



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Arizona State Lottery Fund: SFY 2023 Homeless Services Report

Governor Katie Hobbs

Executive Deputy Director Angie Rodgers

Background

The Arizona Department of Economic Security (ADES/Department) Statewide Homeless Coordination Office, using a combination of federal and state funds, contracts with not-for-profit and local government entities to provide direct services throughout the State of Arizona. ADES also collaborates on a statewide level with the state's Continuums of Care (CoC). Each of Arizona's three CoC's is comprised of nonprofit homeless service providers, regional and local government agencies, faith-based service organizations, human and social service providers, public housing agencies and affordable housing developers, regional medical and behavioral health agencies, business leaders, and advocates who work under regulations set forth by the Housing and Urban Development (HUD) Department to ensure that regional and community needs are being assessed and adequately addressed to serve all populations experiencing homelessness across Arizona. One of the state funding sources received by ADES comes from the Arizona State Lottery Fund, pursuant to Arizona Revised Statutes §5-572 (E), which appropriates \$1,000,000 for homeless services, and is combined with other state and federal resources to meet the growing demands of combatting homelessness statewide. Through these lottery funds, ADES allocates dollars to community nonprofit homeless service providers throughout Maricopa and Pima Counties. The Homeless Services Lottery Funds Report focuses on combined data from both counties.

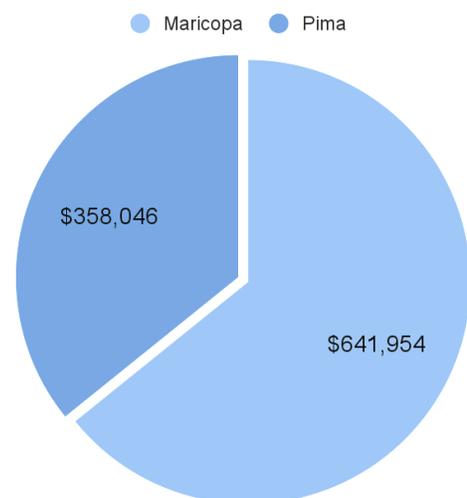
Each year, these funds assist thousands of men, women, and children experiencing homelessness across Arizona in accessing necessary services to return to permanent housing as rapidly as possible. Nonprofit service providers may offer one or more of the following essential services: safe shelter; meals; housing-based case management; access to mental and behavioral health services; connections to substance use disorder treatment; job training, preparedness, and placement, and other assistance to become self-sufficient and stably housed.

Allocation of Funds

The State Fiscal Year (SFY) 2023 Arizona State Lottery funds were utilized by the Homeless Coordination Office for SFY 2023 contracts with homeless service providers in Maricopa and Pima counties, contracted between July 1, 2022, through June 30, 2023.

The funds were allocated using a combination of data sources, including Census data and the reported number of persons experiencing homelessness in Maricopa and Pima Counties. This methodology was applied to existing contracts and resulted in an allocation of \$641,954 (64 percent) to three providers serving Maricopa County, and an allocation of \$358,046 (36 percent) to two providers serving Pima County.

Figure 1: Allocation of Funds by County



Lottery Funded Services: Emergency Shelter and Rapid Rehousing Programs

Lottery funding supported the continued funding of Emergency Shelters (ES) and a significant expansion of Rapid Rehousing (RRH) Programs throughout Maricopa and Pima Counties.

Emergency Shelters

ES play a vital role for those experiencing homelessness by providing immediate, short-term lodging to persons without shelter or permanent residence. ES may be provided for a period of up to 120 days, and includes immediate short-term shelter, case planning, and supportive interventions. When ES and RRH are combined, they can provide enhanced (supportive) services, including temporary shelter, move-in assistance, transportation, child care, and a seamless transition to permanent housing.

Rapid Rehousing Programs

RRH Programs rapidly move individuals and families experiencing homelessness into permanent housing, with access to wrap-around supportive services meant to help regain self-sufficiency and housing stability. These services include case management, job search assistance, child care, and identifying all community resources to meet individual needs. Results in Arizona and nationally have demonstrated that housing is the foundational intervention that promotes an individual or family to transition from homelessness to self-sufficiency. Without housing, all other intervention programs are significantly less effective.

Homelessness Prevention

A New Leaf received \$5,000 in Homelessness Prevention (HP) funding through the 2023 Arizona State Lottery dollars. These funds, in combination with other state and federal resources, allow the provider to offer preventative services such as rent, utility, or deposit assistance, which helps prevent families in Maricopa County from falling into homelessness, which can create many lasting barriers to long-term self-sufficiency.

Figure 2: SFY 2023 Lottery Funding Allocation and Service Outcomes in Maricopa and Pima Counties

Agency	Lottery Funding Allocation					Service Outcome
	ES	RRH	HP	TOTAL	Percentage	Individuals exiting homelessness to ¹ permanent housing
A New Leaf (Maricopa)	\$80,138	\$106,650	\$5,000	\$191,788	19.2%	159
Catholic Charities Community Services (Pima)	\$0	\$60,000	\$0	\$60,000	6.0%	21
Central Arizona Shelter Services (Maricopa)	\$158,922	\$115,700	\$0	\$274,622	27.5%	204
Primavera Foundation (Pima)	\$266,023	\$32,023	\$0	\$298,046	29.8%	77
UMOM New Day Centers (Maricopa)	\$70,000	\$105,544	\$0	\$175,544	17.6%	735
TOTAL LOTTERY FUNDS ALLOCATED:				\$1,000,000	100%	1,196

¹ System Performance Measure 7: Destination Classification. (n.d.). HUD Exchange. <https://www.hudexchange.info/resource/4966/system-performance-measure-7-destination-classification/>

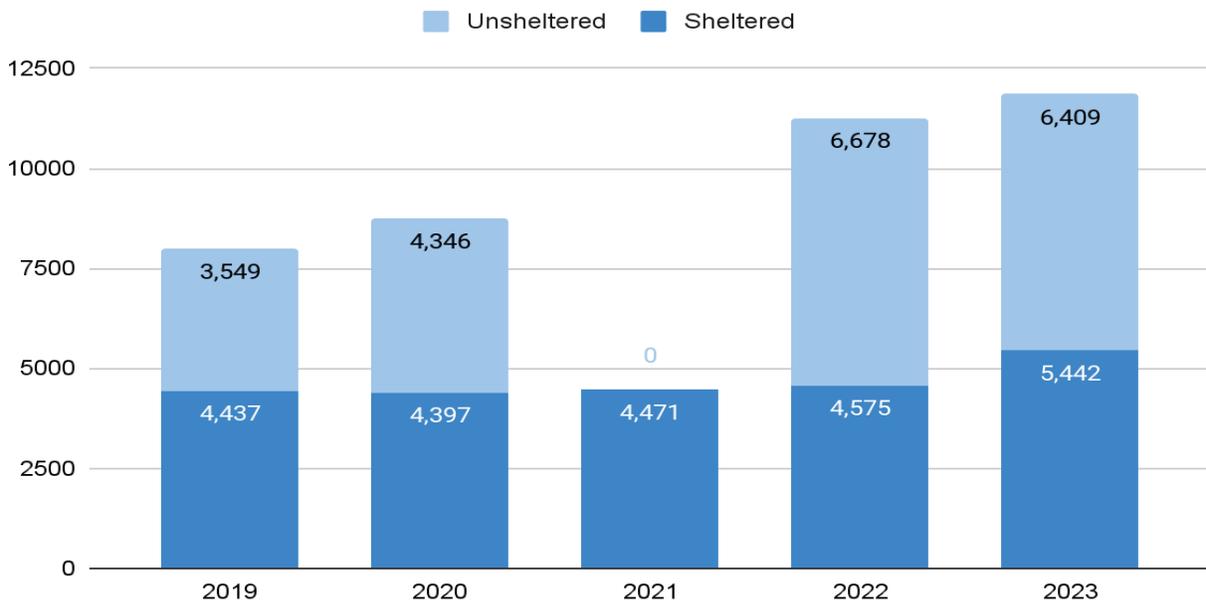
Point-In-Time (PIT) Count

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 PIT Homeless Count. Using a combination of data sources, including the reported number of persons experiencing homelessness through regional PIT counts and United States Census Bureau data, Maricopa County received 64 percent of the total \$1,000,000 in SFY 2023 State Lottery Funds, while Pima County received the remaining 36 percent of funds spent from July 1, 2022 through June 30, 2023.

On a single day in late January, the PIT count is conducted in both Maricopa and Pima Counties each year. The PIT count includes a survey to help communities and providers identify the needs and characteristics of those experiencing homelessness. The PIT count is conducted by regional CoC as a requirement of the United States Department of HUD to identify the extent of homelessness across the country.

The total number of individuals counted in Pima and Maricopa counties during the 2023 PIT count was 11,851². This number represents a nearly 40 percent increase from the 2019 estimated total. PIT count results over the most recent five-year period illustrate that the number of sheltered individuals has remained consistently around 5,000. However, the unsheltered count in Maricopa and Pima counties has increased at a rate of over 57 percent compared to the sheltered and overall PIT count across Arizona's two most populous counties.

Figure 3: Maricopa and Pima Sheltered and Unsheltered PIT Totals



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

Figure 3 displays the total in the unsheltered and sheltered PIT count numbers for Maricopa and Pima over a five-year period. The sheltered count has increased slightly over the five-year period

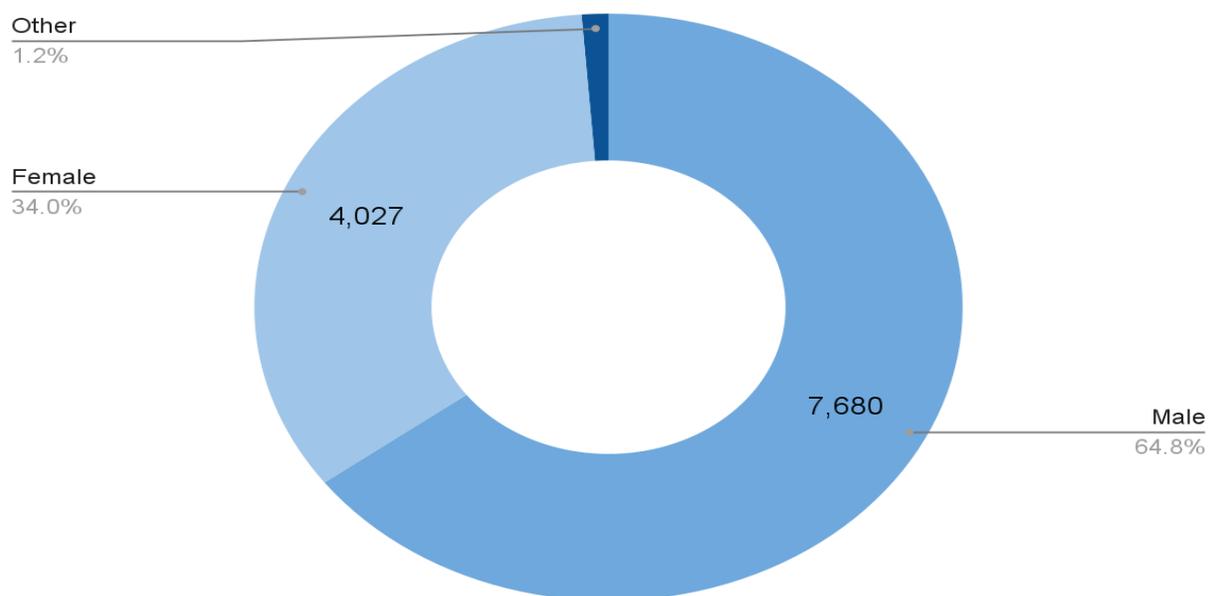
² Aggregated 2023 Point in Time (PIT) Count survey results from Maricopa and Tucson/Pima Continuums of Care [Maricopa Regional CoC PIT 2023 results](#); [Tucson/Pima CoC PIT 2023 results](#)

from 2019 through 2023; however, the combined unsheltered count in Maricopa and Pima Counties has increased by 55.4 percent, resulting in a continued lack of ES beds for Arizona's individuals and families experiencing homelessness. In 2021, no unsheltered PIT count was conducted; however, 4,471 individuals were sheltered in ES, transitional housing, or Safe Havens throughout Maricopa and Pima Counties in late January 2021. Those who are unsheltered are categorized as sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation (e.g., encampments, abandoned buildings, train stations, or camping grounds) as "unsheltered" homeless.

Homeless Sub-Populations

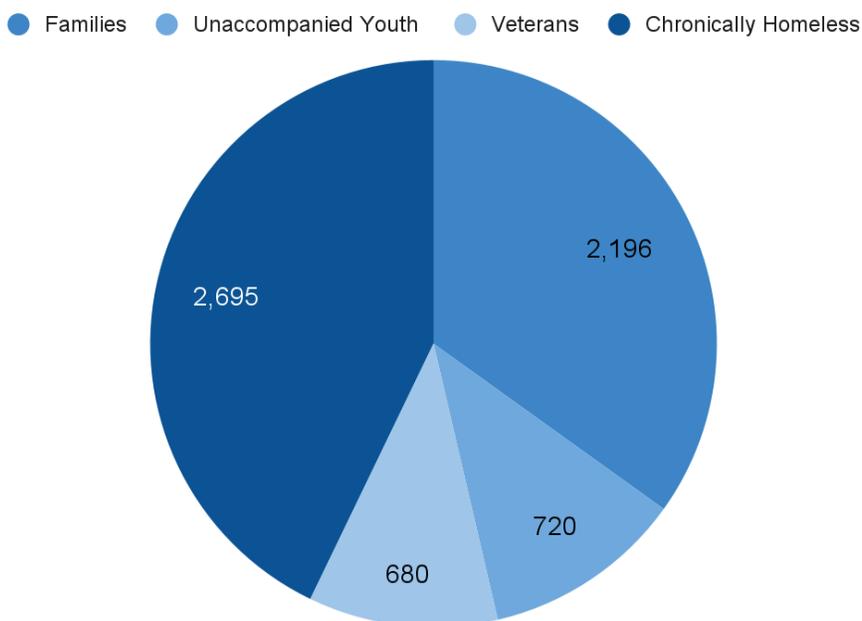
Of those experiencing homelessness in Maricopa and Pima Counties during the 2023 PIT count, 64.8 percent reported as male, 34 percent reported as female, and 144 individuals representing 1.2 percent of respondents reported as Other.

Figure 4: Homelessness in Maricopa and Pima Counties by Gender in 2023



The gender proportions of those experiencing homelessness remain largely the same throughout the years. However, men experiencing homelessness in 2023 were overrepresented in proportion to the overall male population in Maricopa County, which averaged 49.8 percent, according to a United States Census Bureau 2022 American Community Survey (ACS) estimate³.

Figure 5: Populations Experiencing Homelessness in Maricopa and Pima Counties in 2023



Subpopulation: Family Homelessness in Maricopa and Pima Counties

Over 645 families in Maricopa and Pima Counties, representing a total of 2,196 people, experienced homelessness in 2023⁴. In Maricopa County, the number of families experiencing homelessness from 2017 to 2023 increased by 14 percent. Meanwhile, family homelessness, defined as a household of at least one adult and one minor child, has decreased by nearly 24 percent in Pima County, from 104 families (301 persons in total) in 2018, to 82 families (272 persons in total) in 2023. Nearly all families identified during the 2023 PIT count were sheltered in an ES or transitional housing. However, families are historically undercounted during the PIT count as families tend to stay in vehicles, abandoned buildings, or other hidden locations not meant for habitation⁵. In an effort to determine a more accurate count of families without stable

³ U.S. Census Bureau 2022 American Community Survey: <https://www.census.gov/programs-surveys/acs/data.html>

⁴ Aggregated reports from Maricopa and Tucson/Pima Continuums of Care Homeless Management Information Systems (HMIS)

⁵ Rihl, Juliette, 'I was missed': How the US counts its homeless population is flawed. There's a better way. Arizona Republic. January 24, 2023. <https://www.azcentral.com/story/news/local/arizona/2023/01/24/point-in-time-homeless-count-is-flawed-experts-say/69834294007/>

housing, family service providers also conducted phone surveys.

Subpopulation: Unaccompanied Youth (ages 18-24) Homelessness in Maricopa and Pima Counties

Another highly vulnerable population experiencing homelessness is youth ages 18-24, whose numbers have steadily increased in recent years. However, both Maricopa and Pima Counties saw decreases in youth homelessness from 2022 to 2023. In Maricopa County, unaccompanied youth homelessness decreased by 14 percent, from 624 homeless youth in 2022, down to 542 at the time of the PIT count in late January 2023. Meanwhile, Pima County saw a decrease of 31 percent in youth homelessness, dropping from 267 unaccompanied youth in 2022 down to 195 in the Tucson-Pima metro area in 2023.

An accurate count of youth ages 18-24 experiencing homelessness can be challenging due to tendencies towards couch surfing, sleeping in cars or abandoned buildings, or other places not meant for habitation. As a result, homeless youth service providers continue to improve the planning and surveying process of homeless youth in an effort to more accurately capture the total number across Arizona.

Subpopulation: Veteran Homelessness in Maricopa and Pima Counties

The number of individuals who self-report as veterans experiencing sheltered or unsheltered homelessness on the night of the PIT count has fluctuated slightly over the years. In total, there were 680 veterans in Maricopa and Pima Counties who self-reported during the 2023 PIT count.

This year, the number of unsheltered and sheltered veterans in Maricopa County increased by 20 percent since 2022. Meanwhile, in Pima County, the number of sheltered veterans increased by nearly 24 percent, from 86 to 109 veterans sleeping in ES or transitional housing rather than outside or in a place not meant for habitation. Overall, sheltered and unsheltered veteran homelessness in Pima County decreased by 5.6 percent from 2022 to 2023.

Subpopulation: Chronic Homelessness in Maricopa and Pima Counties

The number of people who meet the definition of chronic homelessness has significantly increased over the years. According to HUD, the definition of chronic homelessness is: (1) a person who lives in a place not meant for human habitation, Safe Haven, or ES, (2) has a disability, and (3) has been homeless continuously for one year OR four or more times homeless in the last three years, where the combined length of time homeless is at least 12 months. When a head of household meets this definition, all household members are counted as chronically homeless.

In Maricopa County, from 2017 to 2023, the total number of those experiencing chronic homelessness increased by 103 percent. Since 2022, Maricopa County's chronic unsheltered number has increased by 17 percent, while the chronic sheltered number has increased by 81 percent. Similarly, in Pima County, from 2018 to 2023, chronic homelessness has increased by 102 percent, and over 77 percent of those experiencing chronic homelessness in Pima County in 2023 were unsheltered during the time of the PIT count in late January 2023.

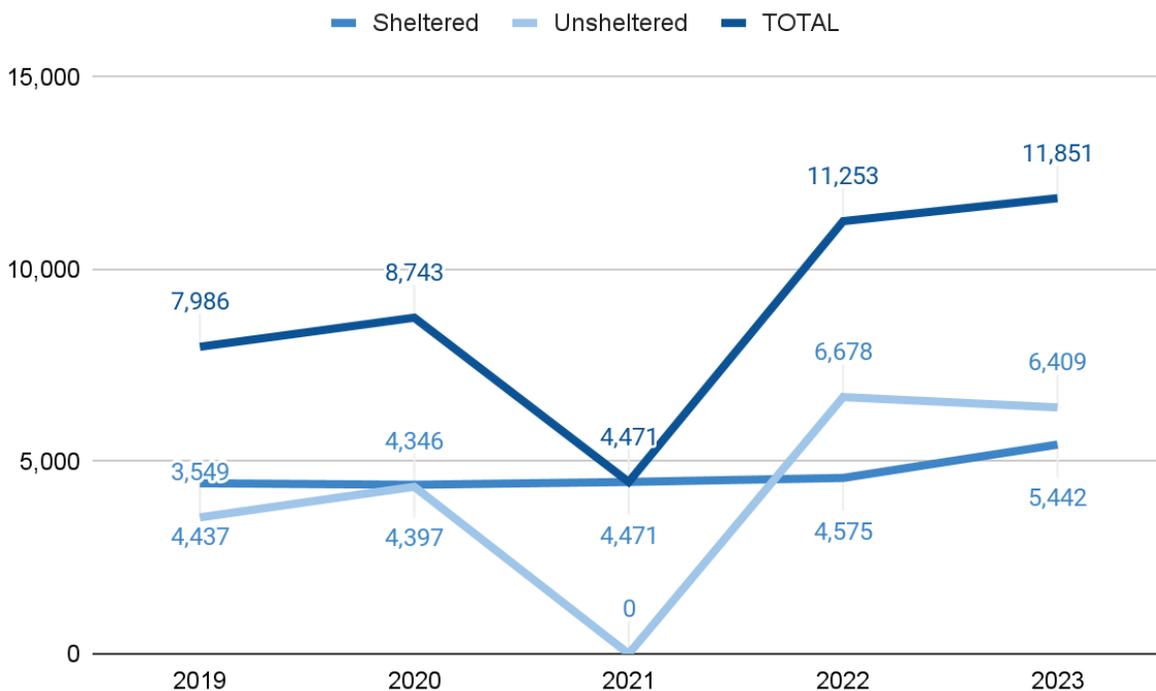
Conclusion

The SFY 2023 State Lottery funds were allocated based on Census data and the reported number of persons experiencing homelessness in Maricopa and Pima counties. The current State Lottery allotment alone does not meet the growing demand for homelessness services in Maricopa and Pima counties.

This year's Homeless Services Lottery Funds Report focuses on combined Maricopa and Pima County PIT data. Although valuable, PIT count data is only one measure of homelessness and should be treated as an estimate. Furthermore, PIT data is not intended to provide an absolute number of individuals experiencing homelessness in the community. However, the PIT count can give communities estimates or indicators of the severity of the homeless crisis.

While the estimated number of people experiencing homelessness in Maricopa and Pima counties counted during the PIT count increased significantly from 2021-2023, the number of homeless individuals counted in both counties has steadily grown over the last ten years. In 2013, the estimated number of homeless individuals counted in Maricopa and Pima Counties during the PIT count was 8,127. In 2023, the estimated number of individuals counted in both counties during the PIT count was 11,851. This represents an estimated 37.2 percent increase in homelessness in Maricopa and Pima counties over ten years.

Figure 6: PIT Count Totals by Type (Sheltered and Unsheltered)



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

The factors contributing to homelessness have always been varied and complex, made even more difficult with the current growing shortage of affordable housing forcing many individuals and families out of their homes. ES, RRH, and Homeless Prevention services remain instrumental in serving households, single adults, families, and others in temporary crisis.

Although ADES is not directly responsible for many traditional homelessness reduction programs or services, the Department is leveraging the team's knowledge, experience, and expertise working with and on behalf of vulnerable populations to provide stabilizing services and address root causes before they escalate into homelessness, which is a barrier to long-term self-sufficiency. ADES also contracts with not-for-profit and local government entities to provide transitional housing; which offers safe, temporary shelter while families gather documents and complete applications for stable housing; transportation to job interviews, job training and medical appointments; mental and behavioral health services and access to treatment programs that allow clients to restore independence; and heat relief, blankets, and weather support to aid the unsheltered during extreme weather conditions.

This report has been prepared pursuant to Arizona Revised Statutes § 5-572: Subsection E.

Of the monies remaining in the State Lottery Fund each fiscal year after appropriations and deposits authorized in subsections A through F of this section, one million dollars or the remaining balance in the fund, whichever is less, is appropriated to the Department of Economic Security for grants to nonprofit organizations, including faith-based organizations, for homeless emergency and transitional shelters, and related support services. The Department of Economic Security shall submit a report on the amounts, recipients, purposes, and results of each grant to the Governor, the Speaker of the House of Representatives, and the President of the Senate on or before December 31 of each year for the prior fiscal year and shall provide a copy of this report to the Secretary of State and the Director of the Arizona State Library, Archives, and Public Records.

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

- Aggregated reports for the Maricopa Regional and Tucson/Pima CoCs from the Homeless Management Information System
- United States Census Bureau 2022 ACS: <https://www.census.gov/programs-surveys/acs/data.html>
- System Performance Measure 7: Destination Classification. (n.d.). HUD Exchange. <https://www.hudexchange.info/resource/4966/system-performance-measure-7-destination-classification/>
- 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>
- 'Rihl, Juliette, 'I was missed': How the US counts its homeless population is flawed. There's a better way. *Arizona Republic*. January 24, 2023. <https://www.azcentral.com/story/news/local/arizona/2023/01/24/point-in-time-homeless-count-is-flawed-experts-say/69834294007/>