



MAYOR & COUNCIL MEMORANDUM

September 23, 2025

Subject: Housing Alternatives for Urban Strength (HAUS) Program
(City Wide)

Page: 1 of 4

Issue – In May 2025, Ward 2 Council Member requested a Study Session item to discuss and address a critical housing gap and new program to assist Tucson residents who have income but struggle to meet standard rental criteria due to poor credit, rental history, or high move-in costs. This program is designed to support tenants to overcome barriers to obtaining rental housing and to provide landlords with incentives to lease to renters who typically need a co-signer to meet standard rental criteria.

City Manager's Office Recommendation – Mayor and Council are requested to discuss the item and provide direction to Housing and Community Development to implement the HAUS program as a one-year pilot.

Background:

Growing Crisis - According to the 2024 Gaps Analysis published by the Tucson Pima Collaboration to End Homelessness (TPCH) between 2020 and 2023, the total count of individuals experiencing homelessness in the Tucson/Pima Point in Time Count increased 67%, the number of Tucson TPCH coordinated entry assessments completed by unique individuals increased 34%, and the number of single adults experiencing chronic homelessness considered “actively homeless” by TPCH increased 86%. Between 2023 and 2024, TPCH saw a decrease in units/beds across all housing project types available in the continuum. This was especially true for Permanent Supportive Housing. The City of Tucson (City) owns and/or operates several emergency shelters that currently struggle to move unhoused guests on because of a lack of permanent housing options available to them.

The Gap - Many families have income, but they cannot access rental housing due to high move-in costs, poor credit history and landlord income requirements. There needs to be new and innovative strategies designed to encourage landlords to rent to families who have income but struggle to afford the move-in costs (first month, last month, security deposit, insurance, etc.) and may not have the credit history typically required. Therefore, Council Member Cunningham has developed a pilot program entitled the Housing Alternatives for Urban Strength (HAUS) Program to fill a housing gap that exists in the community.

When this idea was discussed during the May Study Session, there were questions related to the funding and legal considerations, about this idea. Over the past few months, HCD has been working on how to implement the program.

Present Consideration(s):

Working with Council Member Cunningham, the following outline was created for the HAUS pilot program. The overall concept is that the HAUS program will be a partnership between the City of Tucson and private landlords.

Program Overview: The City of Tucson will work with local landlords to provide a financial guarantee to expand housing options for persons who experience challenges securing a rental unit due to credit, and/or criminal background history. This program aims to serve persons who have income and are not a current recipient of housing assistance like the Housing Choice Voucher Program or a community rental assistance program.

Program Funding: Council Member Cunningham has committed up to \$25,000 of Ward 2 funding. The Commission on Equitable Housing and Development recommended allocating \$75,000 of Tucson Housing Trust Fund monies to support the one-year pilot.

Eligible HAUS costs:

- Selected move-in costs will be covered to support the tenant in overcoming barriers to obtaining housing, including back utilities costs, utility transfers, fees for internet, rental insurance, and other related expenses. The Housing First team will manage these payments and remit them directly to the vendors on behalf of the tenant.
- Landlords will be provided a guarantee of up to \$2,500 per tenant for unpaid rent and/or damage.

Landlord requirements:

- Landlords who accept referrals from the City of Tucson will have access to the HAUS funding pool of up to \$2,500 per tenant if landlord demonstrates losses due to damage or the tenant moving out prior to the end of the lease term for any reason. The landlord acknowledges that the City only guarantees the tenant for a period of 12 months beginning on the start date of the lease.

Other requirements of the program:

- Landlords must demonstrate and provide detailed accounting of costs incurred including damages and unpaid rent.
- Request for funds must be made within 30 days of the tenant's move-out or eviction.
- Landlords will accept persons with poor rental and credit history because the City will serve as a guarantor for only the first year of the lease. The landlord will not require last month rent nor a security deposit.
- Participating landlords will agree to not raise the rent at year two (2) by more than the BLS Consumer Price Index inflation rate plus 5%.
- The City will not require a change to the criminal history criteria but encourages landlords to review criteria and provide opportunities to persons with criminal history to have a second chance.

Tenant Requirements:

- Referrals will primarily come from Housing First Program or other emergency shelter providers located in the City of Tucson.
 - Program is designed for tenants who have some income and are able to make monthly rental payments without government or philanthropic assistance but who may not have income equaling 2.5-3 times the monthly rent as commonly required.
 - During the intake process, the tenant will participate in financial counseling.

- Complete HAUS Training Program (see information below).
- Tenant is responsible for the rent as listed by landlord. The City is not responsible for any portion of the rental amount. The City assistance will only be available to the tenant for a period of one year.

City Role:

- Assist with the referral and placement process.
- Support the tenant to move out of shelters and into an apartment in the HAUS program.
- Oversee and process claims with the HAUS funding pool.
- Coordinate the HAUS Training Program.
- For initial pilot, assign a Case Manager to work with the household.
- Track and Report on the Pilot Program.

HAUS Training Program – provides education on housing basics, lease compliance, how to be a good tenant/neighbor, maintenance reporting, how to deal with guests, financial literacy, etc. (community resources)

Plan Tucson Consideration(s)-

Policy #	Plan Tucson Policy
H1	Evaluate the social, physical, and spatial needs related to housing program design and location, including neighborhood conditions and access to basic goods and services.
JW7	Contribute to workforce stability and advancement through support of ancillary services, such as transportation, childcare, nutrition, and healthcare.
H2	Focus public and private investment on documented housing needs and priorities considering the long-term housing supply and demand.
H6	Take multiple approaches to reduce housing costs and increase affordability.
H7	Increase access to safe, healthy, and affordable housing choices, including mitigating the impacts of foreclosure.
H8	Address the housing needs of the most vulnerable populations in the community, including those at risk for homelessness
H9	Promote safe, decent, and affordable housing and neighborhoods that support aging in place.
H10	Provide housing, human services, public facilities, and economic development programs to end homelessness.

Financial Considerations – HCD estimates this pilot program will cost approximately \$100,000 for an initial pilot to serve at least 35 individuals. Ward 2 has committed funding in the amount of \$25,000. The remaining \$75,000 is anticipated to be covered by Housing Trust Funds, which will be considered for approval by Mayor and Council in a separate item on September 23, 2025 Study Session agenda

MAYOR AND COUNCIL MEMORANDUM
Housing Alternatives for Urban Strength (HAUS) Program
(City Wide)

Page: 4 of 4

Operating Cost and Maintenance Input – N/A

Legal Considerations – The City Attorney's Office has reviewed this Memorandum. The City Attorney's Office will also take a more critical look at the landlord and participant agreements prior to program execution.

Respectfully submitted,



Elizabeth Morales
Assistant City Manager

LM:ac
Housing and Community Development