of stay below 30 days, which is optimal for system functioning. However, many of the shelter providers reported to Focus Strategies that this may be a result of "shelter hopping" with clients moving back and forth, largely between two main providers (SVDP and CASS). To address this concern, we looked at client level data in the analysis year and determined that the average total days per year, spent by a client in any emergency shelter, was 50 days.

Rapid rehousing stays are the longest, with an average of 165 days as calculated from entry date.<sup>14</sup> Transitional housing program stays fare slightly better at an average of 156 days. However, both program types show stays that are somewhat longer than desirable for a high performing system. Transitional housing programs are often designed with relatively long lengths of stay based on the assumption that longer stays allow households to develop the skills and resources they need to successfully secure housing upon exit. Yet, data shows that despite these longer stays, participants in rapid rehousing

<sup>13</sup> Rapid rehousing programs were also analyzed using housing move-in date in place of project entry date.

<sup>14</sup> The rapid rehousing length of stay is 150 days when calculated using the move-in-date.

programs have higher rates of permanent housing exit (see next section). Longer stays in transitional housing do not necessarily yield stronger outcomes. The rapid rehousing length of stay is relatively long in relation to best practices and may suggest that programs are not using a progressive engagement approach, in which participants receive an initial subsidy of 3 months, and then only receive additional assistance as needed, based on quarterly assessments. RRH programs that provide a longer initial period of assistance and do not use progressive engagement tend to have longer average lengths of stay and do not necessarily have better rates of exit to permanent housing or lower returns to homelessness.



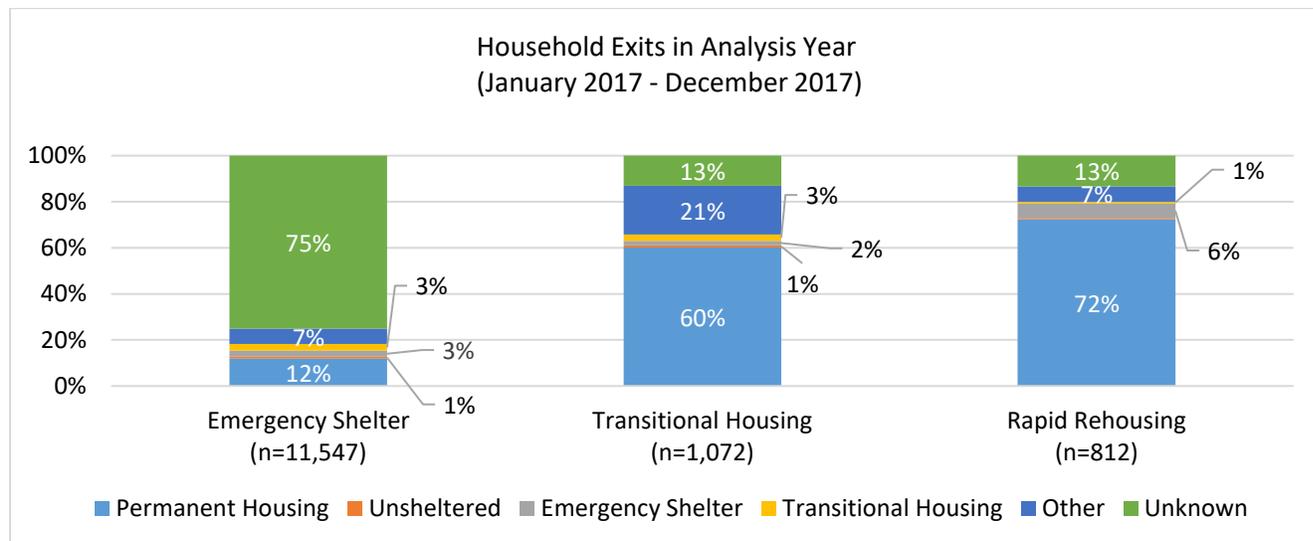
#### 4. Exits to Permanent Housing

While helping households exit shelter and transitional housing quickly is a key strategy to end homelessness, it is just as important to understand where people go when they exit these programs. The rate of exit to permanent housing is a very important metric and one that HUD has asked communities to report on for several years. This measures the degree to which projects assist clients to move to a housed situation and is a critical aspect of project performance.

The next graph shows the rate of exit to permanent housing for all emergency shelter, transitional housing, and rapid rehousing programs in Maricopa County. For this measure, “permanent housing” includes any housed situation that is not time-limited, such as a market rate apartment, a subsidized housing unit, shared housing with a roommate, or staying permanently with family or friends. The graph shows that the rate of exit to permanent housing for emergency shelter programs in the MRCoc is 12%. The exit rate should be considered in relationship to household entries. Emergency shelters are entering households from housing at a rate of 27% and exiting households to permanent housing at a lower rate (12%). This again points to a need for strong shelter diversion practice, since it appears households entering shelter who have some sort of housing situation (including staying temporarily with families and friends) might have better outcomes if they received support to stay in place or move directly to alternative housing, rather than entering shelter where their chances of exiting to permanent housing are very low.

The results for transitional housing are better at 60% exiting to permanent housing, but still below what would be expected in a high performing system. As discussed in the next section, emergency shelters and transitional housing are not cost-effective strategies to reduce homelessness in general, and low

performance on the rate of exit further reduces cost effectiveness. We also note that rapid rehousing has a higher success rate on this measure than either shelter or transitional housing. However, the exit rate is still low in relation to best practices in the field. The NAEH's standards for RRH suggest that an 80% rate of exit should be a target.



In the analysis of permanent housing exits, we do not include permanent supportive housing projects as participant exits from this housing type are frequently attributable to significant health occurrences requiring institutionalization or could reflect the death of the tenant.

### 5. Cost Per Exit to Permanent Housing

To create a more efficient system, it is essential that investments are aligned with the objective of ending homelessness. Cost per permanent housing exit is a key performance measure because it assesses not only whether a program is helping clients to move to permanent housing, but whether they do so in a cost-effective manner. As funds are shifted from expensive programs to those that are more cost effective per person served, system capacity will increase and the numbers of people experiencing homelessness will be reduced.

The following graph shows the average cost per permanent housing exit for all program types. These figures are calculated using the total program cost, utilization of beds/units, and household length of stay.<sup>15</sup> The cost per permanent housing exit for transitional housing programs (\$8,447) is only slightly more than the cost for rapid rehousing programs (\$8,264). This is somewhat inconsistent with national averages, in which RRH typically is significantly less expensive per housing exit than transitional housing. The cost similarities may be related to the similar lengths of stay between the two program types as discussed earlier in this report. The data also shows emergency shelters are the least expensive, but this is also likely correlated with the distinction made earlier in the report for the short lengths of stay in

<sup>15</sup> The formula used to calculate Cost Per PH Exit is: (1) Calculate cost per bed night = total budget divided by number of bed nights used in HMIS data; (2) Multiply cost per bed night and length of stay to get household stay cost; (3) Average household stay cost for all households that exited to permanent housing.

emergency shelters and people moving between projects. Of course, cost is not the only critical performance measure and should be considered in relation to performance on all other measures.



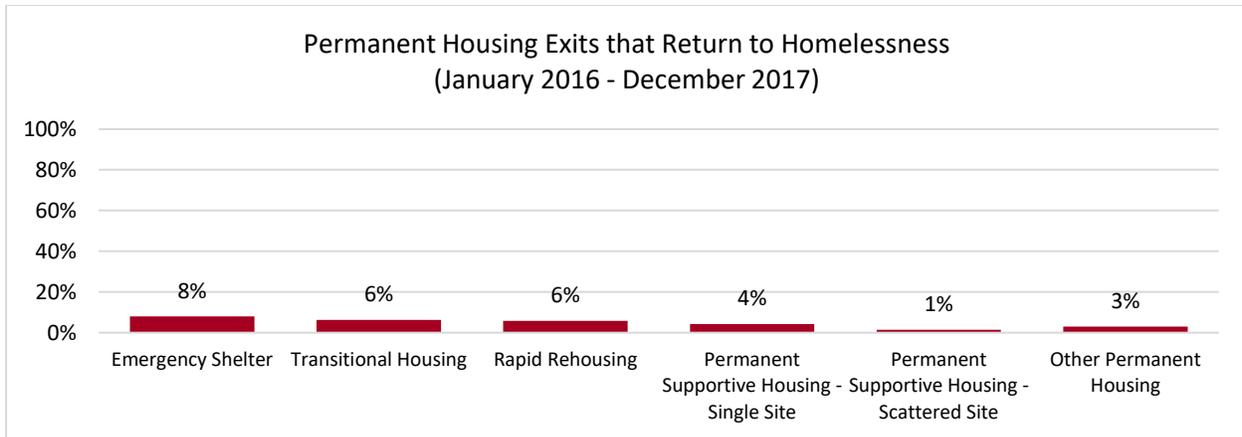
## 6. Returns to Homelessness

Reducing lengths of stay and increasing rates of exit to permanent housing must be balanced with ensuring that people who exit programs do not return to homelessness. Tracking this metric allows communities to assess whether programs are helping place clients into permanent housing situations that “stick” and are appropriate for their needs. High rates of return can indicate that households are not receiving sufficient support to stabilize in their housing or are not being matched to the appropriate intensity of intervention (i.e. they may need PSH but are matched to RRH). However, in a system that is truly housing first oriented, it is to be expected that some number of people who are assisted to secure housing will experience a return to homelessness. A very low rate of return can mean that programs are being too conservative and could target assistance to people with higher needs. For this analysis, returns to homelessness is calculated by looking at all households who exited programs and determining whether any had a new entry into an emergency shelter or transitional housing program within 12 months.<sup>16</sup>

The next graph presents rate of return to homelessness for people who exited emergency shelter, transitional housing, rapid rehousing, or permanent supportive housing in the Maricopa region between January 1, 2016 and December 31, 2017 with an exit destination that was a permanent housing situation and, returned within one year of that exit. The rate of return is quite low for all program types, between 1% and 8%<sup>17</sup>. This suggests that possibly the programs are not targeting as deeply as they could. Return rates of 10% to 12% are more typical of systems in which assistance is targeted to those households with the highest needs and greatest barriers to housing. We also note that the return rate for RRH is the same as for transitional housing. This data supports the premise that rapid rehousing is just as effective as other program types in helping people move quickly to a permanent housing situation that sticks.

<sup>16</sup> The approach Focus Strategies uses to calculate returns to homelessness is different from that of HUD and therefore results differ considerably from those found from the HUD System Performance Measures (SPMs). Our approach looks at a household exit to permanent housing and then identifies whether their NEXT entry is to ES or TH. In contrast, HUD’s measure counts the number of people that exited to PH and determines whether they return to any program type at any time within the assigned timeframe (up to 2 years).

<sup>17</sup> The HUD SPMs assess a client’s return to any program in the system over a period of time, while our measure speaks to whether a household’s subsequent entry is to shelter or transitional housing.



### C. System Mapping

In addition to our analysis of system performance, detailed in the previous section, Focus Strategies was asked to develop system maps to visually demonstrate system flow and outcomes. The system maps, as seen in Appendix E, draw from results of the BYC, which assesses program-level performance across a range of measures and are designed to show the current flow of households in and out of four intervention types: emergency shelter, transitional housing, rapid rehousing, and permanent housing (non-RRH, including PSH) programs. Based on system and program performance data, the maps visualize where households are *entering* the homeless system and its programs from and where they are *exiting* upon program completion.

Many of these maps mirror findings of our system performance analysis, detailed in the previous section. While the system maps show emergency shelters are entering a significant number of households from literal homelessness (other shelter or unsheltered situations), a relatively high percentage of households entering emergency shelter programs are coming from housed locations, including their own rental housing (12%) or staying with friends/family (15%). Emergency shelter programs across the system are also reporting “unknown” exit destinations of clients at an overwhelming rate (75%), suggesting that shelter programs may benefit from increased focus on improving data quality on this measure. Similarly, around 34% of transitional housing clients are entering programs from housed situations, while 16% are entering from institutional settings. Permanent housing exits from transitional housing are low at 60%. There is room for improvement here, as a majority of the remaining clients are exiting to “unknown” or other locations (for example, temporarily with friends/family or institutions).

System-wide, rapid rehousing programs are achieving a high inflow of clients from literal homelessness (60% from shelter and 28% from unsheltered locations), with very few households coming from housed situations, institutions, and other homeless system programs. Rapid rehousing outflow is better, but with ample room for improvement, with 72% of households exiting to permanent housing; these households are primarily going on to sustain housing on their own (without a subsidy) or obtain permanent housing with an ongoing subsidy. Yet, rapid rehousing programs are still reporting somewhat high “unknown” exit destinations, which should be examined to ensure data accurately reflects where households are going upon program exit. Non-RRH permanent housing programs are entering households from a mix of situations – most significant, around half are entering from literal homelessness, 20% from housed situations, and 14% from transitional housing programs. Exit destinations from other permanent housing programs are similarly mixed: less than half are moving onto other permanent housing, one-third to “other” outcomes, including hotels/motels or passing away, and 17% were unknown.

Overall, a considerable number of households entering the homeless system are coming from institutional settings – a majority of whom are entering from, hospitals, jail, and psychiatric hospitals. This is most prevalent amongst transitional housing (16%), emergency shelter (11%), and non-RRH permanent housing (8%). Rapid rehousing programs, however, are entering very few households from institutions. This suggests that the CoC should further investigate and strengthen current institutional discharge practices to shelter, transitional, and other permanent housing and explore ways to build relationships with other systems of care to ensure clients are avoiding entering the homeless system whenever possible.

#### **D. Housing Market**

To provide context for and complement our system- and program-level performance assessment and system mapping analysis, Focus Strategies conducted a scan of the housing market in Maricopa County to better understand local conditions and what reductions in homelessness are possible given the context. Our assessment of the local housing market draws upon the U.S. Census Bureau, data published by the National Low Income Housing Coalition (NLIHC), and other local data. Currently, rental housing market conditions in the region reflect very low vacancy rates (just below 5%) and increasingly high cost of rent (the monthly average price per rental unit has risen \$150 since early 2016) – making affording housing challenging for low-income households and posing tremendous obstacles for the homeless system in its attempts to house people experiencing homelessness. Although luxury apartments are being constructed at a rapid rate throughout the region – often replacing once moderately-priced to affordable units and displacing lower-income renters – affordable housing production has not followed the same trajectory. The Housing Authority of Maricopa County has implemented a plan to grow the county’s affordable housing stock while upgrading neglected neighborhoods, but subsidized housing programs (i.e. Housing Choice Vouchers) remain in short supply and maintain multiple years-long waiting lists, according to local reports<sup>18</sup>. Further compounding the issue is a skyrocketing rate of evictions at around 6% amongst apartment renters, landing the Phoenix Metro area as the second highest eviction rate in the country, according to a national study by Apartment List.<sup>19</sup> In 2017, the county’s justice system saw more than 25,000 evictions, a 12% increase in evictions from the previous year, according to *The Arizona Republic*.<sup>20</sup> Apartment List’s study of national eviction data credited evictions from rental housing as a leading cause of homelessness.

Between 2010 and 2016, the number of “extremely low-income” renter households, defined as households whose income was at or below 30% area median income (AMI), rose by 3,530 households. Over the same time frame, the stock of affordable, available rental housing has not developed in a similar fashion; only 1,376 affordable units were added to the local housing market. As of 2016, the stock of affordable, available units is sufficient to house only 19.9% of extremely low-income renter households residing in the county. This means that for every 100 extremely low-income households seeking rental housing, there is availability in the local market for only around 20 of these households to obtain units that meet the household’s affordability needs (the national average is about 35 units for every 100 low-income households). Further, for every 100 households whose income is at or below 50% AMI, there are only about 43 units available at a price point that matches their affordability standards. Higher-cost rental

<sup>18</sup> <https://www.azcentral.com/story/news/local/surprise/2018/09/17/new-affordable-housing-projects-lifting-up-neighborhoods-countywide/1260962002/>

<sup>19</sup> <https://www.citylab.com/equity/2017/10/where-evictions-hurt-the-most/544238/>

<sup>20</sup> <https://www.azcentral.com/story/news/local/arizona-best-reads/2018/04/13/eviction-rate-spikes-again-across-phoenix-affordable-housing-crisis-worsens/508696002/>

housing, however, is more readily available; for every 100 renters at AMI, 102 units are available. The following table shows a more detailed breakdown of the number of available rental units by AMI and other housing market figures.

Phoenix-Mesa-Scottsdale			
	<u>2010</u>	<u>2013</u>	<u>2016</u>
Extremely Low-Income Renter Households	133,350	140,269	136,880
Affordable and Available Rental Homes	25,869	28,641	27,245
	19.4%	20.4%	19.9%
<b>Number of Available Rental Units/100 Households</b>			
At or below extremely low income	19	20	20
At or below 50% AMI	50	47	43
At or below 80% AMI	104	103	93
At or below 100% AMI	113	111	102

Further, the second table, below, shows the distribution of renters in the region who were considered “cost burdened” by income level between 2010 and 2016. The U.S. Department of Housing and Urban Development (HUD) defines “cost burdened” households as those who are paying more than 30% of their gross income for housing costs and utilities; those who are severely cost burdened are paying at least half of their income for housing. Between 2010 and 2016, the percent of extremely low-income renters who were considered cost burdened and severely cost burdened held relatively steady. Around 90% of these extremely low-income households paid at least 30% of their income on housing and 78% paid at least 50%. Meanwhile, 82% of households who were between the thresholds for being considered extremely low-income and very low-income (50% AMI) were cost-burdened, while 34% of these same households were also considered severely cost burdened in 2016. Renters whose income was between 50% and 100% AMI experienced cost burden and severe cost burden at lower rates; still, more than half those whose income fell between 50% and 80% AMI and one-quarter of those between 80% and 100% AMI were cost burdened. Very marginal rates of households within these two housing brackets (50-80% AMI and 81% to 100% AMI) were considered severely cost burdened.

Phoenix-Mesa-Scottsdale			
	<u>2010</u>	<u>2013</u>	<u>2016</u>
<b>% of Renter Households With Cost Burden</b>			
At extremely low income	91%	91%	89%
Extremely low income to 50% AMI	85%	84%	82%
51% to 80% AMI	56%	55%	53%
81% to 100% AMI	28%	26%	23%
<b>% of Renter Households With Severe Cost Burden</b>			
At extremely low income	78%	77%	78%
Extremely low income to 50% AMI	41%	39%	34%
51% to 80% AMI	9%	9%	8%
81% to 100% AMI	3%	2%	2%

## E. System Strengths, Weaknesses, Opportunities and Threats (SWOT)

As part of this project, Focus Strategies conducted a SWOT analysis – identifying strengths, weaknesses, opportunities, and threats – in the existing homeless crisis response system. The assessment presented in this section draws from interviews with community stakeholders, data related to current state of homelessness and the local housing market, and our analysis of system performance data. This section lays the groundwork and provides context for recommendations made in the final section of this report. Information provided by stakeholders reflects their views and perspectives of the existing system. In this analysis we have noted where the information presented reflects stakeholder opinion as opposed to an objective finding from our performance assessment.

### 1. Strengths

*Leadership and Community Momentum to End Homelessness:* In recent years, the Maricopa Regional Continuum of Care’s regional approach to ending homelessness has become increasingly collaborative and strategy-driven. The community’s base of provider agencies and staff are viewed as being strong, committed, and passionate in their work to reduce homelessness. There appears to be a strong sense of political will and commitment communitywide around addressing the issue of homelessness, which is a key strength of the local system that should be leveraged to achieve reductions in homelessness. The community benefits from passionate, collaborative, and competent system leadership from MAG. Further, system leadership and stakeholders have prioritized serving those with the highest needs to ensure scarce system resources are maximized and the system is achieving the greatest reductions in homelessness possible. Specifically, significant resources and communitywide support have been dedicated to ending Veteran and chronic homelessness.

*System Infrastructure:* Recent implementation and refinement of the Coordinated Entry Systems (CES) for family and single adult households have increased and streamlined access throughout the region to homeless system resources and services, particularly for higher-need households. The adult CES has been working smoothly and achieving efficient flow-through of clients to housing units, despite a general sense that housing resources are limited. Adult CES also benefits from widespread geographical coverage, which ensures access to more single adults seeking assistance. The system also benefits from competent, responsive, and data-savvy Homeless Management Information System (HMIS) staff, as well as sufficient HMIS staff and system capacity to pull needed reports on system performance.

*Local Partnerships:* In recent years, the Continuum of Care has partnered with the Maricopa County Correctional Health Services’ to dedicate new resources to housing and serving individuals experiencing homelessness who are involved with the criminal justice system. In 2017, the County Board of Supervisors approved nine contracts, amounting to \$1.3 million, for rapid rehousing, supportive services, and emergency shelter. Through this partnership, local data has been collected to better the community’s understanding of the connections between behavioral health, homelessness, and jail recidivism, as well as to demonstrate how targeting housing to people with serious mental illness can reduce homelessness and jail recidivism. This initiative has been well-received by the homeless system and greater community, reducing stigma around this population and opening doors for greater partnerships amongst local systems of care to make an impact on this segment of the homeless population.

*System Performance:* Focus Strategies’ analysis of local homeless system performance indicates that programs are performing well on a number of measures. The utilization rate of program beds overall is high, indicating that these programs are maximizing available bed capacity by serving the greatest

number of people experiencing homelessness given the existing inventory. While performance was variable on lengths of stay, rate of exit to permanent housing and cost per permanent housing exit, overall, we found low rates of return to homelessness from all program types.

## 2. Weaknesses

*Rising Unsheltered Homelessness:* Point in Time Counts from 2014 through 2018 have had some ups and downs, but the most recent 2018 count was up significantly over 2017. Unsheltered homelessness has also risen 149% since 2014 as measured by the PIT Count. There is a strong perception amongst stakeholders that the PIT Count findings underestimate the size of the population, and that homelessness is also more visible than ever before. An enhanced sense of community awareness and concern around homelessness amongst the public has made the issue a local political priority. Many stakeholders feel this rise in homelessness is from increased urban and suburban development, as well as a high-cost, low-vacancy housing market, which have displaced lower income households.

*Geographic Disparities:* Many community stakeholders perceive that the CoC in Maricopa County is primarily “Phoenix-centric” – with much of the community’s housing and services offered in Phoenix and the more eastern regions of the County surrounding Phoenix. Many people recognize a lack of housing, services, and Coordinated Entry System (CES) access points available in parts of the County outside of Phoenix, particularly the West Valley.

*CES:* While Coordinated Entry has increased access to resources for households experiencing homelessness in Maricopa County, many stakeholders feel that greater geographic coverage of CES access points for family households is needed. Currently, CES practices only operate during normal business hours, which is often not easily accessible for families. Expanding CES hours of operations and increasing mobility of CES staff may be needed to ensure they adequately accommodate families. Some stakeholders feel that CE assessment, conducted using the VI-SPDAT, does not always accurately capture a household’s level of need and circumstances. A more comprehensive way to assess and prioritize people is seen as needed.

*Gaps in Programming and System-wide Strategies:* Some gaps in system-wide strategies and programming aimed at reducing homelessness identified during our system assessment include:

- *Diversion:* Currently, the system lacks formal diversion and problem-solving strategy to help people who may be able to identify alternative housing outside of the homeless system. Stakeholders recognize a need for increased diversion training for provider and CES staff, additional funding for flexible diversion assistance, and implementation of consistent diversion activities throughout the system. Relatively high rates of entry into emergency shelter, transitional housing, and other permanent housing programs from housed situations indicate that system-wide diversion and housing problem-solving efforts would be beneficial and prevent many households from unnecessarily entering the homeless system.
- *RRH and Other Permanent Housing Inventory:* Overall, the region lacks enough affordable housing and other housing resources for all the people experiencing homelessness. Stakeholders generally feel the inventory of rapid rehousing (RRH) and funding for rental assistance must be expanded (however see modeling section below) and landlord engagement and retention efforts must be built out to ensure a greater number of people are exiting homelessness. While HOM, Inc. has been a key player in engaging and partnering with landlords, efforts to involve more

agencies in landlord engagement efforts would be beneficial. Arizona recently rolled out Statewide funding for a Landlord Incentive Program, including some risk mitigation funds, however increased funding is still said to be needed. Additionally, our analysis of system performance indicated that RRH programs have room for improvement. RRH programs show relatively long lengths of stay in the program, averaging more than five months. RRH programs' performance on these measures indicate the need for assessment of whether program policies are aligned with best practices – lack of progressive engagement may explain why clients are staying in programs for so long. A lack of long-term rental assistance vouchers may make it difficult to implement a robust progressive engagement policy.

- *Emergency Shelter and Bridge Housing:* Stakeholders generally perceive a need for more emergency shelter beds, including low-barrier shelter programs that serve more segments of the population (i.e. justice system involved people, sex offenders). However, based on our system performance analysis and modeling, no additional shelter beds appear to be needed to achieve reductions in homelessness as long as the identified performance targets are met. Several also see the need for bridge housing programs for households with high needs to access while waiting for housing units to free up; this would help streamline CE and referral processes, such as locating and getting people “document ready” prior to referral.
- *Transitional Housing:* Overall, our analysis of system-wide data indicated performance issues amongst transitional housing programs. Namely, these programs are entering clients from housing at high rates (34%) – indicating that these programs are not prioritizing those with the most acute housing needs, who are literally homeless. Transitional housing programs are also averaging long lengths of stay for clients and relatively low rates of exits to permanent housing (60%), suggesting the need for further examination of whether this is a good use of system resources.
- *Supports for Households Once Housed:* Many stakeholders said that expanding and improving system-wide “aftercare” services and supports for individuals in PSH and RRH would prevent returns to homelessness.

*Governance Structure and System Planning:* While MAG is generally seen as strong and passionate, additional organizational and staff capacity may be needed to support the provider community and strengthen system leadership on homelessness. Perceived challenges of the existing governance structure include limited flexibility to receive provider input or implement provider suggestions. There is also a perception that MAG’s work is largely focused on meeting requirements to stay in compliance with HUD regulations. Increased attention to community input and open communication with system stakeholders is seen as a need. There is also a perception that the governance structure under MAG – a quasi-governmental planning agency –is overly bureaucratic, resulting in an inability to act swiftly or strategically and system leadership that is highly risk-averse.

Some stakeholders, including one member of the CoC Board, feel the existing Board structure and processes, as well as roles of its members could be better defined to increase understanding regarding the Board’s decision-making power and responsibilities. Additional provider representation on the Board may also help the CoC more fully reflect the perspectives and needs of the provider community, according to some stakeholders. However, some noted that the roles of those providers added to the Board must be clearly defined to avoid conflicts of interest.

### 3. Opportunities

As part of Focus Strategies' assessment of the Maricopa Regional Continuum of Care's homeless crisis response system, we modeled system impacts as a result of changes in inventory and achievement of performance targets in all program types. The results of this modeling analysis indicate a tremendous amount of opportunity for the community to significantly impact the population of homeless single adults and families with children in coming years. By implementing and achieving performance targets, unsheltered homelessness may be functionally ended in the MRCoC by 2021. The modeling indicates that improving performance of all programs would result in a more efficient system and fewer people needing to access these programs. (See the following section, Modeling the Impact of System Shifts, for the detailed results of our modeling analysis.)

Additionally, opportunities for system improvement and greater progress towards reducing homelessness include increasing cohesion and collaboration amongst all cities and stakeholders in the Maricopa region. Stakeholders feel system leadership could play a stronger role in encouraging and incentivizing all cities to take responsibility and contribute their share of resources to addressing homelessness. This also includes expanding geographic coverage of CES to ensure access points for people seeking assistance are nearby.

As previously mentioned, community members see diversion and landlord engagement as strategies to build out to achieve better system outcomes. While some diversion activities and landlord engagement efforts are currently underway, they are not yet system-wide and need to be brought to scale. Further, although the system has undertaken efforts to identify and house those with the highest needs with available PSH resources, a "moving on" initiative has the potential to increase turnover of these units and serving a greater number of people by assisting people who no longer need PSH-level support to identify and move on to new housing opportunities.

Throughout our community input collection process, stakeholders identified collaboration and coordination with outside systems of care, such as hospitals, criminal justice, mental health, and child protective services as a key opportunity for the homeless response system. Homeless system and mainstream systems tend to be siloed and could be better coordinated to provide more comprehensive care to individuals experiencing homelessness. The system has already seen success in this area through partnership with Maricopa County Correctional Health Services, which resulted in dedication of housing resources for people experiencing homelessness who are also criminal justice-involved.

### 4. Threats

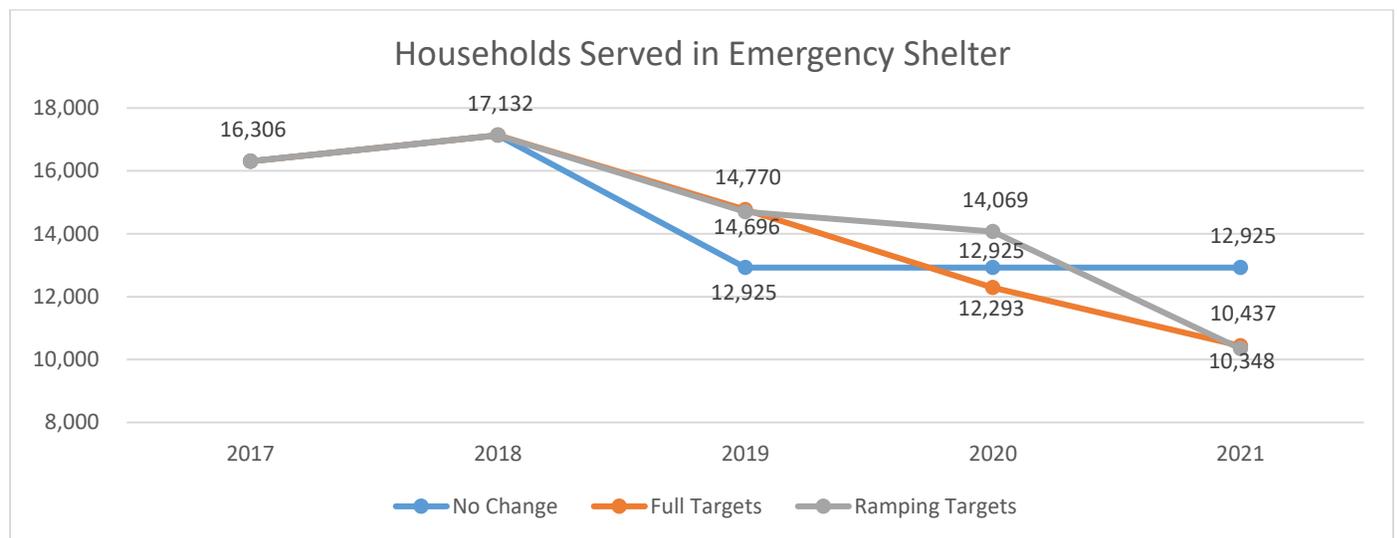
The greatest threat to achieving significant reductions in homelessness in Maricopa County is the region's increasingly challenging housing market. A high-cost, low-vacancy housing market, reductions in affordable housing stock, and high barriers to securing rental housing currently pose serious obstacles to housing people experiencing homelessness – particularly those with the highest needs and barriers to housing. Rental housing market conditions in the region reflect extremely low vacancy rates (just below 5%) and increasingly high cost of rent (the average monthly price per rental unit has risen \$150 since early 2016). Affordable housing production has not kept pace with the local need. Although the Housing Authority of Maricopa County has implemented a plan to grow the county's affordable housing stock while upgrading neglected neighborhoods, publicly-subsidized housing programs (i.e. Housing Choice Vouchers) remain in short supply and maintain multiple years-long waiting lists, according to local reports. In 2016, the stock of affordable, available units was sufficient to house only 19.9% of extremely low-income renter households residing in the county. This means that for every 100 extremely low-

income household seeking rental housing, there is availability in the local market for only around 20 of these households to obtain units that meet their households’ affordability needs, compared to a national average of around 35 units for every 100 low-income households. Around 90% of extremely low-income households in Maricopa County were considered “cost burdened,” paying at least 30% of their income on housing, and 78% were “severely cost-burdened,” paying at least 50% on housing.

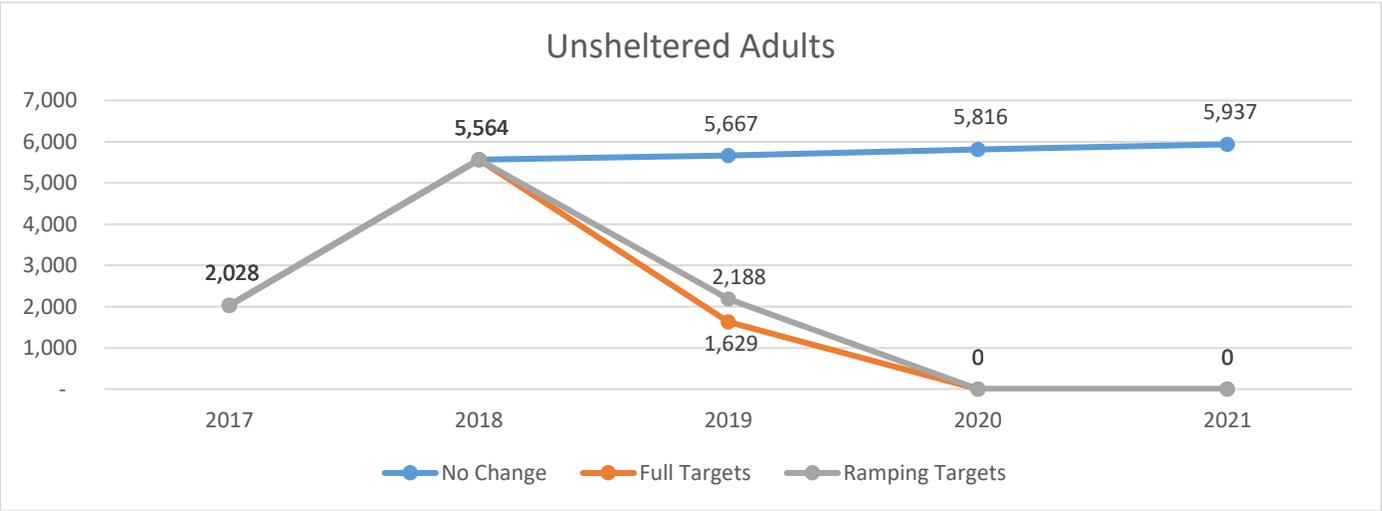
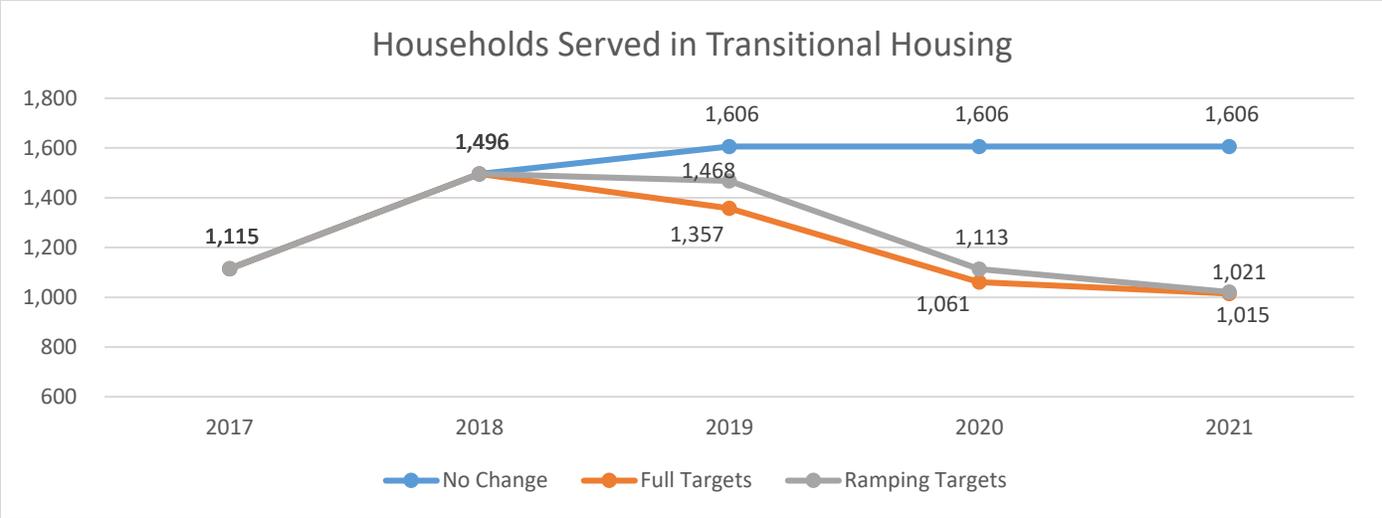
Additionally, stakeholders noted that another potential threat in the Maricopa Region is a lack of political will and tools to making real reductions in homelessness. For example, we heard that Arizona does not have the state-level tools, such as a housing trust fund and inclusionary zoning, that exist in other states.

### F. Modeling the Impact of System Shifts

As part of our system analysis, MAG asked that Focus Strategies model the system impacts of changes in inventory, as well as the achievement of a set of performance targets in all projects of each program type.<sup>21</sup> This section summarizes the results of this modeling analysis using system performance data collected from HMIS for the period from January 2016 through December 2017. Our modeling estimates changes to the population of people experiencing homelessness, including single adults and families with children, by making changes to inventory and/or improving system performance through the year 2021. The modeling illustrates three different scenarios that the Maricopa Regional Continuum of Care may implement, all of which include changes in program and bed inventory for both 2018 and 2019: the first involves making no improvements to system performance at all (No Change); (2) fully implementing and achieving utilization rate, length of stay, and rate of exit to permanent housing performance targets in 2019, while gradually improving entries from homelessness through 2021 (Full Targets); and (3) gradually implementing all performance targets over three years (Ramping Targets). (Performance targets by program type and performance measure, as well as anticipated changes to system inventory by program type are provided in detail in Appendix F). The following three graphs show the impacts of these scenarios on the homeless population and households served through 2021.



<sup>21</sup> The modeling work did not include an analysis of cost, because the changes modeled only involved adding bed inventory already planned and for which funding is already identified.



Should the Maricopa Regional Continuum of Care implement planned inventory changes but not performance targets, unsheltered homelessness will continue to climb to nearly 6,000 adults by 2021. The modeling suggests, however, that by implementing performance targets, either fully by 2019 or with gradual implementation across three years, the community can reach a functional end to unsheltered homelessness by 2021. Our modeling also indicates that by improving system-wide performance and reaching performance targets either gradually or fully by 2019, the community can significantly reduce the number of people accessing and being served in both emergency shelter and transitional housing programs, thus freeing up system capacity.

However, as previously mentioned, the current local housing market and insufficient affordable housing stock pose significant obstacles to achieving these reductions. While diversion efforts on the “front end” of the system may be effective in helping some households identify alternate housing solutions, deeper reductions in homelessness will not be achieved without also working towards increasing the inventory of affordable housing and identifying creative solutions for navigating the challenging housing market as a system. While some people meet the level of need for permanent supportive housing, a majority will only need light-touch assistance from the homeless system and access to permanent housing at an affordable rate that can be sustained long-term. Moreover, with improved performance, the number of households

exiting rapid rehousing per year is estimated to increase by almost 23% (from 1,315 to 1,613 every year). Affordable housing production will be key in increasing the flow through the homeless system and helping people remain avoid future returns to homelessness.

## V. RECOMMENDATIONS

The SWAP and SWOT assessment work reveals that the Maricopa Regional Continuum of Care’s homeless response system is robust, with many strong and effective programs. The analysis pinpoints areas in need of improvement and identifies strategies that will yield stronger results and help the community begin to turn the curve towards substantial reductions in homelessness. This section presents our recommendations for the strategies the community should consider in order to gain the greatest impact.

### 1. Set System Performance Targets & Establish Accountability Structures

One critical overarching recommendation is that the MRCoC adopt and implement a set of performance targets for the homeless response system. Our system modeling shows that by implementing performance targets, either fully by 2019 or with gradual implementation across three years, unsheltered homelessness in the MRCoC can be essentially resolved without needing to create additional shelter. This conclusion, however, rests on the assumption that accessible, affordable housing is available to support those exiting homelessness to permanent housing. Nonetheless, the analysis shows that system-wide gains are possible with improved performance. Suggested targets are presented in the table below. When applicable, targets are presented by population (single adults [S], families [F], and mixed – families and singles [M]) served by the project.

	Emergency Shelter	Transitional Housing	Rapid Rehousing	Permanent Supportive Housing
Utilization Rate				
Current Performance (BYC)	98%(S) / 87%(F)	96%(S) / 81%(F) / 100%(M)	NA	92%(S) / 100%(F) / 83%(M)
Proposed for Modeling	maintain (S) / 95% (F)	maintain (S) (M) / 95% (F)	NA	95% (S) (M) / maintain (F)
Length of Stay				
Current Performance (BYC)	25 days (S) / 74 days (F)	108 days (S) / 264 days (F) / 327 days (M)	152 days (S) / 194 days (F) / 160 days (M)	
Proposed for Modeling	maintain (S) / 45 days (F)	90 days (S) / 150 days (F) (M)	150 days (S) (F) (M)	
Exit Rate to PH				
Current Performance (BYC)	10% (S) / 47% (F)	58% (S) / 66% (F) / 57% (M)	70% (S) / 73% (F) / 78% (M)	
Proposed for Modeling	35% (S) / 65% (F)	80% (S) (F) (M)	85% (S) (F) (M)	

	Emergency Shelter	Transitional Housing	Rapid Rehousing	Permanent Supportive Housing
Entries From Homelessness				
Current Performance (BYC)	Unsheltered - 30% (S) / 20% (F)	Unsh/ES - 45% (S) / 44% (F) / 50% (M)	Unsh/ES - 86% (S) / 91% (F) / 91% (M)	Unsh/ES - 78% (S) / 44% (F) / 44% (M)
Proposed for Modeling	75% (S) / 75% (F)	Unsh/ES - 75% (S) (F) (M)	Unsh/ES - 95% (S) (F) (M)	Unsh/ES - 85% (S) (F) (M)

These targets are fairly ambitious considering the baseline performance the community is starting from particularly for some of the lower performing intervention types. We do not advise trying to achieve these targets in one step, but rather incrementally over at least a three-year period. In addition to setting the targets, shifting gradually towards performance-based contracting will help to support a process of performance improvement on all measures. We advise that this should also rollout in a phased approach, rather than all at once. A stepped process could include: starting with a series of conversations with providers and other stakeholders to explain the targets and how they will be measured; then to begin a process of tracking and reporting so that all contractors are familiar and comfortable with the measures; then shifting to tying payment to performance. We also advise structuring performance-based contracting in such a way that providers are incentivized to achieve strong performance rather than penalized for poor performance.

While the idea of performance-based contracting has been around for several decades, it is still a relatively uncommon practice in the homelessness arena and there are no standardized models or even any commonly accepted definitions of terms. However, there are three commonly-used “types” of performance-based contracting approaches including performance-based funding; performance-based contracting; and Pay for Success/Social Impact Funding. In the **performance-based funding** approach, the funder establishes a set of performance measures that are integrated into their funding process for programs and activities on a regular funding cycle, thus an agency’s performance in previous grant or contracting cycles becomes the primary criteria for renewal funding. **Performance-based contracting** uses performance monitoring against a specified set of performance measures within the management of contracts between funder and provider to determine whether the provider actually receives payment under the contract and how much they receive. **Pay for Success** incorporates performance-based contracting, however the primary goal of this approach is to develop and test innovative financing mechanism for public services, something most public funders are not yet attempting.

The City of Tacoma (Washington) Human Services Division, which recently implemented a five-year strategic plan including performance-based funding, provides an example of how to roll-out performance-based contracting in phases. In their second year of implementation (2017-2018), the City began working collaboratively with providers to develop performance measures that all stakeholders agree are the appropriate measures of success for each type of service or intervention. In 2018-2019, providers will be required to begin tracking performance against these new measures and, in the following year, providers must report to the City on these measures and performance will begin impacting funding awards.

Achieving the ambitious performance targets listed in the table above will require significant changes in how the homeless system in Maricopa county operates. The remaining recommendations identify strategies that we believe will have the greatest impact on system performance.

## 2. Implement System-wide Diversion

Our system performance assessment found that there are a significant number of households entering shelter, transitional housing and rapid rehousing who are not literally homeless. Meeting the community's goals for reducing homelessness will require the implementation of a strong, system-wide diversion practice to keep households who are not yet homeless from entering the system. Implementing diversion will result in dramatic reductions in the number of people entering shelter and ensure beds are available for those who are having an immediate crisis and have no other options. Since affordable permanent options in the Maricopa region are limited, it is critical to prevent as many households as possible from entering the homeless system and to support them in their current living situation if it is safe.

To be maximally effective, diversion should target those households who are imminently going to be homeless within one to three days. Generally, this intervention is targeted to households that do not have their own rental unit but are living informally with friends or family or in a motel. Diversion differs from traditional homelessness prevention, which generally provides assistance with back rent for those who are living in their own rental unit and facing a potential eviction. While traditional prevention programs may be effective at preventing evictions, data suggests that few of the households assisted would ever enter the shelter system even if they did not receive prevention help. Diversion uses strengths-based problem solving, mediation and small amounts of flexible financial assistance to help people with unstable housing situations remain where they are or to move directly to alternative housing, often shared housing with friends or family.

Diversion often occurs in conjunction with Coordinated Entry, the "front door" to the system. In many communities – including, the State of Connecticut; Cleveland, Ohio; Montgomery County, Pennsylvania; Pierce County, Washington – all households seeking to enter shelter or other assistance from the homeless crisis response system go through an initial diversion conversation. Only those who *cannot* identify a no-cost or low-cost solution to their homelessness are then prioritized for a shelter bed and/or appropriate housing intervention. This "diversion for all" approach ensures that people do not enter the homeless response system unless they absolutely have no alternative options. Even people who are unsheltered and have high housing barriers can be diverted, although this happens at a lower rate than those who have lower barriers and have some sort of temporary place to stay.

Examples of a communities of similar size and scope to the MRCoC where robust diversion and housing problem-solving strategies have been implemented include:

- *Pierce County, Washington:* The Pierce County CoC, led by Pierce County Human Services, implemented diversion as a response to a realization that the community's demand for housing and services for people experiencing homelessness surpassed the system's capacity to assist all households. As mentioned, all people trying to access assistance from the homeless system are engaged at the "front end" of Coordinated Entry in the form of a diversion conversation. Diversion specialists work alongside households to problem-solve around their unique circumstance and housing crisis and explore possible housing solutions that call upon their natural pool of resources and social network. Diversion specialists call upon community-based, short-term services, such as emergency shelter and mainstream resources connections, and, in

some cases, one-time financial assistance to cover housing expenses such as security deposits and/or first-month's rent to help households transition from homelessness to a housing solution. An evaluation of local data shows that more than half of the households seeking assistance during a diversion pilot program timeframe were able to secure housing through diversion; of those, 79% moved into a rental unit – either with or without a rental subsidy.<sup>22</sup>

- *Montgomery County, Pennsylvania:* Your Way Home, the homeless system's lead agency in Montgomery County, implemented diversion in 2015 as a way to reduce demand on the local emergency shelter system, prevent households from unnecessarily entering and undergoing the trauma of shelter, and cutting system costs to help people identify and obtain housing solutions. In Montgomery County, diversion assistance is primarily conducted over the phone (via the Your Way Home Call Center screened by Housing Stability Coaches). Diversion conversations involve focusing on the client's current housing, income/employment situation, financial needs and opportunities; counseling and advice on making doubled up situations more bearable; and explaining the realities of the shelter and broader homeless system. Legal assistance is also provided in some cases to help some households avoid entering shelter. Through Your Way Home's diversion pilot program, 64% of people seeking assistance were able to avoid the emergency shelter system either by remaining in their current living situation (alone or with friends/family), moving out of County, or finding their own rental unit. Your Way Home has found diversion is most successful when diversion specialists have access to flexible assistance to meet people's housing needs through one-time financial assistance and connection to other mainstream resources, such as food stamps, disability benefits, and healthcare.
- *State of Connecticut:* The State of Connecticut has implemented a statewide diversion approach, which is led by the Connecticut Coalition to End Homelessness and Connecticut Department of Housing. People eligible for diversion assistance include those who are literally homeless and not already in emergency shelter; those in possession of a court-ordered eviction notice; and those who have been forced to leave unsafe or otherwise "unsustainable" doubled-up living situations. In general, diversion aims to redirect households seeking shelter by helping them identify immediate, alternative housing solutions. When diversion conversations are not successful, and no shelter beds are immediately available, households may be placed on a prioritized shelter waiting list. Local coordinated entry staff will continually try to engage and divert the households from the homeless system while they wait for shelter. The state has also designed unique diversion strategies for youth under 24 years old who are seeking assistance from the homeless system. Connecticut utilizes a strengths-based, client-centered approach to diversion that employs active listening and motivational interviewing.

A typical result of implementing system-wide diversion is that households entering programs will tend be more likely to be literally homeless and to have higher needs and housing barriers. Programs will have to re-tool their designs to appropriately serve these clients, including removing entry barriers, and offering trauma-informed, client centered, and housing focused services. At a system level, the overall rate of return to homelessness is likely to go up a bit as programs target households with higher needs.

For more resources and information on implementing a diversion and housing problem-solving approach, refer to Appendix G.

<sup>22</sup> [https://buildingchanges.org/images/documents/library/2018\\_DiversionCaseStudy\\_FINAL.pdf](https://buildingchanges.org/images/documents/library/2018_DiversionCaseStudy_FINAL.pdf)

### 3. Develop Operating Standards and Improve Effectiveness of RRH and TH

Our assessment found that program lengths of stay are somewhat high in both transitional housing and rapid rehousing, and that the rate of exit to permanent housing is relatively low. To some degree this reflects the challenges in the rental market (which we address below in the next recommendation). However, it is likely also impacted by program design and providers not aligning to housing first principles. We recommend that the MRCoC develop and implement program standards and provide training to program providers to help them improve their ability to move participants to housing as quickly as possible. Specifically:

- For emergency shelter and transitional housing – programs should provide housing focused case management, and not impose mandatory service participation requirements that extend lengths of stay or cause participants to be exited involuntarily.
- For rapid rehousing – implementing progressive engagement to ensure households receive the right amount of assistance to secure and maintain stable housing. We recommend using the National Alliance to End Homelessness’s (NAEH) rapid rehousing operating standards for rapid rehousing and progressive engagement. NAEH’s robust set of operating standards detail how programs can work with households that have significant housing barriers (e.g. disability, low or no income, criminal record), offer assistance in a progressive engagement model, and use strengths-based approaches to provide case management.

### 4. Implement Targeted Strategies to Increase Supply of Affordable Rental Housing

The main barrier to improving performance is the region’s high rents and low vacancy rates. The supply of housing on the low-rent end of the market is so low that it may not be possible for the homeless system alone to achieve significant reductions in homelessness simply through improvements in performance. As the modeling and housing market analysis show, a significant number of rental units will be needed to absorb the increased rates of exit from homeless system programs. The solution is a significant increase in the supply and availability of housing for people with low incomes.

In our work with MAG, we have learned that while affordable housing is a matter of deep concern, the community lacks a robust and coordinated regional housing strategy. Most communities with high rents and low supply have significant barriers to developing additional housing units. These typically include zoning and other entitlement policies and procedural barriers including NIMBY issues, the cost of construction being too high to allow for rents at lower levels so that most new units are luxury and high rent units, and existing housing of last resort being gradually redeveloped for other purposes and not replaced. To achieve reductions in homelessness, the community must develop and implement an aggressive and comprehensive strategy to preserve and increase the supply of affordable units. We recommend engaging in an intensive and focused process to identify the specific barriers to housing production and preservation in the region, building on existing efforts and identifying where there are opportunities for progress. A community awareness campaign focusing on housing as the solution to homelessness will likely be needed; experience from other communities shows that focusing on the needs of families with children, veterans, seniors and people with disabilities is more likely to garner public support than homelessness specifically.

Some strategies that have proven successful in other places are listed below. Some of these may already be ideas under consideration by housing advocacy and policy groups; some may not all be relevant or

feasible in Arizona. As noted above, a local process is needed to assess options and identify what strategies might yield the greatest results in terms of increasing affordable housing supply:

- Eliminate local and state-driven development and impact fees on affordable projects
- Move to over-the-counter rather than NOFA-based funding cycles
- Partner with businesses and philanthropic organizations to target resources, community education, and leadership efforts to pre-development funding, gap financing, land acquisition, and other efforts where high-level community influence is particularly useful to make affordable projects move through the pipeline
- “By right” creation of accessory dwelling units (ADUs); aka secondary units or in-law units;
- Tiny homes – further consideration of the role of these projects, performance, community impact, and implications for community integration of people with disabilities may be needed and a clear strategy developed.
- Consideration of options for managing construction costs for affordable properties, including strategies to support NOAH opportunities (naturally occurring affordable housing) and perhaps other cost containment strategies.

## **VI. CONCLUSION**

The Maricopa Regional CoC has taken a number of positive strides towards achieving a more coordinated, housing-focused, and data-informed system for addressing and ending homelessness. Recent years have seen improvements in system coordination, implementation of Coordinated Entry and the successful expansion of rapid rehousing as a critical element of the homeless crisis response system. However, in spite of these successes, unsheltered homelessness is continuing to rise across the region. By rigorously assessing system performance, this report has identified a set of strategies the CoC can implement that will lead to significant reductions in homelessness. These include setting and achieving performance targets for all the primary types of programs in the system, creating a systemwide diversion or problem-solving strategy, developing standards and policies to align transitional and rapid rehousing to best practices in the field, and developing a targeted approach to expanding rental housing for very low-income households. Maricopa County has a strong foundation for successfully implementing these system planning and systems change strategies, which will set the community on a path to achieving measurable reductions in homelessness.

## Appendix A: Documents Reviewed for Analysis

The following list contains system documents that were collected and reviewed by Focus Strategies as part of our analysis.

1. **Coordinated Entry System (CES) Lead Agency MOU**, Maricopa Association of Governments – February 26, 2018.
2. **Coordinated Entry System Policies and Procedures**, Maricopa Regional Continuum of Care – February 26, 2018.
3. **Family Housing Hub: Operations Manual**, Maricopa Regional Continuum of Care – June 2015.
4. **Governance Charter, Policies, Standards, and Best Practices**, Maricopa Regional Continuum of Care – January 1, 2018.
5. **Maricopa County Consolidated CoC Application**, Maricopa Regional Continuum of Care – September 26, 2017.
6. **Point in Time Homeless Count Analysis**, Maricopa Association of Governments – August 2017.
7. **Regional Coordinated Entry of Maricopa County, Single Adult Housing Hub Operations Manual**, Maricopa Regional Continuum of Care – March 23, 2017.
8. **Regional Plan to End Homelessness**, Maricopa Regional Continuum of Care – August 28, 2017.

## Appendix B: Stakeholder Input Summary

### I. Background

Focus Strategies was engaged by Maricopa Association of Governments (MAG) to conduct an analysis of Maricopa’s regional homeless crisis response system. The system-wide assessment will include the use of Focus Strategies’ SWAP suite of tools to collect and analyze data to understand how the system is operating, however, data analysis alone does not provide a fully complete picture of the nature of homelessness and homeless system planning efforts within a community. As part of our assessment, Focus Strategies also conducted a series of phone interviews in May 2018 with 20 key stakeholders to gain a comprehensive understanding of the local homeless crisis response system and current efforts to reduce homelessness in the Maricopa region.

The purpose of the stakeholder interviews was to solicit information from those involved with efforts to reduce homelessness in the Maricopa region to better understand how the current homeless response system is operating, as well as its key strengths and challenges. Individuals who were interviewed represented a diverse array of community agencies and programs to ensure a variety of perspectives and opinions were captured. Stakeholders represented included City and County officials, service providers, and CoC board members. A complete list of individuals who were interviewed is provided at the end of this Appendix. The following report provides a summary of our stakeholder interviews categorized by key themes and topics that emerged from the interviews.

### II. Stakeholder Interviews

**Local Context Related to Homelessness in Maricopa Regional CoC:** Across the board, Focus Strategies heard from stakeholders that homelessness has been on the rise and steadily getting worse in the Maricopa region. There is a general sense amongst stakeholders that homelessness is more visible than ever before, which has led to a greater sense of awareness and concern around homelessness amongst the public and made the issue a local political priority. Many noted that unsheltered homelessness is greater than ever before, which has led to an increase in the amount of complaints from residents, business owners, and tourists. Stakeholders attributed the rising number of people experiencing homelessness to the region’s rapidly expanding population and increased urban and suburban development, which has displaced lower income households. The community’s high-cost, low-vacancy housing market, a loss of affordable housing stock, and high barriers to obtaining rental housing were also cited as reasons for increases in homelessness.

Despite these dynamics, several stakeholders agreed that the community’s approach to addressing homelessness is more collaborative and strategic than it has ever been. Stakeholders credited the provider community as being very strong, committed, and passionate in their work to reduce homelessness. There is also a strong sense of political will and commitment to address the issue, which many believe is a key strength of the local system that should be leveraged to achieve reductions in homelessness.

**Geographic Disparities:** During our interviews, issues related to the MRCoC’s large geographical expanse, as well as geographical disparities were mentioned. There is a general perception amongst stakeholders that the CoC is “Phoenix-centric” – with much of the community’s housing and services offered in Phoenix and the more eastern regions of the County surrounding Phoenix. Many mentioned a lack of housing, services, and Coordinated Entry System (CES) access points available in certain parts of the County, particularly the West Valley. Additional transportation, as well as an equitable distribution of CES access

points and resources throughout the region are needed to ensure people experiencing homelessness in all parts of Maricopa County can access assistance. Additionally, stakeholders said that greater cohesion and collaboration amongst all cities in the County would help ease these dynamics and gaps in resources.

**Coordinated Entry System:** Throughout the interviews, stakeholders spoke about the strengths and challenges of the existing Coordinated Entry Systems (CES) for family and single adult households. While stakeholders said CES has been instrumental in ensuring higher-need households receive housing assistance in a more streamlined way, challenges around access points, limited hours of operation, and assessment were mentioned. Nearly all stakeholders involved with efforts to serve family households said that CES access points for family households need to be expanded to cover a larger geographical span of the County. Additionally, stakeholders expressed that CES hours of operations should be assessed and expanded to ensure they adequately accommodate families. Stakeholders said that current practices of conducting CES activities during normal business hours is not easily accessible for families who work full-time jobs and/or must travel across the County to reach a CE access point. Adult CES, on the other hand, was generally said to be working smoothly. Stakeholders indicated there is a reasonably efficient flow-through to housing units, especially given the overall lack of housing resources available, and there is widespread, adequate geographical coverage.

Increased mobility of CE staff (i.e. conducting CE activities in day centers and emergency shelters throughout the county) was also recognized as a need for both family and single adult CES to more effectively “meet people where they’re at.” Stakeholders also identified assessment as an area for improvement – generally, people feel the current assessment tool, the VI-SPDAT, does not fully and accurately capture a household’s need and circumstance. A more comprehensive way to assess and prioritize people is seen as needed. Additionally, there seems to be a common perception amongst stakeholders that people who are the hardest to serve are not being prioritized for housing resources and the system needs to develop strategies for more effective targeting assistance to the most high-needs, vulnerable people. To ensure these housing placements are appropriate and successful, additional capacity for case conferencing around these high need households should be added.

**HMIS and Data Sharing:** Generally, stakeholders said the system’s Homeless Management Information System (HMIS) staff are competent, responsive, and data-savvy. The existing HMIS structure and staff have the capacity to pull performance reports on the system and at the program level. Some stakeholders said they wished that more data related to geography and the city in which clients currently reside was collected and reported on. Stakeholders also mentioned the need for more providers in the community to come to the table and participate in HMIS data collection and sharing to be more effective as a system. Further, stakeholders said that increased data sharing across other systems of care (i.e. police, criminal justice, behavioral health, hospital) and neighboring CoCs would help the system more effectively identify and serve individuals experiencing homelessness.

**Gaps in Resources, Housing Interventions, and Services:** This section describes system gaps, including resources, housing interventions, and services, identified by stakeholders.

*Diversion Activities and Assistance:* A common theme throughout the stakeholder interviews was the system’s lack of formal diversion and problem-solving resources, including training for staff on how to conduct diversion activities, funding for flexible diversion assistance, and implementation of consistent diversion activities throughout the system. While some diversion efforts are underway to help households assess and problem-solve around the resources they already have to achieve a housing solution, they are not yet system-wide and need to be brought to scale.

*Permanent Housing Supply and Landlord Engagement:* Stakeholders noted the County’s lack of affordable housing and other housing resources for people experiencing homelessness. Additional inventory of rapid rehousing (RRH) and funding for rental assistance are needed throughout the County. To ensure RRH is successful and to be able to place households in scattered-site units, the homeless response system must also expand efforts to engage and retain a steady base of community landlords willing to work with agencies to house people experiencing homelessness. While HOM, Inc. has been a key player in engaging and partnering with landlords within the community, several stakeholders said that efforts by more agencies in the CoC, in addition to HOM, Inc., to cultivate more relationships with community landlords, as well as the availability of more flexible dollars to incentivize and retain landlords would be beneficial.

Additionally, some stakeholders said that “losing” landlords from RRH programs due to property damage or other difficulties with tenants has been an issue. Arizona recently rolled out statewide funding for a Landlord Incentive Program, including some risk mitigation funds, which has been helpful for providers operating RRH programs – while this has helped ease the problem to a degree, stakeholders said that a greater availability of such flexible funds is still needed. Further, stakeholders said that system leadership, including MAG, as well as providers should bolster efforts to advocate for housing, landlord involvement in the CoC, and other resources to assist people experiencing homelessness.

*Permanent Supportive Housing:* While the system has undertaken efforts to identify and house those with the highest needs with permanent supportive housing (PSH) resources, many said that some PSH resources could be freed up to accommodate more households. Currently, a majority of the PSH stock is scattered-site, rather than site-based. Some suggested implementing “moving on” strategies to increase turnover of PSH units by assisting people who no longer need PSH-level support to identify new housing opportunities. Additionally, some stakeholders said that the system has room to improve efforts to engage and connect people with mental and behavioral needs to appropriate resources, services, and housing.

*Supports for Households Once Housed:* In addition to increased funding and capacity for permanent housing interventions, stakeholders said that improving and expanding long-term and “aftercare” services and supports for individuals housed through PSH and RRH would prevent returns to homelessness.

*Emergency Shelter and Bridge Housing:* During our interviews, stakeholders commonly mentioned a gap in the supply of emergency shelter beds, including low-barrier shelter programs that serve all demographics. For instance, one stakeholder stressed the lack of shelter for individuals who have convictions for sexual offenses. Some also mentioned that the system is not capturing how many people are attempting to access shelter but being turned away; such data may shed light on the exact number of shelter beds needed and possible barriers to shelter entry in the community. In addition to emergency shelter, several people mentioned the need for “bridge housing” programs for high need households to access while waiting for PSH and RRH units to become vacant. Such bridge housing would help streamline processes related to CE and referral, including locating households and getting clients’ documents in order prior to referral.

**Subpopulations Experiencing Homelessness:** This section summarizes input regarding the various subpopulations of people experiencing homelessness in the Maricopa Region.

*Chronic Homelessness and Veterans:* There has been a great deal of buy-in and momentum around ending Veteran and chronic homelessness within the region, which has led to reductions in homelessness amongst these populations. Several stakeholders pointed to a new Supportive Services for Veteran

Families (SSVF) diversion program through the VA as a promising initiative to further reduce Veteran homelessness. Additionally, the community recognizes that a great deal of resources have been dedicated to housing those who meet the HUD chronically homeless definition – however, some noted that there is so much emphasis on this population that other subpopulations may be disadvantaged in the services and resources available to them.

*Families:* Family households were commonly mentioned as lacking access to appropriate, adequate housing and other resources, as compared to the single adult population, due to deficiencies in funding for family programs. As previously mentioned, family CES access points and hours of operations should be expanded to ensure a greater number of families have access to system resources, according to stakeholders.

*Victims of Domestic Violence:* Some stakeholders said that victims and survivors of domestic violence are overlooked in the MRCoC. Some said that system-wide data policies and planning efforts do not consider the safety issues facing individuals fleeing domestic violence and that inputting personal information into HMIS is often inappropriate for this segment of the population. Additionally, those fleeing domestic violence must access CES through a domestic violence-designated CE access point, regardless of clients' wishes or needs. Stakeholders expressed feeling that the system's overall approach to assisting this population is not client-centered or trauma-informed, and there is a need for greater collaboration with and education from larger domestic violence providers and advocacy agencies.

**Governance Structure and Role of MAG:** During the interview process, stakeholders were asked to provide insight on the governance structure of the Maricopa Regional CoC led by MAG. Overall, stakeholders were appreciative of MAG's willingness and ability to help the community and resolve issues that may arise within the CoC. MAG is seen as passionate and committed to the cause of ending homelessness, and its staff are "very competent and good at their jobs." However, some noted that there is still some room for organizational and staff capacity-building at MAG to ensure they can effectively meet the needs of the provider community and lead on the issue of homelessness.

Some challenges of the existing governance structure identified by stakeholders included that the MAG tends to be "too prescriptive with what HUD wants," which limits the involvement of the provider community and consideration of community input and desires. "MAG could be stronger in the [HUD CoC] application process to better include what we want and need as a community," one stakeholder said. While MAG is seen as offering a "firm hand while also still bringing everyone to the table," many feel they are primarily driven by requirements and requests of the federal government. "[MAG] is more interested in being informative and less interested in hearing perspective of everyone in the community," one person noted. "They need to more openly communicate and conversate [sic] with the community."

There is also a perception that the existing CoC structure and MAG's position as a quasi-governmental planning agency has resulted in "too many layers of bureaucracy and an inability to act swiftly or strategically." MAG is seen by some stakeholders as unable to take a hard stance on any particular subject or "be a true leader within the CoC" because the agency is very risk-averse. Many said that they wished MAG could play a greater role in advocating for the CoC, in areas related to funding, political attention, and other issues related to homelessness. Several stakeholders suggested that MAG could play a key role in encouraging all cities in the County – not just Phoenix – to "step up" and do their part in addressing and solving the issue of homelessness.

Finally, several people said that adjustments to the structure and role of the CoC Board should be made. Increased clarity around roles and processes are needed to distinguish what the Board can and cannot make decisions on. Further, although some concerns about recipients of CoC funding sitting on the Board exist, stakeholders recognized a need for greater provider representation on the Board to truly reflect the needs and desires of the provider community. However, the roles of those providers who sit on the Board must be clearly defined to avoid protection of organizational and/or personal interests.

**System Culture and Approach to Homeless System Planning:** Throughout our interviews, stakeholders frequently noted a culture of competition amongst provider agencies, as a result of agencies “fighting” for funding for their programs through the HUD CoC application and other funding processes. This focus on acquiring and maintaining funding has prevented providers from fully collaborating and coordinating as a system working towards the common goal of ending homelessness. As a result, efforts to reduce homelessness remain somewhat siloed. “Providers are very narrowly funding-focused and less focused on doing what they can with the resources already available,” one stakeholder said. “Stakeholders within the CoC have competing policy priorities, which makes it difficult for everyone to get on the same page and work in sync,” another stakeholder said. Stakeholders suggested the community needs to take a more strategic and innovative approach to system planning, including through the annual HUD NOFA process, to be the most effective in its efforts to curb homelessness – however, this would require providers to set aside personal and organizational interests for the common good of the community. To be more strategic and innovating in its system planning efforts, the community must fully embrace local data efforts and making data-driven decisions, stakeholders said. This involves monitoring system and program level performance on a regular basis and being willing to making funding decisions accordingly.

**Collaboration and Coordination with Other Systems of Care:** Throughout our interviews, stakeholders identified increased collaboration and coordination with outside systems of care, such as hospitals, criminal justice, mental health, and child protective services as a key opportunity for the homeless response system. In Maricopa County, the homeless system and other mainstream systems tend to be siloed and need improved connection to one other, including data sharing and collaboration on the leadership level, to provide comprehensive care to individuals experiencing homelessness.

Successes already achieved in this area include the Maricopa County Correctional Health Services’ dedication of resources to housing and otherwise assisting individuals experiencing homelessness who are also criminal justice-involved. In 2017, the County Board of Supervisors approved nine contracts, amounting to \$1.3 million, for rapid rehousing, supportive services, and emergency shelter. Stakeholders also shared that Maricopa County Correctional Health Services successfully pulled together local data related to behavioral health, homelessness, and jail recidivism to understand and demonstrate how targeting housing to people with serious mental illness can reduce homelessness and jail recidivism. Findings of this project showed that a majority of people who are chronic offenders, which involved being booked at least 15 times, are homeless (around 93%). Stakeholders said this initiative has been well-received by the homeless system and greater community, reduced stigma around this population, and opened the doors for greater partnerships amongst local systems of care to make an impact on the homeless population.

### Maricopa Regional Continuum of Care Stakeholder Interview Participants

Name	Title	Organization	Date of Interview
Allie Bones	Chief Executive Officer	AZ Coalition to End Sexual and Domestic Violence	May 24, 2018
Andy Wambach	CE Lead, Singles	Lodestar Day Resource Center	May 23, 2018
Betsy Long	Domestic Violence, Homeless and Hunger Program Administrator, AZ Department of Economic Security	AZ Department of Economic Security	May 15, 2018
Brad Bridwell	Director of National Operations	Cloudbreak Communities	May 18, 2018
Charles Sullivan	Director of Housing	Arizona Behavioral Health Corporation	May 22, 2018
Chela Schuster	Senior Director, Housing	UMOM	May 17, 2018
Dawn Noggle	Mental Health Director	Mar. County Correctional Health Services	May 23, 2018
Debbie Pearson	Senior Human Services Development Dept.	City of Peoria	May 22, 2018
Jacki Taylor	CEO and Committee Chair	Save the Family	May 21, 2018
Jerry Weiers	Mayor	City of Glendale	May 31, 2018
Kathy Di Nolfi	Chief Program Officer	A New Leaf	May 21, 2018
Lisa Glow	Chief Executive Officer	Central Arizona Shelter Services	May 25, 2018
Martha Myers	CAP Programs Manager	Azcent	May 14, 2018
Megan Conrad	Statewide Independent Living Coord.	Department of Child Safety	May 18, 2018
Mike Shore	Chief Executive Officer	HOM, Inc.	May 17, 2018
Rachel Milne	Assistant Director, Housing and Community Development and ESG Subcommittee Chair	Maricopa County	May 17, 2018
Rob Ferraro	Police Officer	City of Tempe	May 14, 2018
Tad Gary	Administrator and Chief Operating Officer	Mercy Maricopa Integrated Care	May 18, 2018
Vicki Helland	Senior Director of Housing	Community Bridges	May 23, 2018

### Appendix C: HOM, Inc. Vs. Non-HOM, Inc. Rapid Rehousing Performance

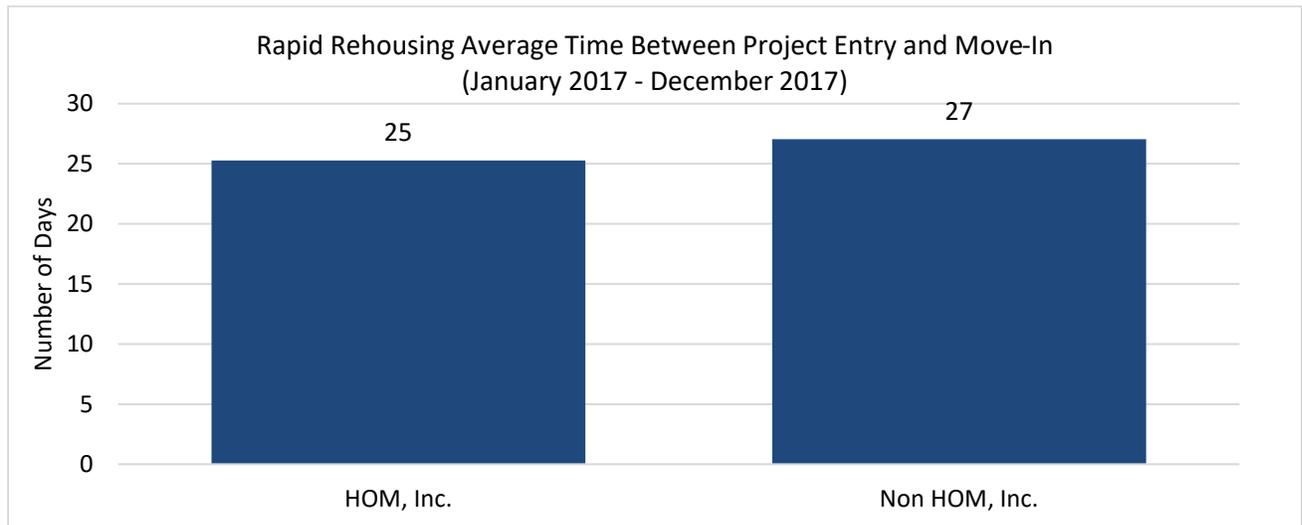
A total of 14 out of 17 rapid rehousing projects in this report utilize HOM, Inc. services. HOM, Inc. is an organization that facilitates connections between landlords and potential tenants by identifying available housing and providing case management related to rental and move-in assistance. Focus Strategies analyzed RRH programs using HOM, Inc. services against those that do not to assess whether the rental assistance services have an impact on outcomes for rapid rehousing programs.

Overall, we found that properties employing HOM, Inc. services have:

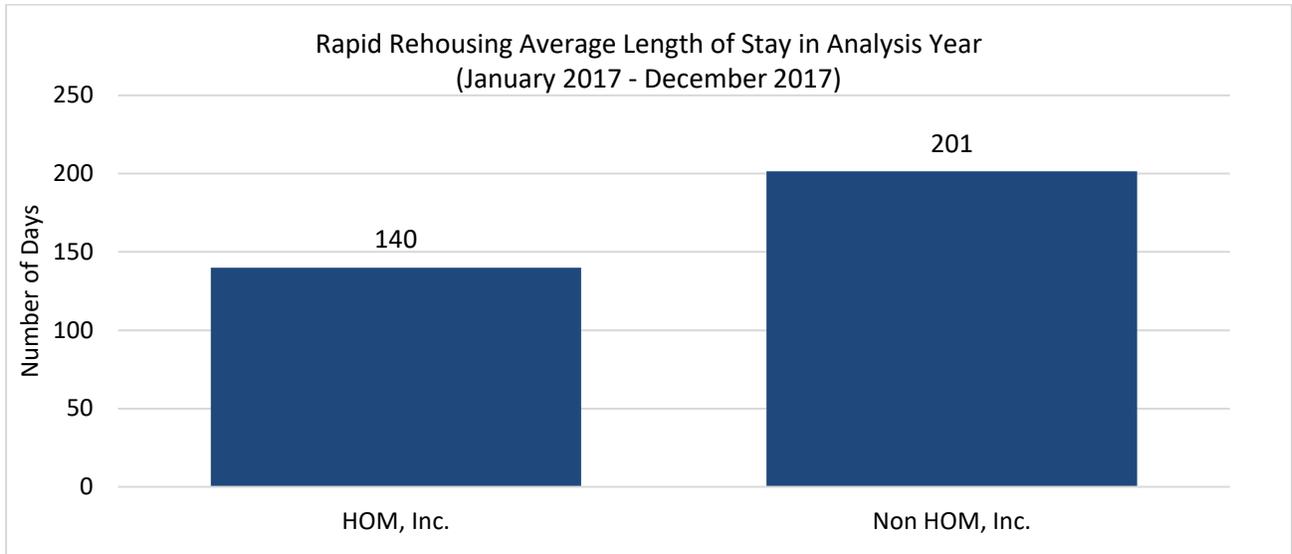
- Slightly shorter timeframes from point of project entry to move-in to a housing unit;
- 30 percent shorter lengths of stay in rapid rehousing programs;
- Roughly equal amount of exits to housing compared to non-HOM, Inc. programs, although HOM, Inc. -serviced programs do experience more exits to unknown destinations;
- A cost per exit to housing that is about half the cost of non-HOM, Inc. programs; and
- An equal probability (6%) of households returning to homelessness following a permanent housing exit.

While not all of these outcomes can be attributed to the assistance provided by HOM, Inc., shorter timeframes from project entry to move-in result are related to lower cost, which does not appear to increase likelihood of returning to homelessness.

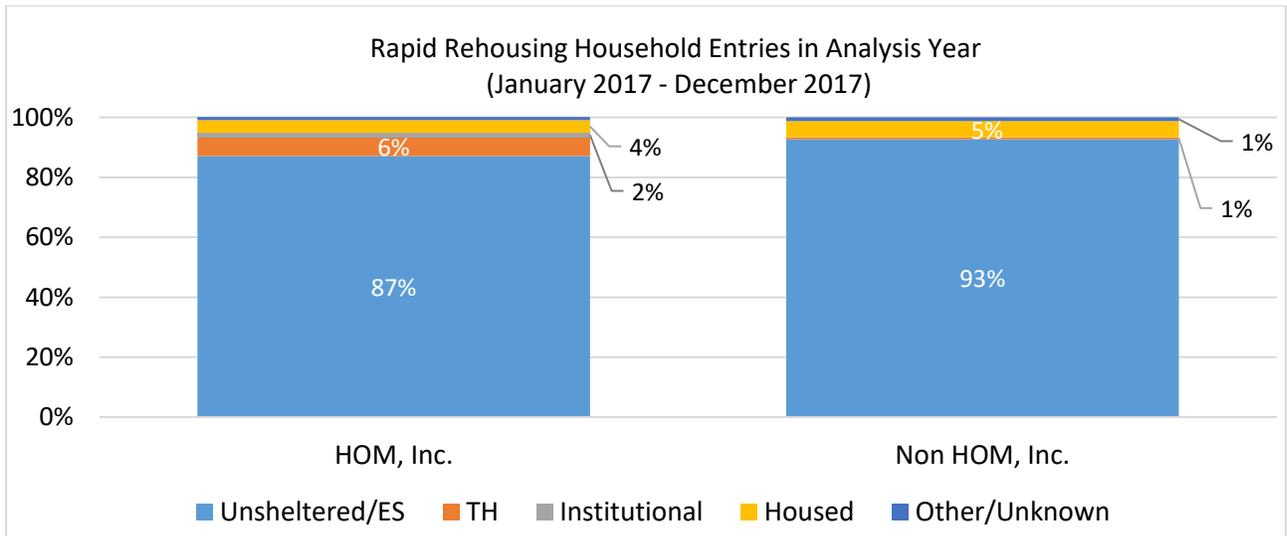
The graph below illustrates the average time elapsed between program entry and housing based on referral to HOM, Inc.-serviced programs as compared to non-HOM, Inc.-serviced programs. On average, households entering rapid rehousing projects moved into housing units 2 days earlier when serviced by HOM, Inc.



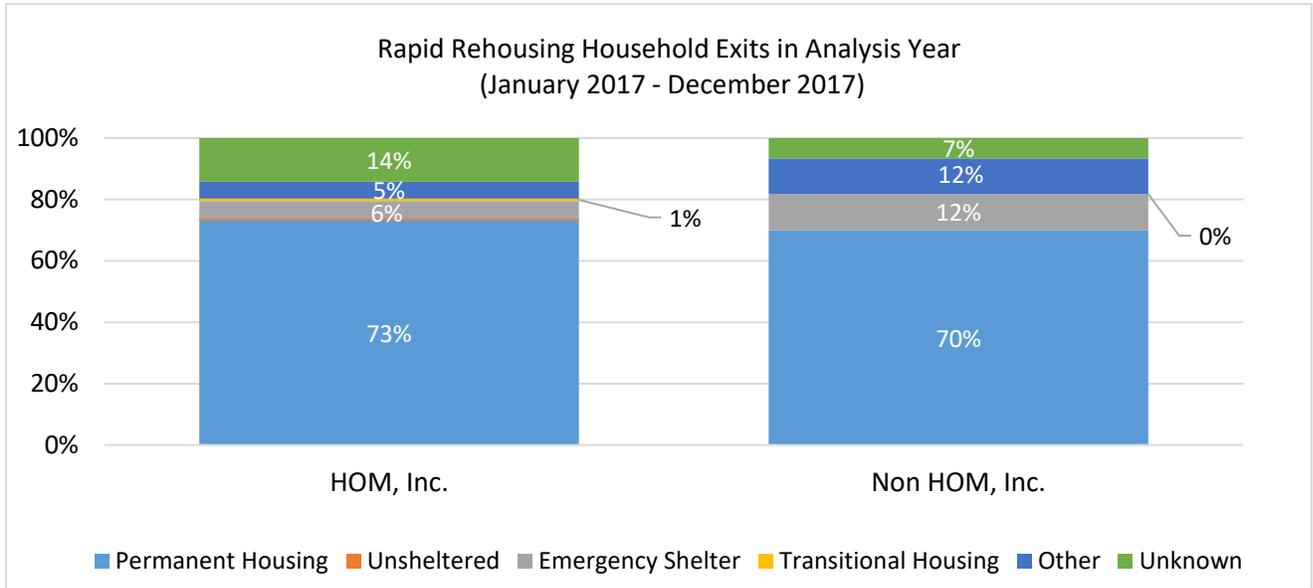
The following graph looks at the average length of stay in rapid rehousing programs for HOM, Inc. versus non-HOM, Inc. RRH programs. The analysis indicates that those connected to HOM, Inc. services exited to housing 30 percent faster than those without services.



The following graph provides a snapshot of aggregate housing circumstances prior to entering the rapid rehousing program, broken out by whether the household was referred to programs with HOM, Inc. services or not. As the graph demonstrates, HOM, Inc. programs tend to receive more households from transitional housing while non-HOM, Inc. programs tend to receive more households from emergency shelter or who were unsheltered prior to rapid rehousing.



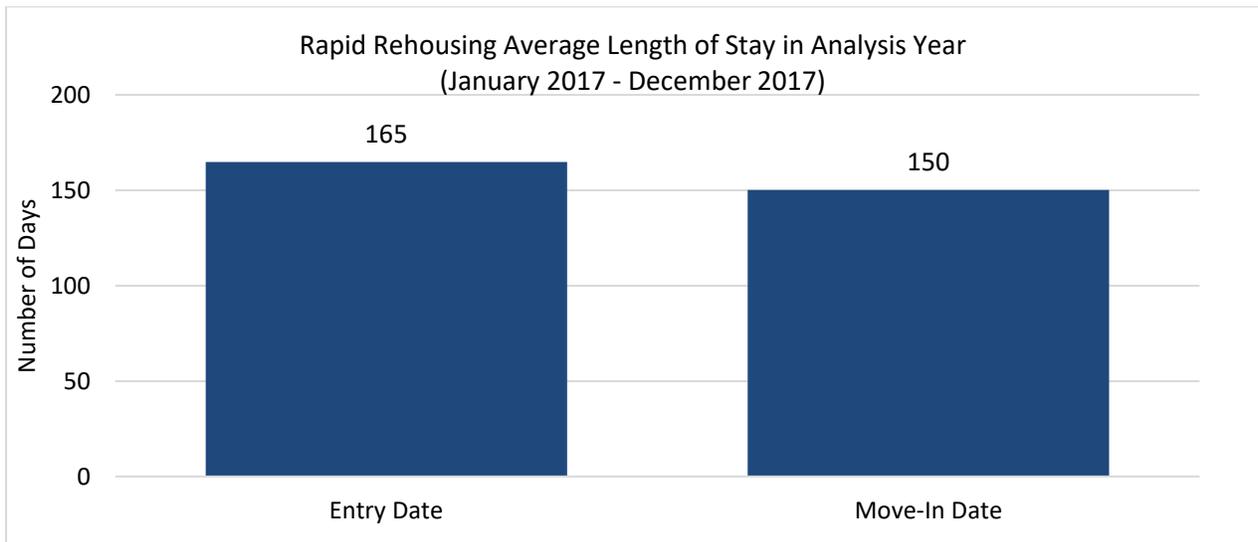
The graph below indicates where households exit to upon leaving rapid rehousing programs. As shown, both types of programs yield roughly equal exits into housing units. It is noteworthy however to consider that HOM, Inc. programs tend to have higher rates of exits into unknown destinations as compared to their non-HOM, Inc. counterparts.



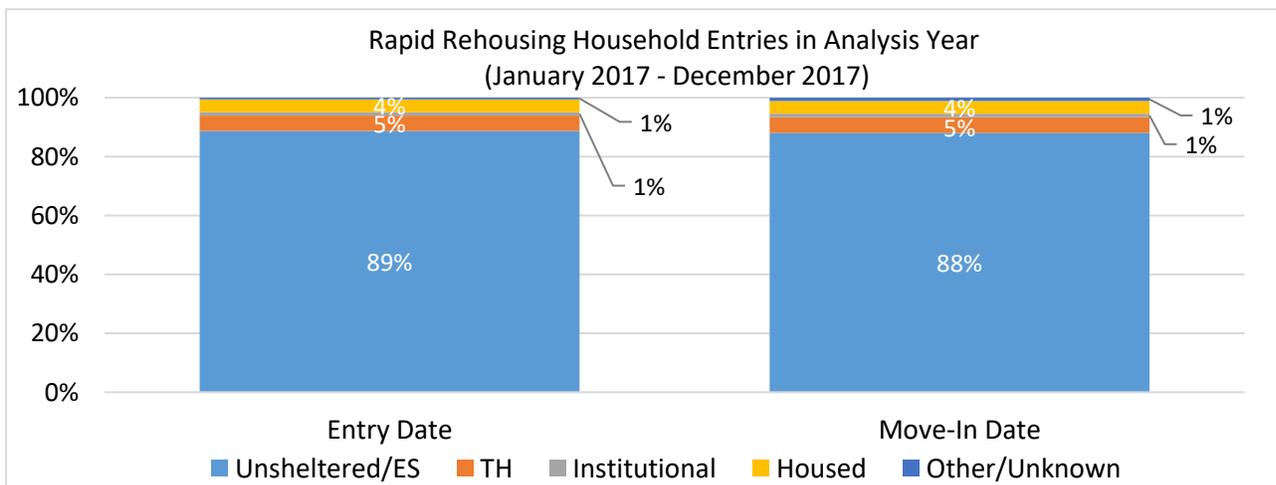
**Appendix D: Rapid Rehousing Performance Using Enrollment Date Versus Move-In Date**

To better understand the performance of rapid rehousing programs, the following analysis was conducted on rapid rehousing programs with move-in dates acting as the starting point for program stay rather than program enrollment dates. Overall, our analysis shows that for the average household, there is a slight decrease in average length of stay when using move-in date as a baseline as compared to entry date and a slight decrease in cost associated per exit; results that are expected when shifting timelines to reflect shorter dates. Overall for all other categories of household entries and program exits, the results remain on par regardless of the date used as a starting point.

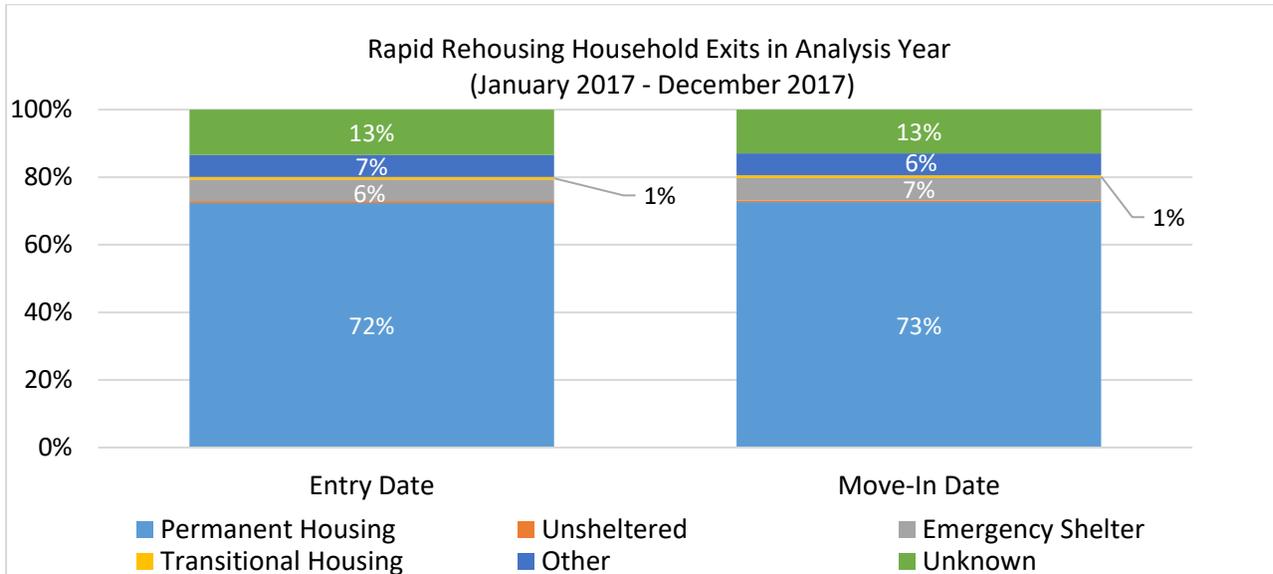
As shown in the graph below, average lengths of stay are 15 days longer when using entry date in the rapid rehousing program as a starting point as compared to move-in date.



When looking at the breakdown of household entries into the rapid rehousing program using move-in date as a proxy for entry date, there is little difference in the makeup of households prior to engaging in services.



The graph below shows the exit destinations of households upon exiting the rapid rehousing program. There is little distinguishable difference in exit destinations when using either entry date or move-in date as the baseline for analysis.

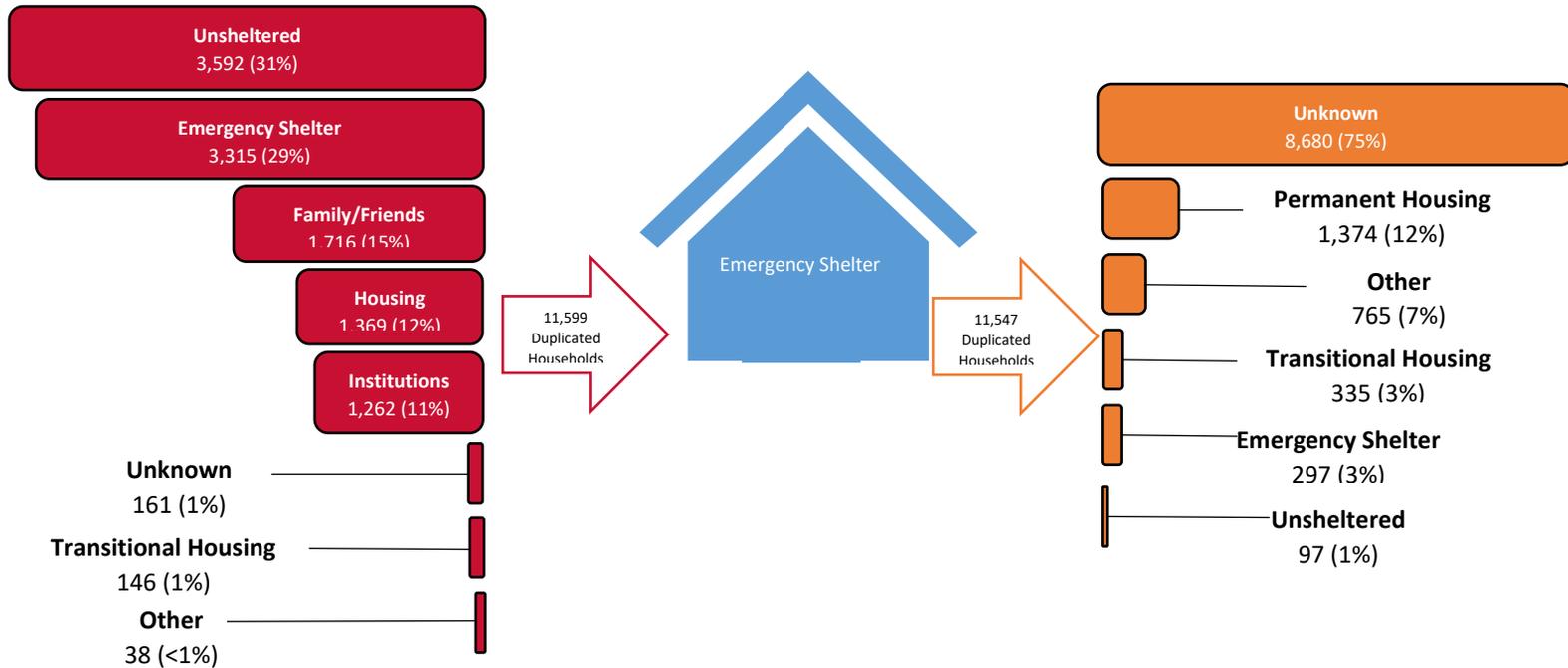


Lastly, the following graph shows the average cost associated with exiting a household into housing. As expected, the average cost per exit is lower when using move-in date (\$7,281) as compared to program entry date (\$8,264), likely due to the reduced number of days associated with using move-in date as a baseline.



## Appendix E: System Mapping Diagrams

### Emergency Shelter



#### ES Entries from Institutions – 1,262 (11%)

Hospital	469 (4%)
Jail	258 (2%)
Psychiatric Hospital	216 (2%)
Treatment Facility	173 (1%)
Other (Foster care, long term care facility, residential project)	146 (1%)

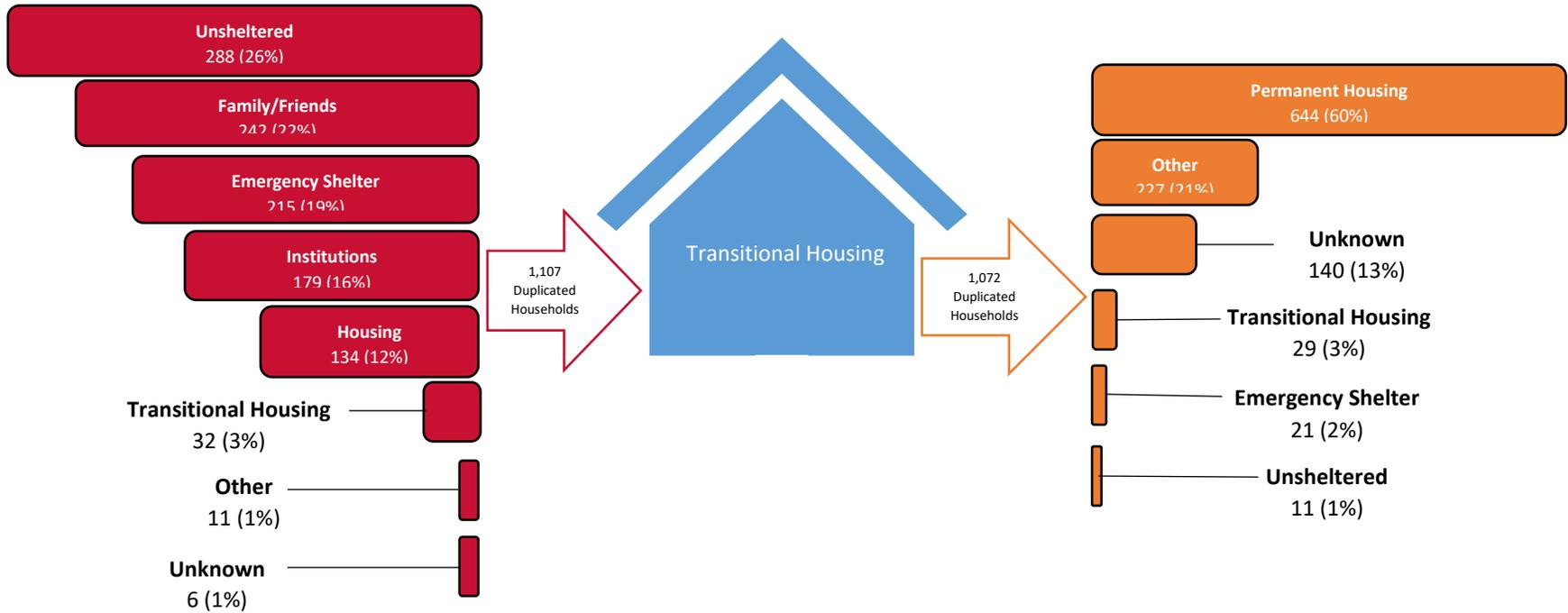
#### ES Other Exits – 765 (7%)

Institutions (Foster care, hospital, jail, long term care, psych hospital, residential project, treatment facility)	275 (2%)
Family/Friends (Temporary)	245 (2%)
Other (Deceased, Hotel/Motel, SH, Other)	245 (2%)

#### ES Exits to Permanent Housing - 1,374 (12%)

PH with Subsidy (owned w/ ongoing, rental w/ VASH, rental w/ GPD TIP, rental w/ other, rental w/ RRH)	528 (5%)
PH No Subsidy (owned no subsidy, rental no subsidy)	477 (4%)
Family/Friends (Permanent) (stay w/ fam perm, stay w/ friends perm)	292 (3%)
Other Permanent Housing (Moved from one HOPWA to HOPWA PH, Permanent Housing)	77 (1%)

## Transitional Housing

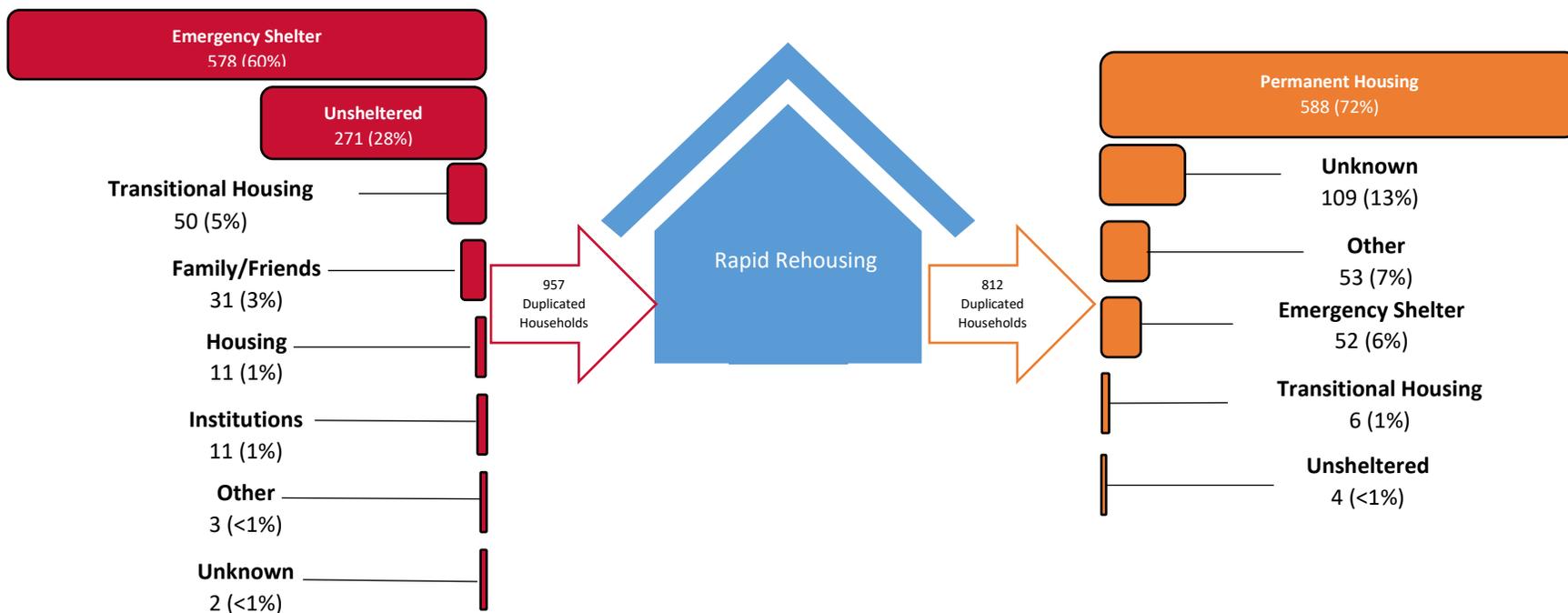


TH Entries from Institutions – 179 (16%)	
Treatment Facility	58 (5%)
Psychiatric Hospital	43 (4%)
Hospital	39 (4%)
Jail	36 (3%)
Other (Foster care, long term care facility, residential project)	3 (<1%)

TH Other Exits – 227 (21%)	
Family/Friends (Temporary)	95 (9%)
Institutions (Foster care, hospital, jail, long term care, psych hospital, residential project, treatment facility)	83 (8%)
Other (Deceased, Hotel/Motel, SH, Other)	34 (3%)

TH Exits to Permanent Housing - 644 (60%)	
PH No Subsidy (owned no subsidy, rental no subsidy)	287 (27%)
PH with Subsidy (owned w/ ongoing, rental w/ VASH, rental w/ GPD TIP, rental w/ other, rental w/ RRH)	208 (19%)
Family/Friends (Permanent) (stay w/ fam perm, stay w/ friends perm)	120 (11%)
Other Permanent Housing (Moved from one HOPWA to HOPWA PH, Permanent Housing)	37 (3%)

## Rapid Rehousing

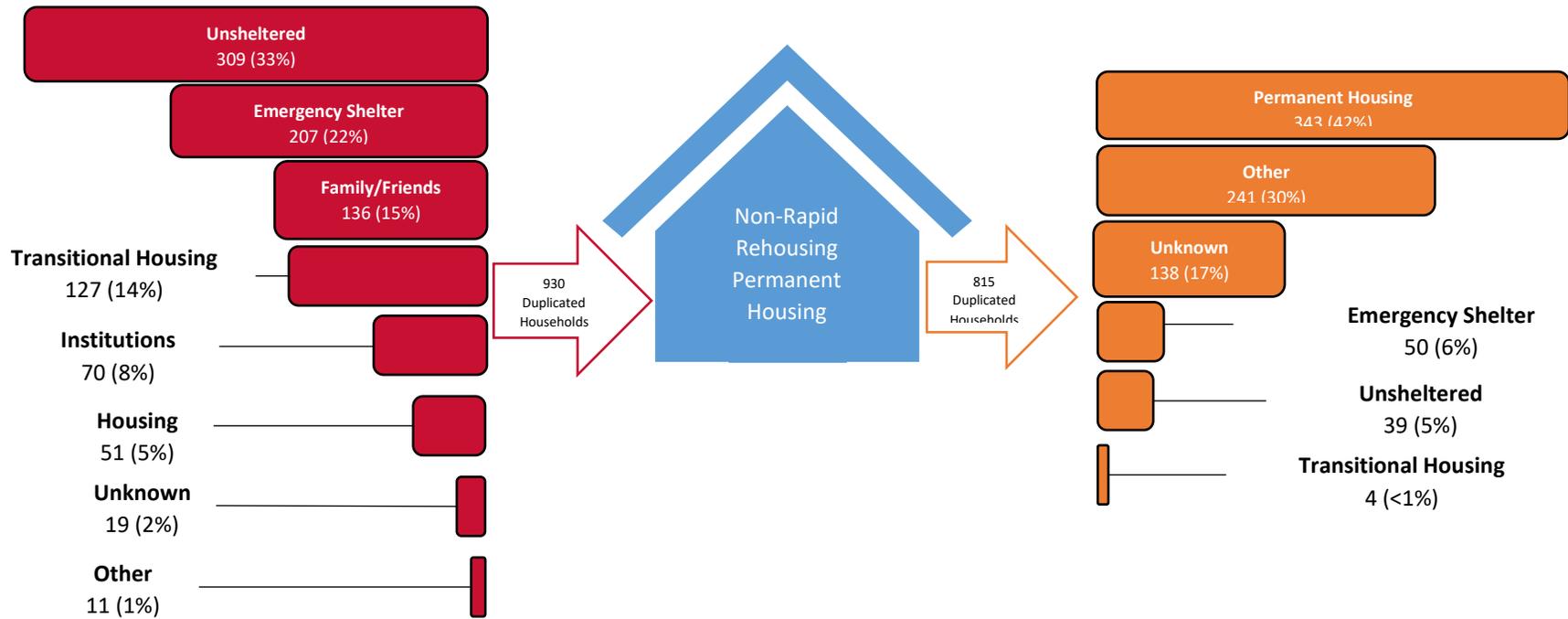


RRH Entries from Institutions – 11 (1%)	
Psychiatric Hospital	3 (<1%)
Jail	2 (<1%)
Hospital	2 (<1%)
Treatment Facility	2 (<1%)
Other	2 (<1%)

RRH Other Exits – 52 (7%)	
Family/Friends (Temporary)	22 (3%)
Institutions (Foster care, hospital, jail, long term care, psych hospital, residential project, treatment facility)	16 (2%)
Other (Deceased, Hotel/Motel, SH, Other)	14 (2%)

RRH Exits to Permanent Housing - 588 (72%)	
PH No Subsidy (owned no subsidy, rental no subsidy)	471 (58%)
PH with Subsidy (owned w/ ongoing, rental w/ VASH, rental w/ GPD TIP, rental w/ other, rental w/ RRH)	78 (10%)
Family/Friends (Permanent) (stay w/ fam perm, stay w/ friends perm)	34 (4%)
Other Permanent Housing (Moved from one HOPWA to HOPWA PH, Permanent Housing)	5 (1%)

## Non-Rapid Rehousing Permanent Housing



### Non-RRH PH Entries from Institutions – 70 (8%)

Other	37 (4%)
Treatment Facility	16 (2%)
Hospital	10 (1%)
Psychiatric Hospital	7 (1%)
Jail	2 (<1%)

### Non-RRH PH Other Exits – 241 (30%)

Other (Deceased, Hotel/Motel, SH, Other)	109 (13%)
Institutions (Foster care, hospital, jail, long term care, psych hospital, residential project, treatment facility)	92 (11%)
Family/Friends (Temporary)	40 (5%)

### Non-RRH PH Exits to Permanent Housing - 343 (42%)

Family/Friends (Permanent) (stay w/ fam perm, stay w/ friends perm)	24 (17%)
PH No Subsidy (owned no subsidy, rental no subsidy)	74 (13%)
PH with Subsidy (owned w/ ongoing, rental w/ VASH, rental w/ GPD TIP, rental w/ other, rental w/ RRH)	136 (9%)
Other Permanent Housing (Moved from one HOPWA to HOPWA PH, Permanent Housing)	109 (3%)

## Appendix F: Modeling Analysis

The Maricopa Association of Governments (MAG) asked that Focus Strategies model the system impacts of changes in inventory as well as the achievement of a set of performance targets in all projects of each program type. This appendix summarizes the results of this modeling analysis using system performance data collected from HMIS for the period from January 2016 through December 2017. Our modeling projects changes to the population of homeless single adults and families with children over the next three years, through the year 2021.

Overall, the modeling illustrates that if the Maricopa Regional Continuum of Care continues with the planned inventory changes and does not improve performance across program types and all performance measures, unsheltered homelessness will continue to rise through 2021. The model suggests, however, that by implementing performance targets, either fully by 2019 or with gradual implementation across three years, unsheltered homelessness in the Maricopa region can be essentially resolved.<sup>23</sup>

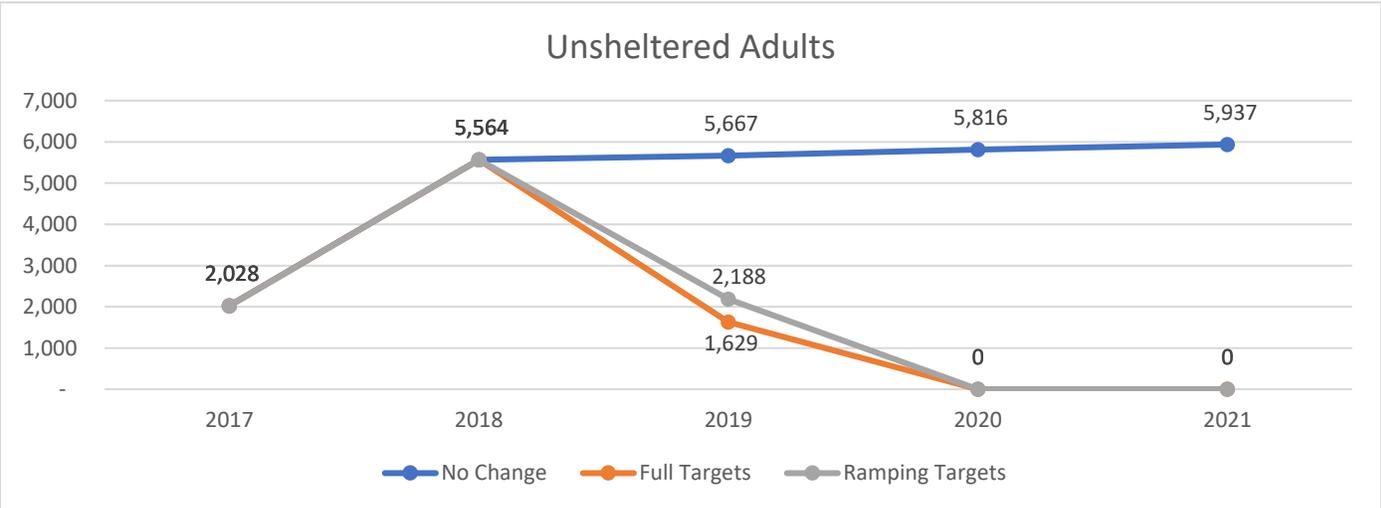
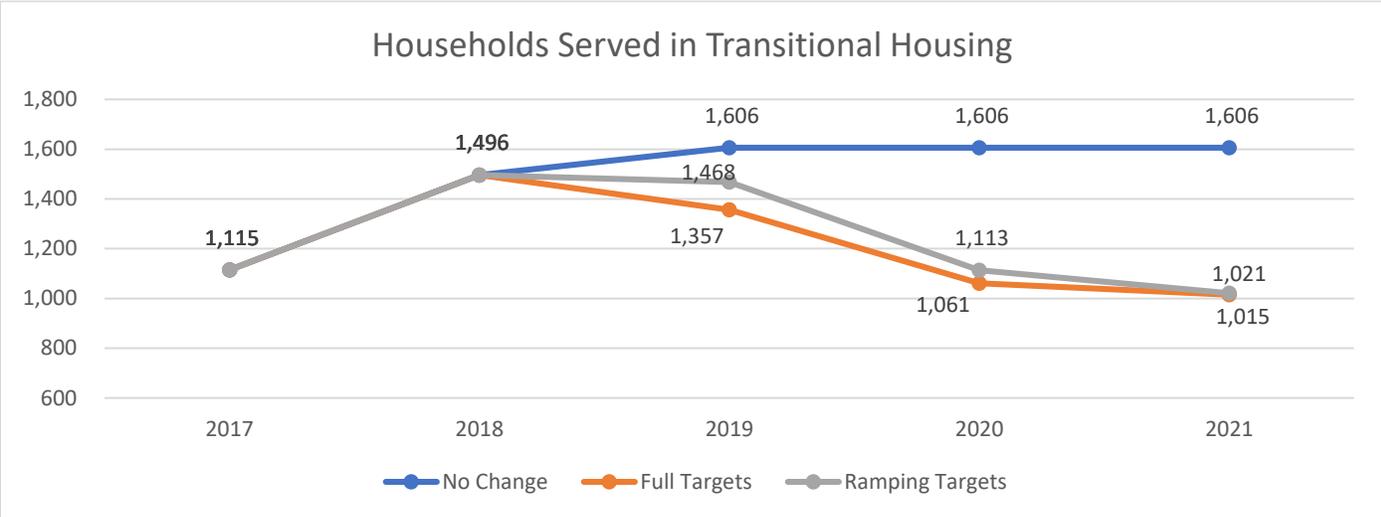
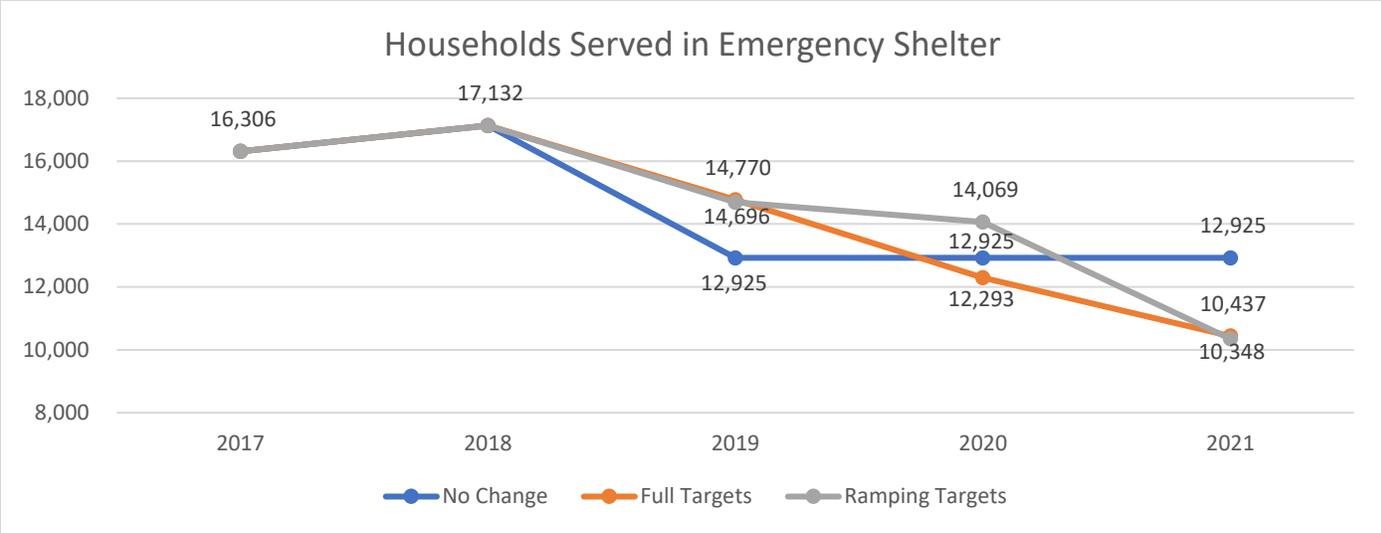
The following three graphs illustrate the modeling results. The 2017 data originates from the BYC, and changes in program and bed inventory are reflected in both 2018 and 2019 (for specific inventory changes, see section below labeled Inventory Changes). In addition, three options are shown for 2019 through 2021:

- 1) Making no additional inventory changes and keeping performance on all measures the same (No Change);
- 2) Fully implementing utilization rate, length of stay, and rate of exit to permanent housing performance targets in 2019 while gradually improving entries from homelessness through 2021 (Full Targets; for specific performance targets see section below labeled Performance Targets); or
- 3) Gradually implementing all targets over three years (Ramping Targets).

The first graph shows the total number of households served in emergency shelter over the course of each year (most of whom are single adults), the second graph shows the total number of households served in transitional housing, and the third graph shows the number of unsheltered households expected by the end of the year.

The steep decline in households served in shelter in 2019 (No Change) represents the impact of the closure of 275 beds at Saint Vincent De Paul emergency overflow shelter. Improved performance at the remaining shelters allows more households to be served over the course of 2019 (Full Targets and Ramping Targets). Households served in shelter decline over the next two years as the number of unsheltered households decline. By 2021, households becoming unsheltered over the course of the year are able to be quickly served in the existing homeless system; the crisis response system has attained a functional equilibrium and “no” people experiencing unsheltered homelessness are evident after 2019 (more detailed modeled numbers are found in a series of tables at the end of this appendix).

<sup>23</sup> This assumes a sufficient supply of accessible and affordable housing for those exiting homelessness.



## Inventory Changes

Since the HMIS data used was for 2017 and it is currently the end of 2018, the model was “brought up to date” with information about inventory changes provided by MAG. The inventory was also updated to reflect planned changes for 2019. Specific inventory changes are listed below:

### Changes to 2017 Inventory

- Added
  - ES project Faith House – 8 beds and 11 family units
  - TH project Faith House – 5 family units
  - RRH City of Glendale – 9 beds and 4 family units
  - RRH UMOM – AZ DOH – 43 family units

### Changes to 2018 Inventory

- Removed
  - PSH UMOM Tumbleweed PSH - 14 TAY beds (project closed)
  - ES UMOM Open Hands – 10 child-only beds (project closed)
  - RRH UMOM DES ESG - 12 family units (project closed)
  - RRH Halle Women’s Center DES ESG - 12 beds (project closed)
- Expanded
  - ES UMOM Watkins Shelter/Halle Women’s Center – from 120 to 128 adult beds
  - ES UMOM New Day Center – from 76 to 104 family units
  - ES Family Promise - from 12 to 16 family units
  - RRH UMOM AZ DOH – from 43 to 83 units
- Added
  - ES Lutheran Social Services of the Southwest I-HELP– 12 beds
  - ES Native American Connections Homebase Emergency Living Center – 23 TAY beds
  - RRH AZCEND ESG – 1 family unit
  - RRH Community Bridges CBI-SSVF-RRH – 36 veteran beds
  - RRH Community Bridges CBI East Valley – 14 beds
  - RRH UMOM Tumbleweed DES ESG – 30 TAY beds
  - RRH UMOM DOH Youth RRH – 30 TAY beds
  - PSH Arizona Behavioral Health Corp PSH 2016 Bonus – 2 family units, 108 beds
  - PSH Community Bridges CBI Bonus Project II – 54 beds
  - PSH Community Bridges CBI Bonus Project III – 25 beds
  - PSH Native American Connections Camelback Pointe – 54 beds
  - PSH UMOM PSH for Youth Too – 15 TAY beds
  - RRH Save the Family (UMOM/DES-ESG) – 6 family units

### Anticipated Changes to 2019 Inventory

- Removed
  - ES SVDP – 275 beds (project closed)
  - PSH Arizona Housing Inc. Collins Court – 26 beds (project closed)
  - PSH A New Leaf Madison Heights – 30 family units (project closed)
- Added

- TH A New Leaf – 5 units for families and 20 beds for single adults
- RRH A New Leaf – 25 units for families and 55 beds for single adults
- PSH CBI 12 – 12 beds for chronically homeless adults
- PSH Stepping Stones III – 35 beds for chronically homeless adults

Performance Targets

	Emergency Shelter	Transitional Housing	Rapid Rehousing	Permanent Supportive Housing
Utilization Rate				
FS Recommended Target*	95%	95%	NA	95%
FS Recommended Minimum**	85%	85%	NA	85%
Current Performance (BYC)	98%(S) / 87%(F)	96%(S) / 81%(F) / 100%(M)	NA	92%(S) / 100%(F) / 83%(M)
Proposed for Modeling	maintain (S) / 95% (F)	maintain (S) (M) / 95% (F)	NA	95% (S) (M) / maintain (F)
Length of Stay				
FS Recommended Target*	30 days	90 days	120 days	See Note***
FS Recommended Minimum**	90 days	150 days	180 days	
Current Performance (BYC)	25 days (S) / 74 days (F)	108 days (S) / 264 days (F) / 327 days (M)	152 days (S) / 194 days (F) / 160 days (M)	
Proposed for Modeling	maintain (S) / 45 days (F)	90 days (S) / 150 days (F) (M)	150 days (S) (F) (M)	
Exit Rate to PH				
FS Recommended Target*	50% (S) / 80% (F)	85% - 90%	85% - 90%	See Note***
FS Recommended Minimum**	40% (S) / 65% (F)	80%	Between 80% and 95%	
Current Performance (BYC)	10% (S) / 47% (F)	58% (S) / 66% (F) / 57% (M)	70% (S) / 73% (F) / 78% (M)	
Proposed for Modeling	35% (S) / 65% (F)	80% (S) (F) (M)	85% (S) (F) (M)	
Entries From Homelessness				
FS Recommended Target*	85% unsheltered (10% housed, 5% other)	10% unsheltered, 85% ES (total 95%)	10% unsheltered, 85% ES (total 95%)	10% unsheltered, 85% ES (total 95%)

	Emergency Shelter	Transitional Housing	Rapid Rehousing	Permanent Supportive Housing
FS Recommended Minimum**	75% unsheltered (S) / 50% unsheltered (F)	75% unsheltered/ES	75% unsheltered/ES	75% unsheltered/ES
Current Performance (BYC)	Unsheltered - 30% (S) / 20% (F)	Unsh/ES - 45% (S) / 44% (F) / 50% (M)	Unsh/ES - 86% (S) / 91% (F) / 91% (M)	Unsh/ES - 78% (S) / 44% (F) / 44% (M)
Proposed for Modeling	75% (S) / 75% (F)	Unsh/ES - 75% (S) (F) (M)	Unsh/ES - 95% (S) (F) (M)	Unsh/ES - 85% (S) (F) (M)

\*Target: Focus Strategies uses "Recommended Target" to refer to an attainable program ideal, or the ultimate goal programs should work towards.

\*\*Minimum: Focus Strategies uses "Recommended Minimum" to refer to the point below which local contracting consequences are initiated (e.g., loss of funding, performance improvement plans).

\*\*\*PSH Performance: PSH performance requires a more nuanced approach on these dimensions which takes into account turnover rate. Focus Strategies is working on the development of these measures.

### Detailed Modeling Results

In addition to the inventory changes and performance targets referenced above, the models Focus Strategies created incorporated two important assumptions. First, based on observation and evidence beginning to accumulate, we have made the assumption that 20% of households who become homeless will self-resolve their homelessness without the use of homeless system resources. Second, HMIS staff working with the Maricopa Regional Continuum of Care staff provided an estimate for the number of newly homeless people per year, which was based on the number of people new to street outreach. This estimate was 2,976 and we incorporated it as an input for the model. The tables below present the output of the three models described.

#### 1. Analysis With Continued Current Performance (No Change)

	# of Adult Households Served					
	2017	2018	2019	2020	2021	% change from 2017
Emergency Shelter	15,521	16,122	11,915	11,915	11,915	-23%
Transitional Housing	835	1,031	1,114	1,114	1,114	+33%
Total	16,356	17,153	13,029	13,029	13,029	-20%
	# of Family Households Served					
	2017	2018	2019	2020	2021	% change from 2017
Emergency Shelter	785	1,010	1,010	1,010	1,010	+29%
Transitional Housing	280	465	492	492	492	+76%
Total	993	1,475	1,502	1,502	1,502	+51%

Unsheltered Households						
	End of 2017	End of 2018	End of 2019	End of 2020	End of 2021	% change from 2017
Adult Unsheltered HHs	2,020	5,563	5,666	5,811	5,928	+193%
Family Unsheltered HHs	8	1	1	5	9	+13%
Total Unsheltered HHs	2,028	5,564	5,667	5,816	5,937	+193%

Unused Adult Inventory					
	2017	2018	2019	2020	2021
Emergency Shelter	0	23	0	0	0
Transitional Housing	0	14	0	0	0

Unused Family Inventory					
	2017	2018	2019	2020	2021
Emergency Shelter	0	0	0	0	0
Transitional Housing	0	31	19	19	19

2. Analysis Fully Implementing Performance Targets in 2019 (Full Targets)

# of Adult Households Served						
	2017	2018	2019	2020	2021	% change from 2017
Emergency Shelter	15,521	16,122	14,031	11,722	9,896	-36%
Transitional Housing	835	1,031	966	705	671	-20%
Total	16,356	17,153	14,997	12,427	10,567	-35%

# of Family Households Served						
	2017	2018	2019	2020	2021	% change from 2017
Emergency Shelter	785	1,010	739	571	541	-31%
Transitional Housing	280	465	391	356	344	+23%
Total	1,065	1,475	1,130	927	885	-17%

Unsheltered Households						
	End of 2017	End of 2018	End of 2019	End of 2020	End of 2021	% change from 2017
Adult Unsheltered HHs	2,020	5,563	1,629	0	0	-100%
Family Unsheltered HHs	8	1	0	0	0	-100%
Total Unsheltered HHs	2,028	5,564	1,629	0	0	-100%

Unused Adult Inventory					
	2017	2018	2019	2020	2021
Emergency Shelter	0	23	0	237	424
Transitional Housing	0	14	117	220	235
Unused Family Inventory					
	2017	2018	2019	2020	2021
Emergency Shelter	0	0	222	266	274
Transitional Housing	0	31	220	250	260

### 3. Analysis Gradually Implementing Performance Targets (Ramping Targets)

# of Adult Households Served						
	2017	2018	2019	2020	2021	% change from 2017
Emergency Shelter	15,521	16,122	14,031	13,469	9,807	-37%
Transitional Housing	835	1,031	1,077	767	676	-19%
Total	16,356	17,153	15,108	14,236	10,483	-36%
# of Family Households Served						
	2017	2018	2019	2020	2021	% change from 2017
Emergency Shelter	785	1,010	665	600	541	-31%
Transitional Housing	280	465	391	346	345	+23
Total	1,065	1,475	1,056	946	886	-17%

Unsheltered Households						
	End of 2017	End of 2018	End of 2019	End of 2020	End of 2021	% change from 2017
Adult Unsheltered HHs	2,020	5,563	2,188	0	0	-100%
Family Unsheltered HHs	8	1	0	0	0	-100%
Total Unsheltered HHs	2,028	5,564	2,188	0	0	-100%

Unused Adult Inventory					
	2017	2018	2019	2020	2021
Emergency Shelter	0	23	0	58	434
Transitional Housing	0	14	69	199	246
Unused Family Inventory					
	2017	2018	2019	2020	2021
Emergency Shelter	0	0	146	327	459
Transitional Housing	0	31	220	225	262

## Appendix G: Resources for Implementing Diversion

Shelter diversion is a strategy designed to prevent households from entering the homeless crisis response system by unveiling and tapping into that household's natural resources and support networks to determine a housing solution. In some communities, diversion is called "Housing Problem Solving" to emphasize that it is an affirmative effort to help the household identify and execute a solution to their homelessness – not just an effort to send them someplace else.

In places where diversion has been implemented, it has reduced the number of people entering homelessness, as well as the demand for emergency shelter and other system resources. This appendix provides a list of resources and tools designed to assist communities in designing and implementing diversion programming locally.

1. ***Closing the Front Door: Creating a Successful Diversion Program for Homeless Families, The National Alliance to End Homelessness (NAEH):*** The National Alliance's diversion brief provides an overview of diversion strategies and best practices, including assessing for diversion eligibility, implementing screening tools and processes, designing system entry points, collaborating with system partners, and developing diversion funding streams. The brief also provides examples of cases where diversion may be possible and guidelines for measuring diversion program performance. ([http://www.endhomelessness.org/page/-/files/4155\\_file\\_diversion\\_paper\\_final.pdf](http://www.endhomelessness.org/page/-/files/4155_file_diversion_paper_final.pdf))
2. ***Comprehensive Assessment Tool, The National Alliance to End Homelessness (NAEH):*** This assessment tool, developed by NAEH, was designed to help communities prioritize and assess the needs people experiencing homelessness may have for emergency shelter, transitional housing, rapid re-housing, and permanent supportive housing. The tool also incorporates diversion and prevention questions and is designed to be used at the front door to system entry to ensure only those who will become homeless without assistance enter the homeless crisis response system. (<http://www.endhomelessness.org/library/entry/alliance-coordinated-assessment-tool-set>)
3. ***Shelter Diversion, Ed Boyte, Cleveland Mediation Center:*** This presentation provides an overview of diversion programming at the Cleveland Mediation Center in Cleveland, Ohio, as well as specific strategies for implementing diversion. The Cleveland Mediation Center has been recognized as a pioneer in the development of shelter diversion strategies and has provided training to many CoCs on this approach. This presentation touches on resources needed to implement diversion, examples of where diversion may and may not be appropriate, and the Mediation Center's conflict mediation approach. ([http://www.endhomelessness.org/page/-/files/Shelter%20Diversion%20%20July\\_2.pdf](http://www.endhomelessness.org/page/-/files/Shelter%20Diversion%20%20July_2.pdf))
4. ***Diversion Resources: Connecticut Coalition to End Homelessness:*** The Connecticut Coalition to End Homelessness (CCEH) has implemented a statewide diversion strategy that is structured around a regional Coordinated Access Network (CAN). The CCEH website provides a number of practical resources on implementing diversion, including a step-by-step guide for program directors and staff to put shelter diversion into practice. The guide provides specific examples of diversion assistance, staffing strategies, and roles of program administration and staff/caseworkers. This site also provide sample tools such as the Coordinated Access Network (CAN) Assessment Outline detailing how to conduct a diversion conversation. The outline includes principles of active listening and strengths-

based, motivational interviewing to assist households to determine a housing solution based on available resources. The CAN Worksheet is a tool for case managers and diversion specialists to document elements of the client diversion conversation, such as details of their housing crisis, strengths, and next steps for moving forward. (<http://www.cceh.org/provider-resources/shelter-diversion/>)

5. ***Shelter Diversion for Homeless Families: New London County, Connecticut, Connecticut Coalition to End Homelessness:*** This document provides an overview of diversion strategies for families, as well as a case study of a shelter diversion pilot program in New London County, Connecticut. The case study includes the pilot program’s processes, result, and impact on the greater CoC, and provides models and information on what to expect for communities seeking to implement diversion. (<http://cceh.org/wp-content/uploads/2015/04/NL-Shelter-Diversion-Brief-FINAL.pdf>)
6. ***Your Way Home (Montgomery County, PA) Operations Manual, Your Way Home:*** Your Way Home Montgomery County has developed a nationally recognized coordinated entry system in which households that approach the system have an initial “Housing Counseling” (diversion) conversation to identify whether there is a no cost solution to their housing crisis. This document provides detailed policies and procedures. (<http://yourwayhome.org/your-way-home-operations-manual>)
7. ***BoS Coordinated Assessment Tool, North Carolina Balance of State Continuum of Care:*** The North Carolina Balance of State CoC developed a Coordinated Assessment Tool comprised of three parts: prevention and diversion screening, VI-SPDAT, and a case management tool. The prevention and diversion screening portion is designed to be administered as soon as a person or household presents themselves to the front door of the homeless system and determines whether that household may be successfully diverted through a set of questions regarding current living situation and social networks. ([http://www.ncceh.org/media/files/page/abddf21c/Coordinated\\_Assessment\\_Toolkit.pdf](http://www.ncceh.org/media/files/page/abddf21c/Coordinated_Assessment_Toolkit.pdf))
8. ***Shelter Diversion Pilot, Building Changes, The City of Seattle Services Department, United Way of King County, and Catholic Community Services of Western Washington:*** This document provides a summary of a diversion pilot program funded by the Washington Families Fund, including target population, diversion eligibility criteria, program activities and expenses, data collection, reporting procedures, and program goals. It can be used by communities seeking to implement diversion to determine key elements of and resources for diversion programming. ([http://allhomekc.org/wp-content/uploads/2015/09/Diversion\\_GrantGuidance\\_Revised\\_7\\_10\\_15.pdf](http://allhomekc.org/wp-content/uploads/2015/09/Diversion_GrantGuidance_Revised_7_10_15.pdf))
9. ***Characteristics of an Exemplary Diversion Specialist, OrgCode Consulting, Inc.:*** OrgCode Consulting’s blog post “Characteristics of an Exemplary Diversion Specialist” offers key traits and qualifications to keep in mind while hiring and training diversion specialists. Key characteristics include a problem-solving, strengths-based orientation, as well as the ability to actively listen and directly communicate with clients. (<http://www.orgcode.com/2016/09/06/characteristics-of-an-exemplary-diversion-specialist/>)