



MEMORANDUM

Date: May 4, 2021

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Pima County's Housing First Program**

In April, 2019, the County embarked on a two-year program to significantly reduce homeless individuals and their interaction with the criminal justice system and jail detention. The program, known as Housing First, provides permanent supportive housing to homeless individuals who have a number of encounters with the criminal justice system. The program also provides "bridge housing" (short term beds while waiting for permanent housing to become available) and appropriate social services support.

The Housing First program will be continued again beginning in Fiscal Year 2021/22 through either federal homeless housing funds or federal grant.

Attached is a 15-page summary of the program, its initiation partners, analysis and success to date. A program analysis from the RAND Corporation in November 2020, indicates that there was a 40 percent reduction in overall services costs for the first cohort of participants primarily due to a reduction in Pima County Sheriff's service costs: a savings of \$3,887 per participant (comparing Pre-Referral costs to Post- Enrollment costs). The RAND Corporation plans to examine the program and its costs again in 2021.

It is worth noting that, among similar programs implemented elsewhere, cost savings increase exponentially the longer the program has been in operation. This is primarily due to healthcare savings growing over extended periods of time due to long-term management of complicated medical and behavioral health conditions.

This program is one of many program initiatives undertaken by the Criminal Justice Reform Unit. This homeless housing model will ultimately be incorporated to our many programs in the Community and Workforce Development Office that are directed to the various elements contributing to or causing homelessness.

CHH/anc

Attachment

c: Jan Leshar, Chief Deputy County Administrator
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services
Wendy Petersen, Assistant County Administrator for Justice and Law Enforcement



MEMORANDUM

Criminal Justice Reform Unit

Date: April 30, 2021

To: C. H. Huckelberry
County Administrator

From: Wendy Petersen
Assistant County Administrator

Re: BJA Second Chance Pay for Success Grant

As you may recall, the CJRU is looking for sustainability funds to continue the Housing First Project. To that end, we submitted a grant application for the BJA Second Chance Pay for Success in the amount of \$1.1 million (over 54 months).

Although we submitted many documents with the application, I am attaching the 15 page narrative which explains the history of the project and our plans to "enhance" the project.

We are very grateful to the GMI team for assisting us with the preparation of this grant.

Please let me know if you have any questions about the grant application or the Housing First project.

A. Statement of the Problem/Description of the Issue

Pima County seeks to be a national leader for addressing homelessness among the justice-involved population. Our community has been significantly impacted by individuals struggling with homelessness, criminal recidivism, and individuals with co-occurring issues. The financial and human costs are too great – and Pima County recognizes that there is a better way to address chronic homelessness and the cycle of incarceration that will make our community safer, lower costs, and improve lives. Even while Pima County establishes some of the most progressive justice reform programs and strategies in the country, we observe our homeless population continuing to grow with great concern. The City of Tucson reported that from 2019 to 2020, our unsheltered population increased by over 60%; this rate is expected to increase from 2020 to this year due to the COVID-19 pandemic (2020 Community Data Report & Updated on Homelessness in Pima County, Arizona; Tucson/Pima Collaboration to End Homelessness).

Further, local research indicates a strong correlation between chronic homelessness, co-occurring disorders, and justice-involvement in our community. Our community’s jail, the Pima County Adult Detention Complex (PCADC), conducted a “snapshot analysis” in March 2021 of the 1,435 individuals currently in custody. Sixty-five percent of detainees had reported substance use disorder and 20% self-identified they were homeless. Pima County justice system partners have taken considerable measures to dramatically reduce the jail’s population (then maintain the lowered amount; we average about 500 fewer detainees on any given day than before the pandemic); however, these strategies likely mean that our homeless population is struggling even more under the pandemic complications of accessing treatment, social service, and transportation.

The Pima County Housing First (PCHF) program was launched in April 2019 to specifically target this population: unsheltered individuals with co-occurring disorders and justice

involvement with the goals of reducing utilization of emergency medical care, chronic homelessness, and justice involvement. After a multi-year study to determine the need and opportunity for a Permanent Supportive Housing (PSH) program in Pima County, the PCHF “pay for success” pilot program was created in collaboration with the City of Tucson. Three partners were enlisted to support the program: a housing service provider, an independent evaluator, and a technical assistance provider. Old Pueblo Community Services (OPCS), the RAND Corporation, and the Corporation for Supportive Housing (CSH) were selected (respectively). The City of Tucson contributed Section 8 vouchers and Pima County provided the General Funds to underwrite all other costs associated the pilot (\$3 million over two-year pilot, concluding on June 30, 2021).

Participant eligibility in PCHF is based on three characteristics: 1) homelessness of any form, 2) frequent utilization of County jail services, and 3) mental health and/or substance abuse issues. The premise of the pilot and housing first model is that in achieving housing stability *first*, supported individuals will be better situated to address issues that impact their quality of life. Referrals are accepted only from justice system partners. The program has exceeded its goal of providing PSH to 150 participants; it has 190 active clients in the program (187 referred clients plus three domestic partners). Currently PCHF has 138 clients in permanent housing, 14 individuals in transitional (“bridge”) housing awaiting placement, and the remaining amount in various stages of program intake (for example, “document seeking” or “pending inspection”).

There are many reasons for an individual to participate in PCHF as opposed to receiving a standard Section 8 housing voucher. First among these, many PCHF clients would not be eligible for a standard housing voucher through the City of Tucson Housing Authority screening process due to their criminal history. Also, many individuals require additional resources and intervention to be successful. PCHF offers several enhancements and supplemental support services: families,

children, and pets are allowed in housing; wrap-around resources and supplies (such as “move in kits” for those placed in permanent housing that includes a bed and box spring, bedding, cookware, dinnerware, towels, cleaning supplies, and kitchen items); integration with treatment; participants are placed in low-barrier transitional housing while waiting for permanent housing assignment (while still receiving support services); and staffing includes more than 13 full time equivalent (FTE) professionals (including many Medicaid-billing clinicians, Criminal Justice Advocates (CJA), and individuals with lived experience in homelessness and the justice system).

PCHF has been especially critical in the past year – while many other treatment providers, social services, and housing providers have had to limit services or new admissions during the pandemic, PCHF has risen to challenge. We knew that the risks and challenges of COVID-19 would be magnified for the most vulnerable in our community; in just over the past year, the number of clients accepted into our program increased by 254%.

The Housing First pilot employs a pay for success design which includes performance-based contracting and independent evaluation. In this stable housing performance-based payment structure, the housing provider is reimbursed 90% of monthly invoices; 10% is retained. Pima County then uses the information provided in a Performance Payment Report to calculate the performance reimbursement payment that is owed. OPCS receives full contract payments for participants remaining 90 days in stable housing; the performance metric applies to a remaining 275 days in stable housing.

B. Project Design and Implementation

Pima County Housing First (PCHF) will incorporate lessons learned from the program’s two-year pilot as well as evidence-based best practices into the next PSH program phase. Planned changes include the following:

(1) Performance Pay Adjustments: to better incorporate “Pay for Success” metrics into payment structure, to include more specific “success measurements” with detailed metrics to better tie improved outcomes to remuneration. Incorporating new metrics and benchmarks to measure success will stimulate a more robust evaluation of the program performance. The goals for these enhancements are to better support personal stability among participants along with housing stability and to reduce participant recidivism (measured by jail entry). In the next PCHF phase, Pima County will adjust the pay structure of the performance-based contract with the housing provider (OPCS), increasing the level of monthly vendor invoicing that the County retains from 10 to 15 percent. The change will allow the County to add additional performance measurement metrics to support both reduction in recidivism and housing stability.

Performance Target I – Reduction in participant recidivism: A new performance metric is being proposed: Jail Avoidance (five percent). This metric will gauge the program’s ability to prevent subsequent criminal justice system involvement up to 24 months after the participant is placed in permanent supportive housing. The goal is to reduce re-incarceration, specifically defined as an entry into PCADC. An initial benchmark will be no more than 25% of program exits are related to re-incarceration. Payments will be made in accordance to the following performance benchmarks: 25% or below—entire retainage is paid; 26%-35%— 95% of retainage is paid; above 35% with improved performance compared to the previous quarter—90% of retainage is paid; above 35% with no improvement—no retainage is paid.

Target reduction in returns to the jail will be developed using PCADC admissions that were the result of an arrest (not a sentence to PCADC, probation violation, or a civil confinement) between 2015 and 2020 will be extracted from the Spillman database. A distinct sample of individuals will be created based on the first entry during each year. The number of individuals

entering PCADC each year will be calculated using Spillman data. Subsequent PCADC entries, including the reason for admission (new arrest, probation violation, jail sentence) and the date of the entry will be extracted from the database. The number of subsequent jail admissions among individuals who would have been eligible for Housing First will be calculated and compared for each entry type to those who did not meet the Housing First criteria. The average time from release to re-entry for a new crime will be calculated and compared between each population. The average number of subsequent entries into PCADC over the period and average the time from release to return to the PCADC for a new crime will be used to develop target outcomes.

Performance Target II – Housing Stability: The performance-based contract metrics pertaining specifically to housing stability will add up to 10% of the total retainage. This housing stability metric will be broken down into two factors: six-month retention (five percent) and 12-month retention metrics. A PSH participant will be deemed to have achieved the housing retention (six- or 12-month) thresholds if the eligible individual continues to hold a lease for permanent supportive housing from the time they are issued a housing voucher to the reporting date. Payments will be made in accordance to these performance benchmarks: 85% or above—entire retainage will be paid; 76%-84%—95% of retainage will be paid; below 75%, but performance has increased compared to previous quarter—90% of retainage will be paid; below 75% and no improvement has been made—no retainage will be paid.

Using the data extraction methodology described above, target outcomes will be compared to the return to PCADC rates during the Housing First Pilot phase. Based on these findings, the target outcomes might require adjustment. If the outcomes during the pilot phase are lower than target outcomes, further analysis will be conducted to determine the reason.

PCHF will work closely with technical assistance provider, National Reentry Resource Center (NRRC), to develop a reporting system that provides adequate evaluation of the program’s success. This will include the development of performance targets and outcomes with a specific timeline and a final evaluation of the program at closeout. During the Housing First pilot, Pima County developed a data collection system among health, housing, and criminal justice data stakeholders, including data provided by the following entities: City of Tucson Public Defender’s Office, Pima County Sheriff’s Department, Pima County Public Defense Services, Pima County Attorney’s Office, Superior Court Pretrial Services and Adult Probation, Tucson Police Department, and Old Pueblo Community Services. Data is collected from the Health Information Exchange (HIE) and Homeless Management Information System (HMIS) databases; as well as the following justice-related databases: Adult Probation (APETS); City of Tucson Public Defender (JustWare); County Public Defender (JustWare); Pima County Attorney’s Office (CAMMS); Pima County Sheriff’s Department (Spillman); Pima County Superior Court – Pretrial Services (CATS); and Tucson Police Department (internal database). One of the challenges in collecting data has arisen with the different database systems each agency uses.

(2) Incorporating validated assessment tools: to identify which referred individuals have the greatest needs, and therefore should be prioritized first for intake (as opposed to the current “first come, first served” process). Pima County determined that a waiting list management system is needed improvement in order to provide an objective way to serve those clients who are sitting on the waiting list while prioritizing the “higher risk” populations. Along with the current validated assessment tool utilized by Pima County Adult Probation and Pretrial Services, an additional risk assessment tool will be employed to better identify priority populations and expedite the enrollment of the most vulnerable participants. Research demonstrates that “higher risk”

individuals respond more positively to the concentration of case management and other wrap-around resources that PSH provides in conjunction with the Section 8 housing voucher system. This additional assessment will identify the individuals most in need of intensive resources and enhance the program’s ability to ensure access to them. Participants who score in the high risk range will be in line for additional case management and earlier placement in PSH. One tool under consideration for use is the Vulnerability-Index: Service Prioritization Decision Assistance Tool (VI-SPDAT), which is currently utilized in the community.

(3) Infusing Trauma-Informed Care: into all aspects of PCHF program; including utilization of the Adverse Childhood Events (ACE) screening, providing trauma-informed care training for all staff, and working closely with community treatment providers to ensure the assessed needs relating to trauma history are incorporated into their treatment plan.

(4) Implementing “Phases” and Graduation: Designing and implementing a set of program milestones leading to participant graduation from the “wrap-around services” and intensive case management components of PCHF. The goal is to give participants tangible milestones and incentives to step down to lower levels of intervention and case management, ultimately either a standard Section 8 housing voucher without support services, or to no longer qualify for HUD housing due to increased income and the ability to support oneself.

(5) Providing family reunification: assistance to participants who are noncustodial parents. It is posited that bringing children back together with parents may improve outcomes for both.

CJRU will have primary responsibility of ensuring the above measures are implemented and evaluated for execution and efficacy. CJRU will also continue to monitor current metrics; design, implement and monitor new performance-based metrics; and authorize appropriate release of success payments. CJRU will continue to work with OPCS to update policies and procedures,

relevant forms, and the PCHF program handbook. Once an independent program evaluator has been selected for full program implementation, CJRU will ensure the necessary data is conveyed in a timely manner and that the evaluator is able to provide quality independent evaluation and analysis.

OPCS currently provides extensive staff training, which includes (but is not limited to): evidence-based practices (including motivational interviewing and trauma-informed care), the housing first model guiding principles, and racial equity along with in-depth clinical supervision. Pima County will request documentation of OPCS staff training on a quarterly basis with an audit of personnel files to verify required staff training. Pima County will identify proper training on the following competencies: performance-based or outcomes-based procurement, reentry services, PSH, data collection, and outcomes validation. CJRU staff will participate in training by attending nationally recognized webinars.

C. Capabilities and Competencies

CJRU, responsible for managing the PSH pilot, is a unit in the Pima County Administrator's Office. CJRU is well positioned as an intermediary among essential partners including state and local courts; Tucson and county law enforcement, probation and pretrial supervision; jail, public defense, and prosecution; as well as community treatment providers, local tribes, and community members. In addition to PCHF, CJRU also is home of several justice reform efforts including a MacArthur Foundation Safety + Justice Challenge grant (currently in our third cycle of grant funding) with goals reducing our jail population and addressing systemic racial and ethnic disparities, and a SAMHSA grant that promotes building strong pathways to substance use recovery and law enforcement deflection. CJRU also supports Tucson Police Department (TPD) as a Law Enforcement-Mental Health Learning Site for BJA.

Wendy Petersen, JD, Assistant County Administrator for Justice and Law Enforcement, leads CJRU and supervises the PSH grant manager. Last year CJRU welcomed Kate Vesely, MPA, Director of Justice Reform Initiatives, to its management team. She brings both strong community and justice system connections and extensive experience in federal grants (SAMHSA and BJA), behavioral health treatment, problem-solving courts, crisis intervention training for law enforcement, and has previously served on several SAMHSA expert panels related to behavioral health and the justice system. Ms. Vesely will serve as Principal Investigator (PI); having prior PI experience in several SAMHSA and BJA grants. Alejandro Martinez, current PCHF coordinator, will serve as the PSH program grant manager. Prior to joining CJRU, he worked in various affordable housing-related capacities for non-profit and government entities throughout Southern Arizona.

Day-to-day operations of PSH will continue to be managed by Old Pueblo Community Services (OPCS), a subrecipient of the PSH grant. OPCS is an Arizona domestic nonprofit corporation formed in August 1996; its main office is located in midtown Tucson, Arizona. OPCS has over 15 years of experience contracting with the federal and local agencies, including Veteran’s Administration (VA), City of Tucson, and Pima County. OPCS also has more than 10 years of experience managing a variety of health-, justice-, and housing-related federal grants. These projects included outreach, temporary and permanent housing, housing navigation, employment coaching, case management, and behavioral health counseling. The Supportive Housing Department, responsible for all rapid rehousing and PSH, consists of outreach staff, navigators, case managers, and Housing Quality Standards-certified housing inspectors.

OPCS operates a licensed outpatient facility under the monitoring of the Arizona Department of Health Services, and in 2010 received accreditation from the Commission on

Accreditation of Rehabilitation Facilities (CARF). Since its licensure in 2008, OPCS has conducted outpatient substance abuse counseling and mental health support to homeless, veteran, and offender populations using motivational enhancement techniques, cognitive behavior therapy, contingency management, recovery skills training and support, case management and peer-based recovery supports.

A recognized leader in the provision of evidence-based behavioral health practices, OPCS received the SAMHSA Science to Service Award for implementation of motivational interviewing as a homelessness intervention. Since 2015, OPCS has been a Medicaid managed care agency, providing outpatient services and housing for individuals with serious mental illness. OPCS currently manages ten site-based low barrier bridge housing locations and over 300 scattered site permanent supportive housing units, serving over 500 households transitioning from homelessness to permanent housing. Also in 2015, OPCS implemented the first city-funded low barrier bridge housing program, which has served over 50 households, moving approximately 45% into permanent supportive solutions. OPCS projects include outreach, temporary and permanent housing, housing navigation, employment coaching, case management, and behavioral health counseling, serving an average of 1,400 persons per year with a \$9 million 2017 operating budget, and a team of over 90 employees.

Through collaboration with the Housing and Community Development department at the City of Tucson, as well as local landlords, OPCS has also established the ability to cut the time from application for a voucher to move-in from an average of approximately 120 days to 45 days via the Pima County Housing First Project. The investment in low barrier shelter and permanent housing for persons involved in the criminal justice system has resulted in reduced costs to the community.

Thomas Litwicki, M.Ed, LISAC is OPCS' Chief Executive Officer. In this role, he assumes overall responsibility for the agency and reports directly to the Old Pueblo Group Board of Directors. He has 21 years of experience in managing government and non-profit human services and housing programs, including progressive management during a 20-career with the Arizona Department of Corrections, Rehabilitation, and Reentry, culminating in his appointment as Regional Administrator for Addiction Treatment Services. Katy Scoblink, OPCS Chief Operating Officer, ensures the PSH project is implemented with fidelity and maintains programmatic and fiscal reporting compliance. She is licensed as an Independent Substance Abuse Counselor through the Arizona Board of Behavioral Examiners, and is an approved Clinical Supervisor through this same body with over 17 years of experience in the field of addiction in both private and state licensed agency settings.

Harry Joiser, OPCS' Low Barrier Bridge Housing Manager, provides staff supervision in bridge housing as well as programmatic oversight. He is a Licensed Associate Counselor, with Master's degrees in Psychology and in Professional Counseling; a Certified Clinical Trauma Specialist, he is certified proficient in Motivational Interviewing and MHFA. Supportive Housing Program Manager, Rebecca Benavidez, provides supervision of outreach, navigation, and PSH case managers. Her nine years of experience working with households experiencing homelessness, includes supporting persons in reentry from jail and prison. She is proficient in HMIS, VI-SPDAT, and is an approved Housing Quality Inspector. She is also trained and demonstrated proficiency in the use of Motivational Interviewing and MHFA.

D. Plan for Collecting the Data Required for Performance Measures

Currently, OPCS creates a list of all referred clients who have signed a release of information (ROI) quarterly. This dataset includes an OPCS-created unique identifier with client

name and date of birth. An Excel workbook with this information is sent to each Housing First criminal justice partner. There, an assigned data analyst extracts the following information from the agency's data management system: dates of services, services provided, and a cost estimate of provided services.

Law enforcement, Pretrial Services, and PCADC add dates of contact/incarceration, service types, and cost information. The Pima County Attorney's office provides diversion program enrollment, services, specialty court participation, and victim status history. Pima County Public Defense Services identifies felonies vs. misdemeanors and average cost per case. The Tucson City Public Defender's office provides information on the type of representation provided to the client. Each partner agency then returns the Excel workbook to OPCS.

OPCS collects the following data: referral source; Vulnerability Index score; date of intake; age; veteran status; race; ethnicity; gender; housing choice voucher (HCV) application status; lease date; rental unit move-in date; monthly rental subsidy amount; monthly utility allowance amount; household information; housing and homelessness history, income information; and health insurance status. OPCS tracks lease terminations, loss of HCV; program exit, including date, reason exit destination, income at exit, non-cash and health insurance benefits at exit. OPCS tracks monthly performance metrics, which include the number and source of referrals, demographics of clients referred, number of clients completing intake, number of clients awaiting a voucher and number of clients housed, the length of time between intake and receiving a voucher, and the length of time from receiving the voucher until the client is housed. This data is shared with stakeholders and used to identify possible points for process improvements.

E. Impact/Outcomes & Sustainability

The PCHF pilot program was set up with two Pay for Success elements: performance-based contracting and independent program evaluation. PCHF staff received technical assistance from a program partner, Corporation for Supportive Housing (CSH), on targeted implementation strategies, performance-based contracting, and development of a stakeholder learning collaborative. The County engaged the RAND Corporation, a nationally recognized organization with evaluation experience in similar housing programs, to provide independent evaluation during the pilot program. RAND has provided two interim reports: one in spring 2020 and one in fall of 2020. RAND will provide a final report at the end of the pilot phase in June 2021. Pima County will follow the Procurement Code to obtain a qualified evaluator for the proposed implementation. Initial results from this evaluation are promising - RAND's interim evaluation, which compared all the criminal justice and health care entities providing data, found that the largest savings were observed for the Tucson Police Department and the Pima County Sheriff's Department: participants in PCHF decreased engagement with these agencies by more than 55%.

Validating performance or outcomes: PCHF currently utilizes two reports to measure performance. These two reports provide the data Pima County needs to measure the service provider's ability to keep participants housed and engaged, which is tied directly to their retainage payment. These two reports are submitted to the RAND Corporation for validation. The monthly RAND progress report includes: program referral sources; where potential participants are currently housed (e.g. family/friends; shelter/halfway house; residential treatment center); breakdown of ineligible applicants; applicants pre-screened as eligible but later removed from the wait list; housing status of enrollees; total exits after program entry prior to PSH; total exits after program entry and after PSH.

The quarterly report provides: total Housing First referrals during the reporting period; total enrollments and exits; current number enrolled in HF; current number housed in single occupancy units and housed with others in the unit. The report also provides aggregate breakdown of sex and race of applicants, applicants' location/residence at the time of referral, pet ownership, and household type.

Pima County will continue to utilize this type of reporting, validated by an independent evaluator, to determine OPCS' eligibility for performance-based payments. Pima County's robust data-sharing with multiple local criminal justice agencies provides the basis to expand performance based contracting to consider enrollees' avoidance of justice system involvement.

Justice system Integration: The Housing First model is currently integrated into Pima County's justice system through its Jail Population Review Committee, Public Defense Services, Adult Probation Office and Pre Trial Services; all of which make up the referral pathways for our current Housing First program. Pima County's institutional commitment to the PCHF project and performance-based contracting is demonstrated by the letters of support included with our application from the Pima County Administrator and Procurement Director, Public Defense Services, Pima County Adult Probation, City of Tucson Housing and Community Development Office and Tucson Pima Collaboration to End Homelessness. Housing First is included in Pima County's Strategic Plan, and supports our goal to ensure the greatest possible level of independence and self-sufficiency of residents, promote their physical, mental and social well-being, and cultivate a safe and healthy community.

Sustainability: Housing First will solicit funding from local and community providers who have realized savings from this program. Pima County Housing First always envisioned funding coming in the form of cost savings to health care and criminal justice system partners and

investment by health care providers for scaling up and providing sustainability. Arizona is a Medicaid expansion state. Arizona’s Health Care Cost Containment System (AHCCCS, the state’s Medicaid program), the Managed Care Organizations (“MCOs” with whom AHCCCS contracts, including Arizona Complete Health) all stand to realize savings from the HF program.

Expected Program Long-term Results: The goal of this project is to lower the use of emergency rooms, calls for service to first responders, jail bookings, and criminal justice system involvement among program participants. In 2014, the jail population was nearing its capacity level of 2200 individuals. Through a variety of strategies, that number has been drastically reduced: as of April 23, 2021, PCADC’s jail population was 1,440. Sustaining a lower jail population depends, at least in part, on scaling PCHF. Providing safe, secure housing with wraparound services creates an environment where an individual is less likely to recidivate. Pima County’s goal is a recidivism rate of less than 15%, as defined by 85% of Housing First participants not returning to jail.

Continuing and enhancing the Pima County Housing First program benefits the entire community: not only those who are exiting the jail, but their children, families, and loved ones as well as the community as a whole will benefit from more productive members and less justice-involvement. Pima County anticipates that 85% of persons who otherwise would be exiting the jail into homelessness or unstable housing (as identified by our referral partners) will be placed in transitional and then permanent housing. To date, PCHF has had eight babies born into the program. By breaking the cycle of homelessness and incarceration for our most vulnerable community members, we will improve Pima County for generations to come.