

The Off the Streets Program was created in 2020 with the use of CARES federal funds and is currently funded with ARPA federal funds. The program currently leases rooms at the Windemere Hotel. The number of rooms has fluctuated between 50 and 113 due to the temporary availability of operational funds from the State. The current room count is 85.

CARES funds were meant for emergency services such as food, shelter, revenue replacement, and pay for essential staff. ARPA funds were meant to assist in creating future resiliency. Mesa allocated funds to projects such as the Mesa Business Builder, operations for the United Food Bank to allow them financial capacity to purchase refrigerated trucks, the construction of bridge housing units at the East Valley Men's Shelter, and the acquisition of a permanent location for the Off the Streets program.

Benefits of owning the property now known as Sunaire were considered by the City Council and direction was provided to proceed with the purchase and renovation. Following is an updated overview of these items.

Benefits of property ownership rather than leasing rooms:

- Better control of site condition and program structure
- Furniture and room configuration maximized for use for family demographic
- Family pets do not result in additional costs
- Potential mixed-hoteling legislation does not impact program operations
- More efficient use of funds and control of ongoing costs. Anticipate \$500K annual savings

Benefits of Sunaire property versus Windemere property:

- Better campus layout and amenities: single entry point, enclosed hallways, children's play area, client laundry
- Better security: Cameras owned by the city, exterior cameras connected to Real Time Crime Center, interior cameras monitored by on-site staff
- Operational cost savings allows for grab-and-go meals, which allows for clients to remain on site focusing on program goals
- Focus on the most vulnerable populations: families with minor children, seniors, domestic violence survivors

Quality control and oversight of program remains:

- Program operations performed by subject matter experts through a contract with a local non-profit. Contract oversight provided by the Office of Homeless Solutions within the Community Services Department.
- Request for proposals to operate the Sunaire location issued in Fall 2025. Finalist will be identified in Feb/March 2026.
- Program structure continues: closed campus (no unauthorized visitors), no walk-up services, curfew, room checks, zero-tolerance drug policy, connection to housing/employment services/medical care/schools, positive program progression required
- Police presence and staff presence 24/7

Sunaire Timeline:

05/15/2023	City Council approves purchase of 6733 E. Main St., previously known as the Grand Hotel
07/03/2023	City Council approves Intergovernmental Agreement (IGA) with Maricopa County accepting \$4M in county ARPA funds for the property purchase and agrees to use the property for emergency shelter for a minimum of 10 years
11/06/2023	City Council approves Council Use Permit with conditions
11/30/2023	City takes ownership of property
02/07/2024	City awards design contract through RFQ (request for qualifications) with Council notification 4/24/2024 through Quarterly Procurement Report
11/04/2024	City Council approves construction contract
06/02/2025	City Council approves FY25/26 budget, includes reduction in on-going cost need by movement of program from Windemere to Sunaire
March 2026	Anticipated construction completion
Summer 2026	Anticipated operational opening

Total cost of acquisition and renovation is \$13.2M, fully ARPA funded

If the city sells the property and does not operate it as an emergency shelter:

- \$4.0M will need to be repaid to Maricopa County per the IGA. The county will need to work with the US Department of the Treasury regarding options.
- \$9.2M will be subject to disposition instructions from the US Department of the Treasury. If the property is retained, ARPA guidelines require that the use must be consistent with the purpose for which it was purchased or improved. The Finance Director requested clarification from the US Department of the Treasury.

If the city leases the property to a non-profit to provide emergency shelter services without providing operational funding:

- The funds will not need to be repaid to Maricopa County nor the US Department of the Treasury
- A request for proposals will need to be issued. The non-profit will need to show both the ability to operate a quality program, the financial ability to provide a stable program, and the willingness to comply with the Council Use Permit.
- The city will save the cost of the operations and will provide only standard landlord support
- The city will lose some of the oversight and quality control of the program
- The city may lose quality and coordinated process with public safety, other city departments and service providers