Audit Report

Homelessness Assistance Audit Series: Outcomes of City Efforts

February 2019

The City has made significant efforts to assist people experiencing homelessness, although opportunities exist to improve these efforts.

Service providers contracted by the City to provide homelessness services frequently did not meet performance goals which limited the City's ability to assist the homeless population. Also the City recently established goals to measure the long-term success of its homelessness efforts, but these goals may not effectively measure success.

Furthermore, resources to prevent people from experiencing homelessness are not sufficient, and may not have been used to serve people who had the highest risk of experiencing homelessness. Lastly, the City could improve coordination and collaboration of case management services in order to reduce inefficiencies and better connect people to the services they need.

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Objective

What are the outcomes of the City's efforts to prevent homelessness and assist people experiencing homelessness?

Due to the complex nature of the topic, we evaluated the City's homelessness assistance efforts in a series of audits. The first report, presented in November 2017, analyzed how City ordinances align with the City's homelessness assistance efforts. The second report, presented in December 2017, looked at coordination of homelessness efforts between City departments. The third report, presented in May 2018, evaluated how the City allocates resources towards the issue.

Background

Addressing homelessness is one of the City's top priorities. City Council's 2023 Strategic Direction includes strategies to decrease homelessness, and in 2018, the City endorsed a plan to end homelessness. The Ending Community Homelessness Coalition (ECHO), a key community partner, created this plan.

Homelessness remains a significant problem in Austin.

However, homelessness continues to be a significant problem in Austin. The variety of factors that cause homelessness, and the diversity of people who experience homelessness, require a range of strategies to address the issue. Additionally, there are different definitions of "homelessness," and it is difficult to determine how many people are experiencing homelessness at a given time. Different data sources indicate that in 2017, there were between 2,500 and 10,500 people experiencing homelessness in Austin.[1]

The City works with many partners to address the issue of homelessness. Federal entities such as the departments of Housing and Urban Development (HUD) and Veterans Affairs provide funding and policy direction. The City also collaborates with other government entities, non-profits, and faith organizations to serve the homeless population.

[1] For further information on varying definitions and measures of homelessness in Austin, see the third audit in this series. Homelessness Assistance Audit Series: Resource Allocation.

The City offers various programs and services to address the issue of homelessness. These include programs intended to help prevent people from experiencing homelessness, shelter services and housing, and case management. People experiencing homelessness may require multiple different services at the same time.

This report is the fourth in our series of audits on homelessness. Previous reports showed that:

- City policies may create barriers for people experiencing homelessness to transition into housing;
- The City did not effectively coordinate homelessness efforts; and
- The City did not have sufficient data on the short- and long-term needs of the homeless population, and had not produced enough housing to meet the long-term needs of homeless population.

What We Found

Summary

The City has made significant efforts to assist people experiencing homelessness, although opportunities exist to improve these efforts.

Service providers contracted by the City to provide homelessness services frequently did not meet performance goals which limited the City's ability to assist the homeless population. Also the City recently established goals to measure the long-term success of its homelessness efforts, but these goals may not effectively measure success.

Furthermore, resources to prevent people from experiencing homelessness are not sufficient, and may not have been used to serve people who had the highest risk of experiencing homelessness. Lastly, the City could improve coordination and collaboration of case management services to order to reduce inefficiencies and better connect people to the services they need.

Finding 1
The City does not effectively ensure outcomes are met and does not determine the long-term success of homelessness assistance efforts.

The City contracts with various entities for a range of homelessness services. Austin Public Health (APH) manages most of these contracts, although other departments also have contracts to provide homelessness services. Some of the performance goals listed in a sample of nine contracts include "number of unduplicated clients served" and "percentage of clients receiving case management."

In the sample of nine contracts, service providers only met about 54% (43 of 79) of the annual performance goals in the period reviewed.[2] Service providers gave a number of reasons why they did not meet contract goals. In one case, the service provider reported their facility was undergoing renovations, which limited the number of clients they could serve. In other cases, providers reported changes to their programs or reductions in funding from other sources. Additionally, APH management noted that the individuals who need the most assistance are often hardest to serve.

However, the result is that service providers assisted fewer people than they were contracted to serve. Although, APH management asserts that service providers may face more intensive monitoring if they consistently do not meet their performance goals, there did not appear to have been any other consequences for service providers who did not meet their goals.

APH approved contract amendments that revised service providers' goals. This included one amendment that changed the performance goals after actual performance had been reported.

In fact, APH repeatedly approved contract amendments that revised the performance goals. In one of the sampled contracts (shown in Exhibit 1), APH amended a goal four times. This included one amendment that changed the performance goals after the service provider had already reported their annual performance. APH management asserts that this not intentional, but was the result of a typo in that contract amendment.

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[2] Some of the contract terms overlapped fiscal years.

Exhibit 1: A contract was amended to decrease the fiscal year 2017 performance goal, which the service provider did not meet.
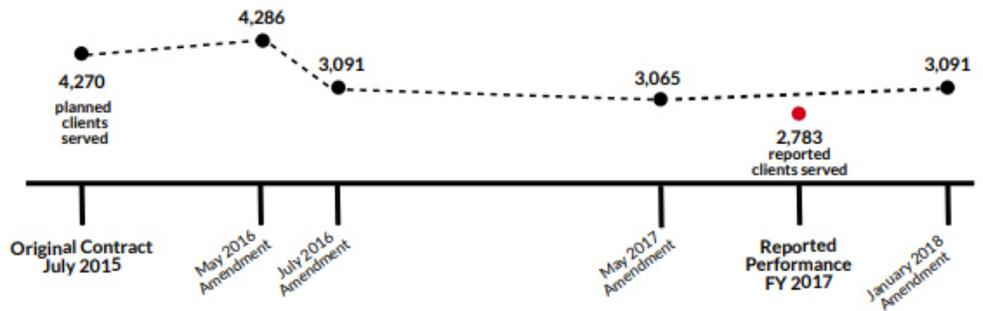
SOURCE: OCA analysis of APH contracts and amendments, September 2018

Revising contract goals and not holding service providers accountable for poor performance may not align with ECHO's Action Plan to End Homelessness, which lists "accountability from all involved" as a requirement for an effective system.

Although City Code requires that City Council approve some contract amendments related to funding, there does not appear to be a similar requirement for amending performance goals. As a result, City Council and the public may not be aware that contract goals have changed. APH management asserts that reasons for amending performance goals must be documented in the department's contract management system, although this requirement was not in place during the period reviewed.

Issues limit the City's ability to accurately measure long-term success
The City's recently adopted strategies and plans focus on the long-term outcomes of homelessness services, and APH has begun tracking longer-term outcomes in its rapid rehousing contracts. However, these goals may not effectively or accurately measure long-term success.

One example of a performance goal used in the City is "percent of households receiving homeless services that move into housing." However, this measure does not establish how long a household must remain housed. This makes it difficult to determine whether programs and services are truly effective.

Another long-term goal used by the City is "returns to homelessness." This is one of HUD's system-wide performance measurements, and is included as a measure in ECHO's Action Plan to End Homelessness. However, the City lacks the ability to accurately determine whether a person returns to homelessness. This is because the goal is measured using data from the Homelessness Management Information System (HMIS).[3]

HMIS captures data on people who use HUD-funded services in Austin and all of APH's contracts require service providers use HMIS. However, not all service providers use HMIS, and not everyone who experiences homelessness uses homelessness services. This means it is possible for someone to return to homelessness, but not generate a record in HMIS. As a result, the calculation for this goal would not be accurate.

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[3] ECHO is the HUD-designated agency responsible for managing HMIS in the Austin area.

Finding 2

Efforts to prevent people in Austin from experiencing homelessness may not effectively serve people with the highest risk and are insufficient to meet the needs of the population.

Based on HUD research, a family of four in Austin earning less than $13,000 a year has a high risk for entering emergency shelters.

HUD asserts that preventing homelessness costs less than providing shelter services and results in less trauma for individuals. A HUD study showed that children who remain housed are in better health, and have fewer behavioral problems, when compared to children who have experienced homelessness.[4] Although HUD acknowledges that it is difficult to determine the success of prevention strategies, prevention is a key component of any homelessness efforts. ECHO's Action Plan to End Homelessness includes an objective related to prevention efforts.

APH defines homelessness prevention services as those that specifically prevent eviction.[5] This includes legal assistance for tenants, as well as temporary rental and utility payment assistance. APH offered these services through various contracts and directly at Neighborhood Centers.

A HUD study found that households that enter emergency shelters are most likely to cluster at 15% of the area median income.[6] In Austin, that is approximately $13,000 a year for a family of four. APH's contracts allow providers to serve households making approximately $50,000.[7] As shown in Exhibit 2 below, this means that APH's contracts may not be serving people with the highest risk of experiencing homelessness.

While service providers do have tools to screen for need, in fiscal year 2017 less than half of the households served through these programs met HUD's definition of households that had the highest risk of experiencing homelessness.

Exhibit 2: Contracts for prevention services may not be tailored to serve people with a high risk of experiencing homelessness

Four person households making $13,000 a year are at highest risk of experiencing homelessness
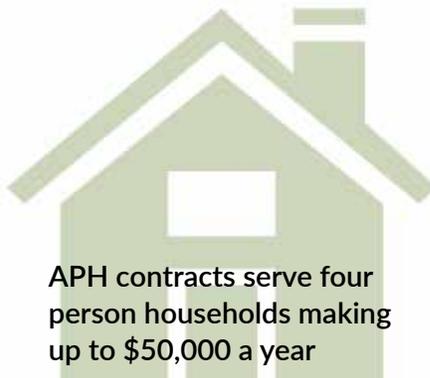
APH contracts serve four person households making up to $50,000 a year

SOURCE: OCA analysis of APH contracts and HUD guidance, September 2018

[4] Strategies for Preventing Homelessness; U.S. Department of Housing and Urban Development Office of Policy Development and Research, May 2005.

[5] The City also has a number of affordability programs to assist low-income residents, although they are not considered prevention services under APH's definition.

[6] Prevention Programs Funded by the Homelessness Prevention and Rapid Re-Housing Program; U.S. Department of Housing and Urban Development Office of Policy Development and Research, August 2015

[7] Based on the Federal Poverty Level for a family of four.

Additionally, in 2016 there were approximately 50,000 households in Austin making $15,000 a year or less.[8] Current resources are not sufficient considering that number, and service providers reported that there was a waitlist for prevention services. City staff also indicated in a prior audit they expect federal funding for some prevention programs to become even scarcer in fiscal year 2019. This will further constrain the City's ability to serve people at-risk of experiencing homelessness.

Some at-risk populations face specific barriers and require tailored interventions. These include people transitioning from foster care, correctional facilities, and health care settings. Several city, state, and federally funded programs target services to these specific groups. For example, Lifeworks uses both City, State, and Federal funding to serve youth currently in, and transitioning from, the foster care system. However, the funding dedicated to these services is not sufficient and those populations continue to face barriers to obtaining stable housing.

> Several city, state, and federally funded programs help specific populations at higher risk of experiencing homelessness, such as people transitioning from foster care.

Finding 3

Case management services in Austin may not be efficient or adequate, making it harder to connect people to services and increasing the length of time people experience homelessness.

Case management helps people transition to and maintain stable housing. Case managers can also help people in other ways, like helping them obtain government-issued identification. People experiencing homelessness reported better outcomes when services were accompanied by case management. Additionally, a study by The National Alliance to End Homelessness of clients who exited from the Austin Resource Center for the Homeless (ARCH) demonstrated the importance of case management. The study found that approximately 50% of case managed clients exited the ARCH to housing, while less than 1% of clients who did not receive case management exited into housing.

Various City departments and contracted service providers offer case management in Austin. Although the City's fiscal year 2019 budget includes additional funding for case management collaboration, there was limited coordination of these services at the time of this audit.

There was also no centralized system to track case management services. Some providers used electronic systems to record their case notes, while others maintained handwritten files. There are even different case management systems within the City. The Homeless Outreach Street Team (HOST) uses a program called Apricot, while Downtown Austin Community Court uses a program called DACCP.

> The City's 2019 budget includes additional funds to increase collaboration among case management services.

The limited coordination and lack of a centralized system may make it difficult to deliver effective and efficient case management services. For example, case managers may not be fully aware of their clients' history or may have to spend time and effort getting that information. Additionally, clients may establish a relationship with a particular case manager, but not be able to maintain that relationship when moving through the system to a different service provider.

Additionally, many of the providers indicated that they do not have the capacity to serve everyone, and must then prioritize clients or maintain

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[8] Due to data limitations we do not know the size of these households.

waitlists. Increased collaboration between case management service providers may increase the effectiveness of services and allow more people to receive case management services.

It should be noted that success of case management services is highly dependent on the number of available housing units. As shown in Exhibit 3 below, housing and case management resources must be balanced so clients can achieve successful outcomes and remain stably housed.

Exhibit 3: A balance of services and housing is needed

| Services without housing | Housing without support services | People need services and housing to succeed |

SOURCE: Adapted by OCA from a presentation to City Council by the City Manager's Office in April 2018

Finding 4
The City has made significant efforts to assist people experiencing homelessness, and opportunities exist to enhance current efforts.

ECHO's Action Plan to End Homelessness calls for the reduction of barriers to service for people experiencing homelessness.

The City has made a significant effort to address the issue of homelessness. This includes participating in the national efforts like the "Mayors Challenge to End Veteran Homelessness," getting funding to provide additional Permanent Supportive Housing, and securing federal funding for an effort to end youth homelessness. Additionally, the City established HOST to coordinate assistance for people experiencing homelessness downtown, and is using a Bloomberg Innovation grant to develop and improve programs that serve the homeless.

Austin has also built upon ideas from peer cities. This includes exploring a program from Albuquerque that seeks to connect people who are panhandling with jobs, wages, and services. Austin also recently conducted a public restroom pilot program, based on a similar program in Portland.

For the restroom pilot program, multiple City departments collaborated to manage a portable, public restroom in various downtown locations. Staff tracked usage of the restroom, as well as the impact on public defecation in the areas around restroom locations. After reviewing the results, City Council approved funding for several permanent restrooms.

Reducing and eliminating barriers to service is one area where the City can improve its efforts

People experiencing homelessness may face barriers when attempting to access services and programs. Barriers include things like limited parking near services, lack of storage for belongings, or being ineligible for services because of a criminal record. Exhibit 4 below describes some barriers identified by service providers and people experiencing homelessness.

Exhibit 4: A person experiencing homelessness may face barriers when trying to access programs and services

No homeless shelters formally allow pets

Some services require identification

It is difficult for families to receive services together

Parking near downtown services is difficult

No shelters are open 24 hours a day

Shelters have limited options to store belongings

SOURCE: OCA interviews with service providers and review of interviews with people experiencing homelessness, September 2018

The City is pursuing some efforts towards reducing barriers, such as researching how emerging technology can help people maintain important records.

Although some barriers may be necessary to maintain the quality of services and reduce risk, reducing other barriers is key to effectively serving the homeless population. This is one of the actions recommended in ECHO's Action Plan to End Homelessness.

The City has taken some steps towards this goal. For example, the Innovation Office researched how emerging technology can help people maintain important records and identification. APH also identified barriers related to the delivery of shelter services and made efforts to address them through a re-design of the contract for the ARCH. This includes keeping the ARCH open 24 hours with minimal barriers to entry and exit.

However, as noted in an earlier report in this series, the City lacks information about the needs of the homeless population. Without more information, the City cannot effectively reduce or eliminate these barriers.

Another related area where the City could improve its efforts is through collecting client feedback. ECHO's Action Plan to End Homelessness mentions client feedback as an effective way to measure and improve program success. The City recently established the Austin Homelessness Advisory Council, consisting of people who have experienced homelessness, to inform City programs that affect the homeless population. APH recently worked with this group in redesigning the contract for the ARCH.

However, client feedback was not consistently required in contracts related to homelessness services. Some contracts did not require it at all, while some outlined processes and procedures to collect and use client feedback. However, APH did not collect client feedback related to these contracts.

Recommendations and Management Response

1 | The Assistant City Manager responsible for coordinating the City's homelessness efforts should review how the City measures the long-term success of homelessness assistance efforts, to ensure all goals are measurable, and include appropriate timeframes.

Management Response: Agree. Austin Public Health has incorporated long-term goals into three of its homeless social service agreements.

Proposed Implementation Plan: APH will review current performance measures for alignment with Strategic Direction 2023 metrics and current best practices. In addition, APH will continue to evaluate measures and ensure goals are measurable and appropriate time frames are established

Proposed Implementation Date: October 1, 2019

2 | The Assistant City Manager responsible for coordinating the City's homelessness efforts should ensure each contract related to homelessness assistance:

- requires vendors track and report long-term outcomes,

- requires vendors collect, report, and incorporate client feedback,

- establishes a method to prioritize clients for services,

- sets realistic performance goals, and

- provides appropriate resources to achieve these efforts.

Management Response: Agree

Proposed Implementation Plan:

- Beginning FY20, where appropriate vendors will begin to track and report on revised measures to document long term success.

- The City will pilot client feedback measures for collection and reporting in FY20. Many of the City funded homeless programs use town hall style meetings and other methods to engage clients, disseminate information and gain feedback, however these efforts are not currently reported to the City.

- Identify methods to prioritize clients for services such as Coordinated Assessment.

- Staff will work with service providers to ensure performance goals are achievable. Contract Managers will check for relevancy and any unmet needs/external factors that impact performance and provide appropriate technical assistance.

Proposed Implementation Date: October 1, 2019

3 The Assistant City Manager responsible for coordinating the City's homelessness efforts should work with City departments to enhance the capacity of existing homeless prevention programs, and develop new programs to prevent homelessness.

Management Response: Agree

Proposed Implementation Plan: Under direction of the Assistant City Manager, the Homeless Strategy Officer will convene stakeholders, including clients, to inventory current programs, analyze local data, review best practices in peer cities, to develop and implement a plan for enhancement and expansion of prevention services.

Proposed Implementation Date: February 2020

4 The Assistant City Manager responsible for coordinating the City's homelessness efforts should work with stakeholders to design and implement changes to improve coordination and collaboration among all entities providing case management services in Austin.

Management Response: Agree

Proposed Implementation Plan: Under direction of the Assistant City Manager, the Homeless Strategy Officer will convene stakeholders, including clients, to inventory current programs, analyze local data, review best practices in peer cities, to develop and implement a plan to improve coordination and collaboration among all entities to providing case management services in Austin.

Proposed Implementation Date: September 2019

Management Response

Austin Public Health
PREVENT. PROMOTE. PROTECT.

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TO:	Corrie Stokes, City Auditor
FROM:	Stephanie Hayden, LMSW, Director
DATE:	February 21, 2019
SUBJECT:	Austin Public Health Update to Homeless Audit

This memo provides an update on activities carried out by Austin Public Health (APH) related to the Draft Homeless Audit, Part IV.

Austin Public Health is currently assigned five of the eight homeless indicators in Strategic Direction 2023 (SD23). Four of the five indicators are national standard measures from the U.S. Department of Housing and Urban Development (HUD). They can be found in the HUD System Performance Measures guide as follows:

City of Austin SD23 Indicators HUD	**System Performance Measures**
EOA.E.1	Metric 3.1 & Metric 3.2
EOA.E.2	Metric 7.b.1 & Metric 7.b.2
EOA.E.3	Metric 5.2
EOA.E.8	Metric 2.b.2

APH released a Request for Applications (RFA) in April 2018 for Rapid Rehousing services and awarded funding to a total of four programs through the competitive solicitation (three in FY18 and a fourth in FY19 with additional funding). Each of the awarded contracts contains a 12-month performance measure, aligning with HUD's Rapid Rehousing Performance Benchmarks that in turn contribute to the system-wide performance measure reflected in SD23 EOA.E.8: Number of people who return to homelessness after moving into housing.

Also included in SD23, Strategy 4 under Health & Environment outlines a new way of competing for social services contracts by issue area, which includes funding for homeless services. With guidance from the new Homeless Strategy Officer, APH plans to compete funding for homeless services within the next two years.

Management Response

APH has been coordinating efforts by downtown service providers to host monthly outreach and resource events at the Austin Resource Center for the Homeless (ARCH) for the individuals who are not engaged in services. Through these outreach activities, we have received valuable feedback that has helped identify top needs for clients which include access to MAP cards and coordinated entry. Service providers present include Anew Entry providing substance use services and transitional housing; Downtown Austin Community Court providing information about outstanding tickets and warrants, and access to their case management and housing services; Front Steps and Salvation Army providing information about shelter, housing and other services the agency provides; Integral Care providing Coordinated Assessment, access to mental health services and their Care team doing HIV and Hepatitis tests. These outreach events are focused on identifying the unmet needs of individuals outside the ARCH as well as direct linkages to health, housing, and support services.

The Fiscal Year 2019 budget included allocations to support improvement and expansion of service delivery and multi-department collaborations.

	FY19 Adopted Budget Items	FY19 Homelessness Reserve Funds Recommendations	FY19 Increase to Homelessness TOTAL
Rapid Rehousing (including LifeWorks youth homelessness grant match)	$460,000	$300,000	$760,000
Navigation/Outreach (including new Community Health Paramedic and Case Manager)	$100,000	$338,000	$438,000
ARCH Revitalization and Safety		$232,000	$232,000
Pilot – Respite Care at HealthSouth		$50,000	$50,000
Pilot – Day Navigation Centers		$50,000	$50,000
Other FY19 investments: enhance current HOST team, camp cleanups, alternatives to panhandling, prevention efforts, City homelessness coordination, APL wraparound services	$1,943,000	$30,000 (to enhance primary coordinator position)	$1,973,000
TOTAL	$2,503,000	$1,000,000	**$3,503,000**

If you have any questions, please contact me at 512-972-5010.

Scope

Social service provider performance outcomes for FY 2017

Initiatives spanning FY 2017 and FY 2018

Methodology

To accomplish our audit objectives, we performed the following steps:

- Interviewed staff and management from several City departments, namely Emergency Medical Services, Austin Public Health, the Innovation Office, Neighborhood Housing and Community Development;

- Interviewed staff and management from several City-contracted service providers;

- Reviewed interviews of people with lived homelessness experience done by the Bloomberg Innovation team;

- Surveyed and received feedback from the Austin Homelessness Advisory Commission;

- Reviewed documentation related to department programs, activities and services;

- Evaluated City programs for people at risk of and who are currently experiencing homelessness;

- Analyzed household income data for the City of Austin;

- Researched peer cities' homelessness assistance efforts and practices;

- Interviewed peer cities' employees on topics including homelessness services and monitoring;

- Evaluated internal controls related to the City's service provision efforts; and

- Evaluated the risk of fraud, waste, and abuse with regard to social service contracts.

Audit Standards

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Office of the City Auditor was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve City services. We conduct performance audits to review aspects of a City service or program and provide recommendations for improvement.

Alternate formats available upon request