

A Sandwich Shop, a Tent City and an American Crisis

As homelessness overwhelms downtown Phoenix, a small business wonders how long it can hang on.

By Eli Saslow [Photographs by Todd Heisler] | Reporting from Phoenix

He had been coming into work at the same sandwich shop at the same exact time every weekday morning for the last four decades, but now Joe Faillace, 69, pulled up to Old Station Subs with no idea what to expect. He parked on a street lined with three dozen tents, grabbed his Mace and unlocked the door to his restaurant. The peace sign was still hanging above the entryway. Fake flowers remained undisturbed on every table. He picked up the phone and dialed his wife and business partner, Debbie Faillace, 60.

“All clear,” he said. “Everything looks good.”

“You’re sure? No issues?” she asked. “What’s going on with the neighbors?”

He looked out the window toward Madison Street, which had become the center of one of the largest homeless encampments in the country, with as many as 1,100 people sleeping outdoors. On this February morning, he could see a half-dozen men pressed around a roaring fire. A young woman was lying in the middle of the street, wrapped beneath a canvas advertising banner. A man was weaving down the sidewalk in the direction of Joe’s restaurant with a saw, muttering to himself and then stopping to urinate a dozen feet from Joe’s outdoor tables.

“It’s the usual chaos and suffering,” he told Debbie. “But the restaurant’s still standing.”

That had seemed to them like an open question each morning for the last three years, as an epidemic of unsheltered homelessness began to overwhelm Phoenix and many other major American downtowns. Cities across the West had been transformed by a housing crisis, a mental health crisis and an opioid epidemic, all of which landed at the doorsteps of small businesses already reaching a breaking point because of the pandemic. In Seattle, more than 2,300 businesses had left downtown since the beginning of 2020. A group of fed up small-business owners in Santa Monica, Calif., had hung a banner on the city’s promenade that read: “Santa Monica Is NOT safe. Crime ... Depravity ... Outdoor mental asylum.” And in Phoenix, where the number of people living on the street had more than [tripled since 2016](#), businesses had begun hiring private security firms to guard their property and lawyers to file a lawsuit against the city for failing to manage “a great humanitarian crisis.”

The Faillaces had signed onto the lawsuit as plaintiffs along with about a dozen other nearby property owners. They also bought an extra mop to clean up the daily flow of human waste, replaced eight shattered windows with plexiglass, installed a wrought-iron fence around their property and continued opening their doors at exactly 8 each morning to greet the first customer of the day.

“Hey, bro! The usual?” Joe said to a construction worker who always ordered an Italian on wheat.

“Love the new haircut,” Joe said a few minutes later to a city employee who came for meatballs three days each week.

Debbie arrived to help with the lunch rush, and she greeted customers at the register, while Joe prepared tomato sauce and weighed out 2.2 ounces of turkey for each chef’s salad. Their margins had always been tight, but they saved on labor costs by both going into work every day. They remodeled the kitchen to make room for a nursery when their children were born and then expanded into catering to help those

children pay for college. They kept making the same nine original house sandwiches for a loyal group of regulars even as the city transformed around them — its population growing by about 25,000 each year, inflation rising faster than in any other U.S. city, housing costs soaring at a record pace, until it seemed that there was nowhere left for people to go except onto sidewalks, into tents, into broken-down cars, and increasingly into the air-conditioned relief of Old Station Subs.

“I need to place a huge order,” a woman said as she walked up to the counter wearing mismatched shoes and carrying a garbage bag of her belongings. “I own Dairy Queen.”

“Oh, wow. Which one?” Debbie asked, playing along.

“All of them,” the woman said. “I’m queen of the queen.”

“That’s wonderful,” Debbie said as she led the woman to a table with a menu and a glass of water and watched as the woman emptied her bag onto the table, covering it with rocks, expired bus passes, a bicycle tire, clothing, 17 batteries, a few needles and a flashlight. “Would you like me to take an order?” Debbie asked.

“You know why I’m here,” the woman said, suddenly banging her fist against the table. “Don’t patronize me. The king needs his payment.”

Debbie refilled the woman’s water and walked behind the counter to find Joe. For the past several months, she had driven into work with stomach pain and stress headaches. She had started telling Joe that she was done at Old Station, whether that meant selling the restaurant, boarding it up or even moving away from Phoenix for a while without him. She had begun looking at real estate in Prescott, a small town about 100 miles away with a weekly art walk, mountain air, a few lakes.

“What am I supposed to tell this lady?” she asked him. “I can’t keep doing this. Every minute it’s something.”

Joe reached for her hand. “It’ll get better. Stick with me,” he said, but now they could hear the woman tossing some of her belongings onto the floor.

“The king needs his ransom!” she shouted.

“I’m sorry, but it’s time to go,” Debbie told her.

“You thieves. You devils,” the woman said.

“Please,” Debbie said. “This is our business. We’re just trying to get through lunch.”

Their restaurant was located a half-mile from the Arizona State Capitol in an industrial neighborhood of warehouses and crisscrossing train tracks that had always attracted a small number of transients. Over the years, Joe and Debbie came to know many by name and listened to their stories of eviction, medical debt, mental illness and addiction, and together they agreed that it was their job to be Christly — to offer not only compassion but help.

They had given out water, opened their bathroom to the public and cashed unemployment and disability checks at no extra cost. They hired a sandwich maker who was homeless and had lost his teeth after years of addiction; a dishwasher who lived in the women’s shelter and first came to the restaurant for lunch with

her parole officer; a cleaner who slept a few blocks away on a wooden pallet and washed up in the bathroom before her shift.

But the homeless population in Phoenix continued to grow by hundreds each year, even as the city's supply of shelter beds remained relatively flat, and a [federal court ruling](#) in 2018 required places with no shelter capacity to allow some camping in public spaces. The city's average rent rose by more than 80 percent during the pandemic. A wave of evictions drove more people from their homes, until for the first time ever more than half of Phoenix's homeless population was finding refuge not in traditional places, like shelters or temporary apartments, but in cars or tents.

Soon there were hundreds of people sleeping within a few blocks of Old Station, most of them suffering from mental illness or substance abuse as they lived out their private lives within public view of the restaurant. They slept on Joe and Debbie's outdoor tables, defecated behind their back porch, smoked methamphetamine in their parking lot, washed clothes in their bathroom sink, pilfered bread and gallon jars of pickles from their delivery trucks, had sex on their patio, masturbated within view of their employees and lit fires for warmth that burned down palm trees and scared away customers. Finally, Joe and Debbie could think of nothing else to do but to start calling their city councilman, the city manager, the mayor, the governor and the police.

"We've got a guy outside who's naked, trespassing and needs some serious help," Joe reported in a call to the police in the fall of 2021.

"They're throwing rocks from across the street at our windows," he said in another call a few months later.

"Breaking and entering. Vandalism. Harassment. I'm probably leaving some stuff out."

"She's swinging a pipe at people. Would you consider that normal?"

"It's a fire the size of my house. My customers are trying to eat, and they can't even breathe."

"Gunshots. Shouting. It goes on all day."

Within a half-mile of their restaurant, the police had been called to an average of eight incidents a day in 2022. There were at least 1,097 calls for emergency medical help, 573 fights or assaults, 236 incidents of trespassing, 185 fires, 140 thefts, 125 armed robberies, 13 sexual assaults and four homicides. The remains of a 20-to-24-week-old fetus were burned and left next to a dumpster in November. Two people were stabbed to death in their tents. Sixteen others were found dead from overdoses, suicides, hypothermia or excessive heat. The city had tried to begin more extensive cleaning of the encampment, but advocates for the homeless protested that it was inhumane to move people with nowhere else to go, and in December the American Civil Liberties Union successfully filed a federal lawsuit to keep people on the street from being "terrorized" and "displaced."

And now Joe and Debbie arrived for work on another morning and noticed a woman sprawled on the sidewalk with her face against the pavement. Debbie watched for a moment until she saw the woman roll onto her side. Maybe she was sick. Maybe she was just asleep. "Let's give her a bit to get sorted," Debbie said. But at lunchtime, the woman had barely moved, and two hours later she was still lying there, as the temperature climbed and Debbie began to imagine the worst possibilities. More than 1,250 homeless people had died in Maricopa County in the last two years, including hundreds from drug overdoses or heat exposure. Other nearby property owners had started calling the neighborhood Death Row.

Debbie picked up the phone and dialed 911. "I'm concerned," she said.

"It sounds like someone who could be resting," the dispatcher told her.

"Maybe," Debbie said. "But I'm about to go home for the day. Can you do a wellness check?"

That would mean sending the Fire Department, and lately firefighters had been harassed or assaulted so often within the encampment that they typically responded with a police escort. The dispatcher explained that it wasn't possible to send a full team of emergency medical workers to check on every person on the street who might in fact be taking a nap, and she suggested that Debbie approach the woman herself to ask if she needed help.

"I'll stay on the line with you," the dispatcher offered.

Debbie stood by her car and watched the woman's chest rise and fall. At least a dozen times in the last month, Debbie had been screamed at, threatened or verbally assaulted on the street by people who were suffering from severe mental illness, until she sometimes felt her compassion giving way to fear and anger.

"Fine," she said. "Keep doing nothing." She hung up and drove home. A while later, the woman got up off the sidewalk and walked to a tent across the street.

The woman's name was Shina Sepulveda, and she had been living in the encampment for a few weeks or maybe for a few months. It was hard to know for sure, she said, because she had been experiencing delusions. What she remembered was escaping from a cult in Mesa, building the first internet search engine, losing billions of dollars to a government conspiracy, cutting wiretaps out of her brain, retaking her dynastic name of Espy Rockefeller and then moving onto an 8-by-8-foot plot of sidewalk across the street from Old Station Subs.

For as long as she had been homeless, she tried to nap during the relative safety of the day and stay up late at night to help look over her small corner of the encampment. She put on makeup and sat down at a plywood desk, where a handwritten nameplate introduced her as "Doctor, Poet, Psychologist, Partner at Law," and where in reality she was now the 47-year-old caretaker of a half-dozen people, because, even if many of her stories were fantastical, she had earned a reputation for being generous and kind and for knowing a bit about everything.

"Hey, Espy, can you help me?" Brandon Mack said as he walked over from his nearby tent. He lifted his shirt to reveal two stab wounds from a few days earlier. He had fought with a neighbor over a coveted corner spot on the sidewalk, walked to the emergency room, gotten 18 stitches and then returned to recover on a molding mattress in a partly burned tent.

"Oh, yeah. It's infected," Espy said. "I saw this a lot when I was a surgeon. How do you feel?"

"I'm alive," he said.

"This isn't a life. It's an existence," Espy said as she took out a pair of scissors, scrubbed them with hand sanitizer and started to cut away a few of his stitches. She wiped away the pus and blood with napkins, tossing them into the street. Then she turned her attention to the next person in need of help. Cecilia wanted soap, so Espy handed her a bar she had scavenged from the nearby shelter. C.J. was drunk and needed help getting into the street to go to the bathroom. A man known as K.D. was moving his tent 50

yards down the sidewalk because he'd gotten into an argument with a neighbor who insulted his pit bull. "Nobody talks down to Dots," K.D. said. "I'm ready to go off. I'm armed and dangerous."

"I was a police officer," Espy told him. "If you really have to shoot, don't aim to kill. Just fire a warning shot."

The sun went down, and Espy saw her closest friend and neighbor, Kipp Polston, 65, coming back from the bus stop carrying a bucket and his 10-foot window-washing pole. In the last year, he had lost his business to heroin addiction, his apartment to eviction and his truck to an accident. Now he was working to get clean, leaving his tent at 5:30 each morning for an appointment at a methadone clinic before riding the city bus to businesses all across Maricopa County. He was trying to piece his life back together one window at a time, washing each for \$3.

He had washed 268 windows in the last month, but he was still nowhere close to saving enough for a security deposit and rent, so instead he had settled into an encampment so immense that it operated as its own separate economy. Blue fentanyl pills sold for \$2, and anyone could trade a decent pair of shoes for a week's supply of methamphetamine. A group of young men in the encampment had begun selling off pieces of the public sidewalk, charging each person \$20 a week for what they called "lot rent and security." That had seemed ridiculous to Kipp until he decided not to pay and then awoke one night to the smell of someone dousing his tent with lighter fuel.

He stood on the sidewalk to brush his teeth, went into his tent and turned on his portable radio. It reminded him of sleeping inside his truck, so he usually kept it playing all night.

"Too loud, Espy?" he asked.

"No, Kipp. You're fine," she said.

He tucked his toothpaste into his backpack and noticed a small bag with the leftover remnants of black tar heroin. There was just enough to numb himself out, so he could forget about his methadone appointment and the 18 windows he was scheduled to wash the next day. He held the bag in his hand for a moment, opened the zipper of his tent and tossed it outside.

Joe came into work the next morning and saw a bag of drugs in the road, human waste on the sidewalk, a pit bull wandering the street and blood-soaked napkins blowing toward his restaurant patio, where he and Debbie were scheduled to meet with a real estate agent about the future of Old Station. Debbie still insisted that she was ready to be done with the restaurant. Joe didn't want to run it without her, but he also didn't want to board it up and walk away with nothing. They had spent the past several months exploring a compromise, seeing if they could sell the business and retire together.

"Are we getting any bites?" Joe asked the agent, Mike Gaida, as they sat on the patio.

"Oh, yeah. I get calls every week," Mike said, and he explained that at least 25 potential buyers had looked over the financials and recognized a strong family business for the reasonable price of \$165,000. Several bailed once Mike mentioned the encampment, but at least a dozen potential buyers secretly came to Old Station to check out the property. "Most of the time, they don't call back," Mike said. "If I track them down, it's like, 'God bless those people for staying in business, because I couldn't do it.'"

"It's taken years off my life," Debbie said.

“For her it’s, ‘Get me out. We’ve got to sell, sell, sell,’” Joe said. “But we refused an offer for \$250,000 eight years ago, and it keeps dropping. I don’t want to give this place away. I can’t afford it.”

“I get it,” Mike said. “If you were a half-mile in another direction, you’d be sitting on a million bucks. Instead, it’s, How can you dispose of it?”

Joe sat with that word for a moment, as he smoothed the wrinkles from his apron. He had worked in restaurants since he was 15, when he started washing dishes at his father’s Italian diner in Montreal. He’d learned how to cook and keep the books, but his father had mostly shown him that a restaurant could succeed because of an owner’s charisma, and Joe brought that philosophy to Phoenix. A lot of places could make a good ham and cheese. Old Station had thrived for 37 years because of Debbie’s hugs at the entryway, Joe’s teasing at the register and the handpicked signs and inside jokes that covered every inch of their walls.

“We’ve put all of ourselves into this place,” Joe said. They didn’t have a pension. Their plan had always been to invest in the business, sell it and use that money to retire. They weren’t seeking any damages in their lawsuit, but instead were asking the city to remove the encampment and find a different solution to care for its occupants. Lawyers for the city had argued that the case, which is still pending, should be dismissed, because Phoenix was already working to go “above and beyond” to address the problem. It had opened a new Office of Homeless Solutions, and it was spending more than \$50 million on outreach programs, mental health services and the creation of 800 more shelter beds in converted hotels and refurbished shipping containers.

“Maybe it all turns around in a few years,” Joe said.

“That’s not on my timeline,” Debbie said. “Physically and mentally, I cannot keep waking up to this level of stress.”

“But maybe in just six months,” Joe started, and she shook her head and gestured across the street.

“You’ll be dealing with this alone,” she said. “It’s aging you. It’s eating you up. How much longer can you do it?”

“I don’t know,” he said.

A few days later, Joe drove four blocks through the encampment to visit the one person who could always make him feel better about the state of the neighborhood. Joel Coplin, 68, owned a building that was now surrounded by more than 55 tents, and yet he continued to run an art gallery downstairs and live with his wife upstairs. He never seemed to run out of hope or compassion or patience, and that’s what Joe thought he needed.

“Meet the luckiest dog in the world,” Joel told Joe, introducing him to a stray puppy that he’d adopted after its owner overdosed in the encampment. “She’d been tied up and barking for days when I found her.”

“You’ve got a good heart, buddy,” Joe said. “Me, maybe not so much anymore.”

“I’ve got a bleeding heart,” Joel said, inviting him inside.

The gallery had been named the best new art space in Phoenix when it opened in 2019, but lately Joel could barely persuade a dozen people to come into the neighborhood for a weekend opening, so he decided to turn his attention to the bigger problems outside. He’d lived for a while in an abandoned building in Hell’s Kitchen when he was an art student in New York, and he knew what it was like to be homeless. He began inviting some of his neighbors into the gallery, offering them food and firewood, paying for some of their medical bills and sometimes painting their portraits as he listened to their stories.

He had tried to help Sterling, who sang prayers in Apache over his meals at the soup kitchen and lived for a while in the bed of Joel’s truck; and Rosie, a grandmother and a heroin addict who was always asking Joel for “one last \$5,” which he kept giving to her; and Jennifer, a prostitute in the encampment whom he allowed to use his bathroom until she started bringing guests with her. He banned her from the restroom despite her pleading, and a few nights later she was arrested a block away for public urination. That charge triggered a warrant for another previous offense, which meant she was now serving four years in prison, and Joel was putting \$80 each month onto her commissary card to help assuage his guilt.

And then there was Keisha, barely out of her teens, who had skittered around the encampment like a scared cat, wary of everyone, carrying a few old dolls and crying sometimes. Joel had tried to watch out for her, offering her water or a few minutes inside whenever she was upset. But one weekend when he wasn’t around, the temperature was 115 degrees, and she lay down on the curb near his gallery and died of heat exposure and dehydration.

“Not a lot of happy endings here these days,” Joel said. He took out his phone, handed it to Joe and hit play on a video that he recorded a few nights earlier from the window of his upstairs apartment. There were 26 broken streetlights in the encampment because of vandalism and wire theft, so the video was dark except for the reflection of police lights, which illuminated one man being handcuffed and another lying dead on the ground.

“My wife and I were relaxing after dinner, all fat and happy, and then it was bap-bap-bap-bap-bap,” Joel said.

“Did you hit the floor?” Joe asked.

“Well, yeah. We have our castle dark and our fortress strong, but it’s becoming crazy. Our fence got cut the other night, and there was a woman in our yard screaming and yelling her head off in Spanish.”

Joe handed back the phone and shook his head. “I’m realizing here lately that we’re living in a frigging hellhole,” he said. “Us, them, inside, outside. Who’s it working for? When does it stop?”

“Not yet,” Joel said. He explained that he had heard rumors from within the encampment that there would be more gunfire because of a turf battle over pieces of the sidewalk. Joel had already called to warn the police, and now he suggested that Joe leave the neighborhood before dark.

“It’s hard to believe, but they’re telling me it will get worse,” he said.

Joe arrived for work early the next morning to the sound of a gunshot coming from across the street and a bullet pinging off a nearby fence. He hurried inside the restaurant and locked the door behind him. He crouched low beneath the windows and called the police. “Yeah, it’s Joe again, over at Old Station,” he

said, and a few minutes later two police officers were walking the perimeter of his restaurant with flashlights in the predawn darkness, searching for the bullet.

Joe ran cold water over his hands, changed into his apron and tried to focus on the day ahead. “Fresh fruit on special!” he wrote on the chalkboard, and then he started preparing fruit cups as he looked outside and watched the encampment stir to life as if it were just any other morning. Espy set up her desk on the corner. Kipp came out of his tent and started assembling his window-washing pole. The police drove through the area and left without making any arrests. K.D. came out of his tent with his pit bull and started pacing the sidewalk, screaming to himself, waving his arms in the air and narrating the events of the previous night for everyone to hear.

“Y’all made me go psychotic!” he yelled, as Joe stirred his tomato sauce.

“You come at me with a 9-millimeter, then I’m pulling out my .45,” K.D. said, as Joe weighed the turkey.

“Next time, there won’t be no warning shot!” K.D. shouted, as Joe unlocked the door for the first customer of the morning and looked up at the clock. It was just after 8 a.m. By now Debbie would be waking up and getting ready for work. Soon she would be pulling into the parking lot to help handle the lunch rush.

“What the heck am I going to tell her to keep her from losing it?” Joe wondered, and he began to rehearse the possibilities in his head. It was only one bullet. Nobody had gotten hurt. The police had come right away. The shooter wasn’t targeting the restaurant. The gunshot was random. It could have happened anywhere.

Joe poured tomato sauce over the meatballs and went outside to get some air. K.D. was still ranting on the sidewalk, banging his hand against a fence, contorting his fingers into the shape of a gun and then firing it off at the sky.

“This could be the last straw for her,” Joe said, and then he saw Debbie driving toward the parking lot, steering around K.D. and hurrying through the gate.

“Wow. Tough morning?” she asked.

He took her inside the restaurant while he tried to come up with the right words. It was only one shot. The restaurant was still standing. They’d run Old Station together for 37 years, and maybe they could hang on for a while longer. But instead Joe put his hand on her shoulder and told her the only thing that felt true.

“The whole thing’s a disaster,” he said. “I get it. It’s OK. I understand why you’re done.”

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