



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

State of Homelessness Services

Homelessness in Arizona Annual Report 2023

Arizona Department of Economic Security

December 2023

Governor Katie Hobbs

Executive Deputy Director, Angie Rodgers

State of Homelessness Services

Homelessness in Arizona Annual Report 2023

Arizona Department of Economic Security

December 2023

Pursuant to Arizona Revised Statutes § 41-1954, the following Homelessness in Arizona Annual Report provides information about the status of homelessness in Arizona, and efforts to prevent and alleviate homelessness during State Fiscal Year (SFY) 2023, including trends, demographics, and recent efforts designed to prevent and alleviate homelessness across Arizona.

EXECUTIVE SUMMARY

Arizona has experienced a rise in homelessness. As of January 2023, it is estimated that 14,237 Arizona residents were experiencing homelessness, which is a 29 percent increase from the January 2020 estimate of 10,979.

There are a multitude of factors that contribute to homelessness, many of which were exacerbated by the pandemic, including job loss and underemployment, mental or behavioral health challenges, substance use issues, experiences of interpersonal violence, and the overall lack of affordable housing across the state. Much like the diversity of Arizona's rural and urban communities, Arizona's homeless population is also diverse. Demographic factors, such as gender, race, and ethnicity, are over or under-represented in the homeless population relative to the general population. Among the subgroups of Arizona's homeless population, data shows that men are more likely to experience homelessness than females, representing nearly 65 percent of those counted as experiencing homelessness in 2023¹.

Race is another significant factor, with historically marginalized groups such as Black Americans, tribal populations, and Hispanic/Latino populations being more likely to experience homelessness due to higher unemployment rates, lower incomes, less access to healthcare, and higher rates of justice system involvement and/or incarceration. Of the over 14,000 people experiencing homelessness in January 2023, nearly 22 percent of those experiencing homelessness identified as Black or African American, which is disproportionate compared to the percentage of total population in the United States, which is 14.2 percent according to a United States Census Bureau 2022 American Community Survey (ACS) estimate¹.

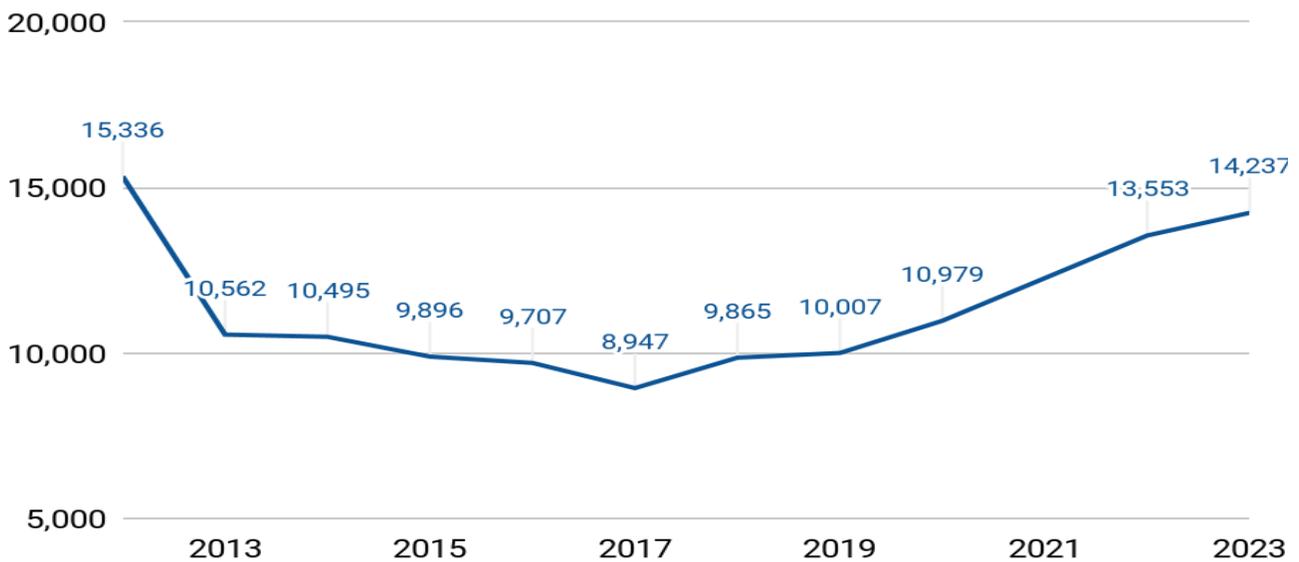
In SFY 2023, nearly 40,000 individuals identified through a federal assessment as at risk of or experiencing homelessness received intervention services. Historically, permanent housing programs like Rapid Rehousing (RRH), Permanent Supportive Housing (PSH), and Housing Choice Vouchers have provided the best outcomes for individuals and families. However, Arizona's lack of affordable housing has limited the ability to use these options effectively. Likewise, the pandemic negatively impacted communal living for the homeless. Many shelters continue to operate at reduced capacity levels, and/or with limited staff compared to pre-pandemic services. These conditions have unearthed

¹ U.S. Census Bureau 2022 American Community Survey: <https://www.census.gov/programs-surveys/acs/data.html>

new and different challenges for many service providers in effectively reaching and serving individuals and families in need.

Between 2012 and 2020, Arizona’s total homeless population decreased by 33 percent, from 15,336 Arizonans experiencing homelessness in 2012 to 10,979 in 2020. However, homelessness has been steadily rising and has increased by over 29 percent since 2020. Specifically, Arizona’s unsheltered populations have greatly increased. Those who are unsheltered are categorized as sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation (e.g., abandoned buildings, train stations, or camping grounds) as “unsheltered” homeless. In the last five years, unsheltered homelessness has increased by almost 73 percent, from 3,549 in 2019 to 7,615 in 2023².

Figure 1: Number of individuals experiencing homelessness in Arizona, 2012-2023



**NOTE: 2021 Point-in-Time count has been excluded due to the COVID-19 Pandemic*

In continued efforts to combat sheltered and unsheltered homelessness, the Arizona Department of Economic Security (ADES/Department) partners with other state agencies, local governments, and

² National Low Income Housing Coalition report, The Gap: A Shortage of Affordable Rental Homes: <https://nlihc.org/housing-needs-by-state/arizona>

nonprofits across all 15 counties to implement statewide strategies, approaches, and coordination to assist individuals and families experiencing homelessness in finding housing, and regaining and sustaining independence.

AFFORDABLE HOUSING CRISIS

The United States Department of Housing and Urban Development (HUD) defines affordable housing as a permanent dwelling, including utilities that a household can obtain for no more than 30 percent or less of its annual income (although this percentage varies slightly by city). Expending more than the 30 percent standard creates living instability, as households may then be unable to afford other basic necessities such as food, clothing, transportation, and medical care.

In Arizona, and across the nation, affordable housing remains a scarcity. According to annual data released by the National Low Income Housing Coalition, there is a nationwide shortage of 7.3 million affordable and available homes for renters with extremely low incomes, which is considered incomes at or below either the federal poverty guideline or 30 percent of their area median income, whichever is greater. In Arizona, 20 percent of renters are extremely low income, with a maximum income of \$26,500 per year for a four-person household. Meanwhile, it is estimated that the annual income needed to afford a two-bedroom rental home at HUD's Fair Market Rent is \$62,252 annually, resulting in a shortage of 136,282 affordable rental homes available to one-fifth of Arizona's lowest-income renters. This leaves 80 percent of these vulnerable low-income households severely cost-burdened, meaning more than half of their monthly household income is spent on housing. This has played a significant role in causing unstable housing situations and leading to increased rates of evictions and foreclosures across Arizona, and nationwide.

POINT-IN-TIME COUNT AND VULNERABLE POPULATIONS

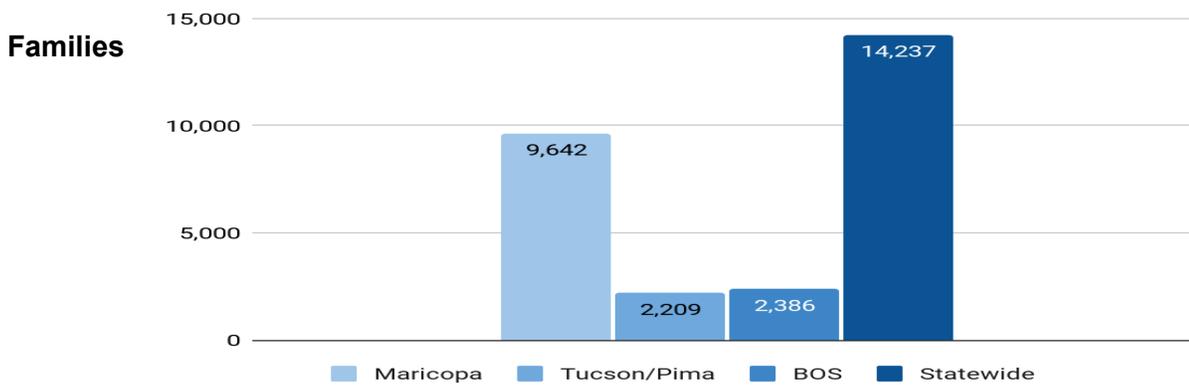
Arizona's homeless services are divided into three service areas referred to as Continuums of Care (CoC). The Maricopa Regional CoC serves Maricopa County, the Tucson Pima Collaboration to End Homelessness serves Pima County, and the Balance of State (BOS) Continuum, managed by the Arizona Department of Housing, serves the remaining 13 counties of the state.

Estimates of the number of people experiencing homelessness in Arizona vary. One of the tools utilized to estimate the number of homeless individuals in Arizona is the annual Point-in-Time (PIT) Homeless Count. On a single day in late January, the PIT count is conducted by regional CoCs each year nationwide as a requirement of the United States Department of HUD to identify the extent of homelessness across the country. The PIT count includes a survey to help communities and providers identify the needs and characteristics of those experiencing homelessness.

In 2023, the PIT count of sheltered individuals statewide was 7,615, and the unsheltered PIT count was 6,622, for a total of 14,237 people experiencing homelessness across Arizona. This represents a nearly 35 percent increase from the 2019 estimated total five years prior³. Additionally, PIT count results over this most recent five-year period illustrate that the number of sheltered individuals has remained consistent; however, the unsheltered count in Arizona has increased at a higher rate than the sheltered and overall PIT count.

³ Aggregated 2023 Point in Time (PIT) Count survey results across Arizona's three CoC: [Maricopa Regional CoC PIT 2023 results](#); [Tucson/Pima CoC PIT 2023 results](#); [Balance of State CoC PIT 2023 results](#).

Figure 2: Number of people experiencing homelessness by CoCs during the 2023 PIT count

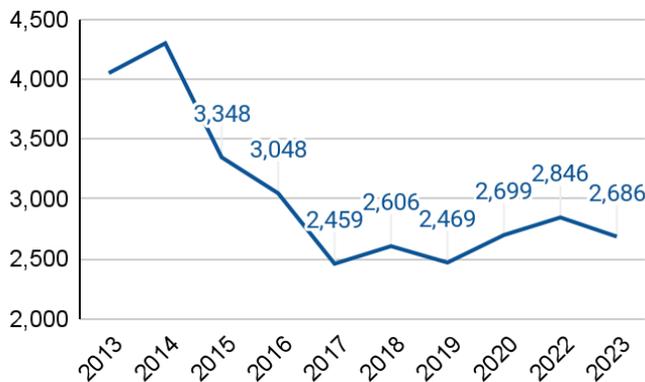


Experiencing Homelessness

Despite rising costs of living and increases in overall homelessness, homelessness among families in Arizona has decreased by over 33 percent, from 4,052 people in families experiencing homelessness in 2013, to 2,686 people in families statewide in 2023⁴. However, regionally, Maricopa County has seen a 14 percent increase in family homelessness over a five-year period from 2017 to 2023.

For the purposes of the PIT count and homelessness services, families are defined as households with at least one adult and one child.

Figure 3: People in Families Experiencing Homelessness in Arizona (2013-2023)



Among the families identified as experiencing homelessness in 2023, most were in either Emergency Shelter (ES) or transitional housing. However, due to tendencies to sleep in vehicles or other hidden areas, this count of family homelessness is an approximation. Many family service providers conducted interview surveys over the phone to better count.

**NOTE: The 2021 unsheltered PIT count was not conducted due to the COVID-19 Pandemic.*

Veteran Homelessness

The 2023 PIT count identified 929 self-reported veterans without homes across Arizona, representing an 8 percent increase statewide since 2022. Despite Maricopa County seeing a 15 percent decrease in veteran homelessness from 2020 to 2022, the number of individuals experiencing homelessness who self-reported as veterans since 2022 increased 20 percent, for a total of 505 in January 2023. However, in the Tucson/Pima region, there was a 5.6 percent decrease in overall veteran homelessness since 2022, including a 41.5 percent decrease in unsheltered veterans in 2023, down to 63 from 96 percent. This decrease in homeless veterans in the Tucson/Pima region may result from

⁴ Aggregated reports for Arizona’s three CoCs from the Homeless Management Information Systems (HMIS)

the Supportive Services for Veteran Families funding awarded to Arizona service providers, as well as the Veterans Affairs Supportive Housing voucher program administered by several public housing agencies.

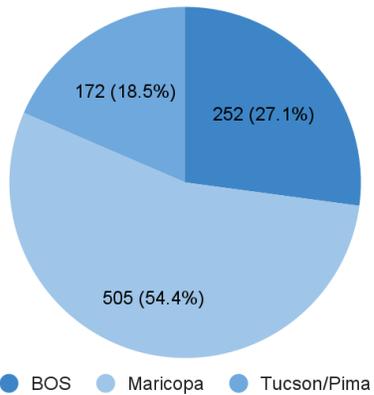


Figure 4: Regional Breakdown of Veterans Experiencing Homelessness in 2023

Chronic Homelessness

Chronic homelessness is defined as individuals or families that have been experiencing homelessness continuously for one year or four or more times in the last three years, where the combined length of time homeless is at least 12 months. The number of households meeting this definition has significantly increased over time,

indicating that more support services are needed to assist individuals in obtaining and maintaining housing. Unfortunately, Arizona’s rate of chronic homelessness increased 197 percent in ten years from 2013-2023

Figure 5: Chronic Homelessness in Arizona from 2013-2023

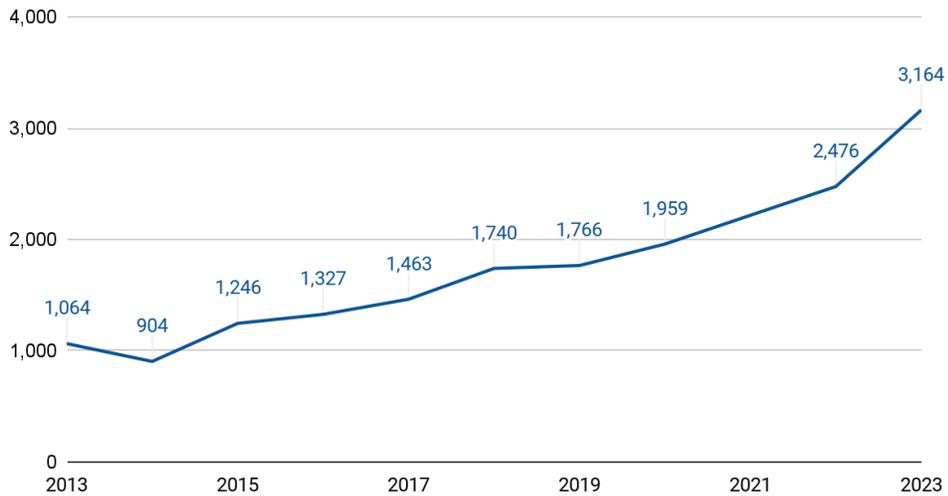
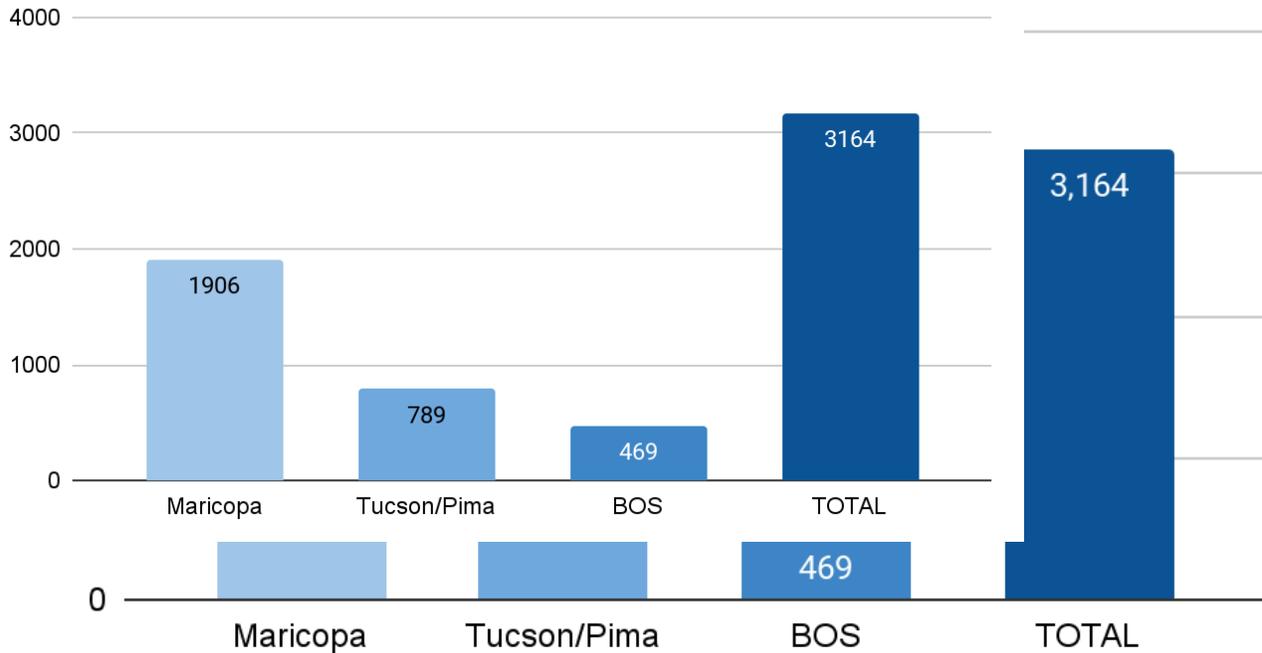


Figure 6: Individuals experiencing chronic homelessness in Arizona in 2023

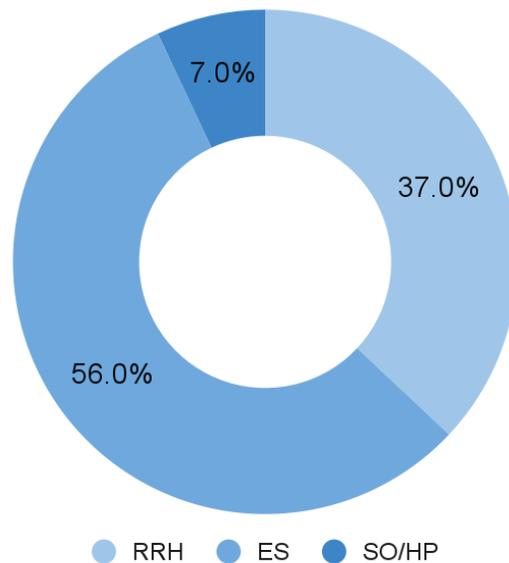


INVESTMENT

The Department’s Homeless Services Program is funded by various sources, including federal, state, and other funds. The federal sources comprise the Coronavirus Aid, Relief, and Economic Security Act, Emergency Solutions Grant (ESG), Social Services Block Grant, and Temporary Assistance for Needy Families. The state sources include the Arizona State Lottery and General Fund. Additionally, ADES received \$4 million in one-time funding through the American Rescue Plan Act to establish Homeless Youth services.

In SFY 2023, homeless services funds were allocated to homeless service providers across the state, contracted between July 1, 2022, through June 30, 2023. These homeless services funds were allocated using a combination of data sources, including Census data and the reported number of persons experiencing homelessness in all three of Arizona’s CoC. This methodology was applied to existing contracts and resulted in a proportional allocation to Maricopa County, the Tucson/Pima region, and the BOS Continuum of Care to serve Arizona’s remaining 13 counties. Of these homeless services funds, over 56 percent was directed at Emergency Shelter (ES), 37 percent was committed to RRH Programs, and the remaining 7 percent to Homeless Prevention (HP) and Street Outreach (SO).

Figure 7: Percent of ESG services provided in 2023



COORDINATED ENTRY AND HOUSING FIRST

Federally funded homeless programs are required to utilize a *coordinated entry* process. Coordinated entry is an approach to coordination and management of a crisis response system’s resources to efficiently and effectively connect individuals to housing and service interventions that will rapidly end their homelessness. Through coordinated entry, CoCs prioritize housing and intervention services based on an individual’s vulnerability.

The coordinated entry process paves the way for more efficient homeless assistance and is a system-wide process developed to ensure that all people experiencing homelessness have fair and equal access to needed and available resources. They are to be quickly identified, assessed, referred, and connected to housing and assistance based on their strengths and needs. All ESG-funded agencies participate in coordinated entry and receive referrals utilizing all of their resources to provide ES, PSH, and RRH to stabilize households and end their homelessness.

Housing First is an evidence-based approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions. Supportive services are also offered to maximize stability and prevent returns to homelessness. Permanent housing, a safe place to lay one’s head each night, is the most significant and essential need for all individuals.

Homeless service providers contracted with ADES operate under the Housing First philosophy. Once the individuals or families are safely housed, the provider will work with them and utilize community resources to provide supportive services. At this point, both physical and emotional wellness will be fully pursued. The providers will work with these individuals and families in obtaining stability by addressing and attempting to remove any barriers that have prevented them from living stable, self-sufficient, and fulfilling lives.

INTERVENTIONS AND PLACEMENTS

The Department has helped to prevent and intervene in homelessness through the Emergency Rental Assistance Program (ERAP), ESG, domestic violence services, and other human services and workforce resources that enable households to address immediate needs, create pathways to economic independence, and avoid the significant and compounding downstream costs of trauma and homelessness.

In compliance with coordinated entry and Housing First best practices, ADES-contracted providers serve Arizona's homeless population through four methods: SO, ES, RRH, and HP.

Emergency Rental Assistance

In partnership with other ERAP jurisdictions, ADES maintained access to emergency rental assistance statewide by reallocating \$248M and expanding service areas to serve Yuma County, Phoenix, and Mesa. The ADES ERAP provides rent and utility assistance to eligible Arizona renters impacted by the pandemic, allowing eligible households to receive assistance with past-due, current, and future obligations. In SFY 2023, over \$200 Million in assistance helped prevent the eviction and disruption of utilities to over 83,000 households across the state.

Street Outreach

SO involves homeless service providers going out into the community to meet with unsheltered homeless individuals where they reside to provide resources and essential services. It pursues and attempts to engage individuals who may be disconnected or alienated from mainstream services and are living on the streets, in their cars, in encampments, and in other places not designed for human habitation. This intervention is critical for individuals who choose to live on the street and lack access to or knowledge of available services.

Emergency Shelter

ES is a temporary intervention that provides sleeping accommodation, meals, supportive wraparound services, and case management designed to assist individuals and families in their immediate need and transition to permanent housing. This may include communal living or hotel/motel vouchers when shelters are not present in the community. As illustrated by Figure 9 below, ES is the intervention that serves the most people. Many individuals are able to stabilize themselves and get rehoused after a short stay in a shelter. All shelters should operate using a low-barrier model to ensure they are serving the most vulnerable in the community.

Rapid Rehousing

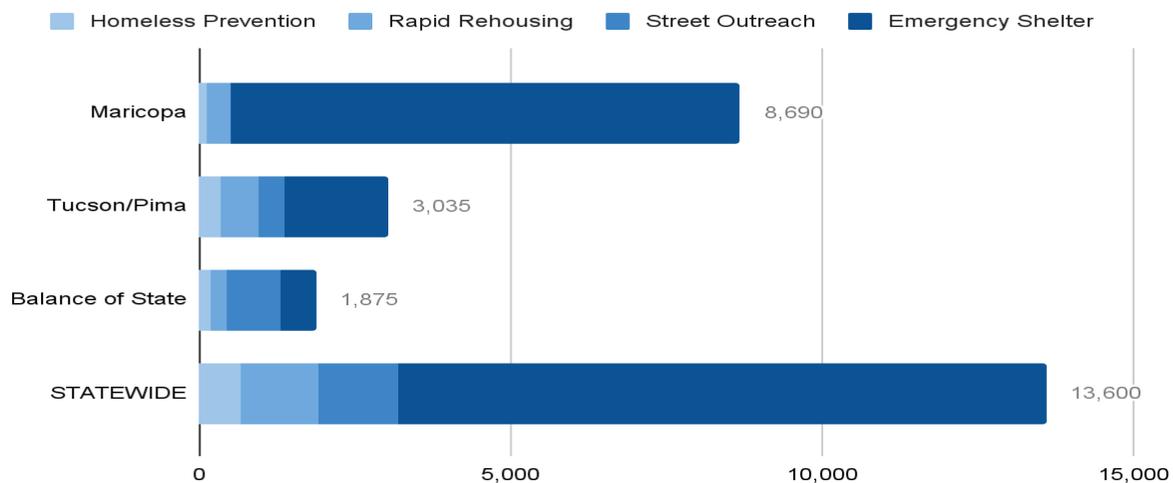
The RRH Program provides case management and financial assistance to households experiencing homelessness. This assistance includes financial relief toward monthly rent obligations, security deposits and fees, and utility assistance. Rental assistance is paid up to 100 percent initially but gradually steps down as the individual is able to pay rent in its entirety. RRH prioritizes moving individuals and their families into permanent housing as quickly as possible. Typically, this is within 90 to 180 days of entering the program. This temporary intervention lasts from three to 24 months, based on that household's need and situation.

Homeless Prevention

There has been an increase in individuals seeking HP assistance due to rising costs of living, increasing housing expenses, and record-breaking eviction filings – in Maricopa County in particular – where there were over 7,600 evictions in the month of August 2023, surpassing previous evictions records set at the height of the housing market crash in August and September 2005⁵

HP is an expedited intervention that provides rental assistance and case management to prevent individuals from becoming homeless. This can include utility arrearages, security deposits, and mediation programs for landlord-tenant disputes. Once an individual becomes homeless, the challenges and barriers they face to becoming stably housed again increase exponentially. HP alleviates those burdens by keeping them in their current home.

Figure 8: ESG services provided in SFY 2023



Domestic Violence Services

Additionally, interpersonal violence is an issue closely related to homelessness. The ADES Domestic Violence Services Fund provides ES, Transitional Housing, and Housing Intervention. In SFY 2023, 4,246

⁵ Macdonald-Evoy, Jerrod, "Surge in Maricopa County evictions continues, with no sign of slowing," Arizona Mirror. Published September 14, 2023: <https://www.azmirror.com/2023/09/14/surge-in-maricopa-county-evictions-continues-with-no-sign-of-slowng/>

adults and children received ES, 304 adults and children received Transitional Housing, and 95 households received Housing Intervention Services.

CONCLUSION

The increasing homeless population in Arizona continues to impact providers and has forced creative solutions to address the needs of clients. Continued coordination between state agencies, and providers, and the availability of supportive services will be essential to addressing homelessness in Arizona. Building upon the lasting work that has been done, the ADES Homeless Coordination Office, in collaboration with statewide partners, remains committed to and engaged in all community-wide efforts and plans to reduce and alleviate homelessness, including participation in the four workgroups of the Governor’s Interagency and Community Council on Homelessness , and coordinating within the Department to build agency connections to a variety of supportive services, including ARIZONA@WORK, food assistance and hunger relief, Low Income Housing Energy Assistance , child care assistance, and more. Through these collaborative efforts, ADES will continue to strengthen individuals, families, and communities for a better quality of life, and a thriving Arizona.

Information and data for this report are derived from the following sources:

- Aggregated reports for Arizona’s three CoCs from the Homeless Management Information Systems
- United States Census Bureau 2022 ACS: <https://www.census.gov/programs-surveys/acs/data.html>
- National Low Income Housing Coalition report, *The Gap: A Shortage of Affordable Rental Homes*: <https://nlihc.org/housing-needs-by-state/arizona>
- Annual PIT surveys, conducted annually the last week of January
 - Maricopa Regional CoC PIT 2023 results: <https://azmag.gov/Portals/0/Homelessness/PIT-Count/2023/2023-PIT-Count-Report-Final.pdf?ver=8CRzv7xw28C-V2G0sMdKfw%3d%3d>
 - Tucson/Pima CoC PIT 2023 results: <https://tpch.net/wp-content/uploads/TPCH-2023-Point-in-Time-Count-Housing-Utilization-Report-5.15.23.pdf>
 - BOS CoC PIT 2023 results: https://housing.az.gov/sites/default/files/documents/files/2023-AZBOSCOG-PIT-Count-Submitted-to-HUD_4-2023.pdf
- ¹Macdonald-Evoy, Jerrod, “Surge in Maricopa County evictions continues, with no sign of slowing,” *Arizona Mirror*. Published September 14, 2023: <https://www.azmirror.com/2023/09/14/surge-in-maricopa-county-evictions-continues-with-no-sign-of-slowng/>