

Audit Report

Homelessness Assistance Audit Series: Allocation of City Resources

May 2018



The City does not have a complete understanding of the size or needs of the homeless population, so it is unclear whether the City is effectively allocating resources for homelessness assistance. There are various housing solutions for Austin's diverse homeless population and the City has focused specifically on creating Permanent Supportive Housing. However, the City is not meeting its goal for creating new units of Permanent Supportive Housing. As a result, there is a greater need for short-term services. However, the City collects limited information about these needs. Additionally, a mix of funding sources is used for certain services. This minimizes impacts of potential funding cuts but may create an administrative burden for service providers.

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Cover: Austin Resource Center for the Homeless, Office of the City Auditor.

Objective

How does the allocation of City resources assist in the City's efforts to achieve desired outcomes for people experiencing homelessness?

Due to the complex nature of the topic, we plan to evaluate 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. This report is the third in the series. A future report is planned to analyze the outcomes of the City's homelessness assistance efforts.

Background

Although the United States first passed federal legislation related to homelessness assistance more than 30 years ago, homelessness remains a difficult problem for communities to solve. The U.S. Department of Housing and Urban Development (HUD) reports the number of people experiencing homelessness in the United States has decreased by 14% in the last decade but increased from 2016 to 2017. The data indicates that large cities saw a 20% increase in the number of unsheltered individuals over this time, while the number of people living in shelters has remained constant since 2007.

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The City primarily relies on the Ending Community Homelessness Coalition (ECHO) to collect and report information about the homeless population. ECHO's three main sources of this information are the Point in Time count, the Homelessness Management Information System (HMIS), and coordinated assessments. HUD requires these tools and sets guidelines for their use. The City supports ECHO's data collection efforts by requiring the use of HMIS in contracts for homelessness services. Exhibit 1 describes the three methods and shows how the resulting information may overlap.

There are three primary methods to collect data about the homeless population. One person may provide data through multiple methods or not be included at all.

The **Point in Time** count identifies people living in shelters and outdoors on one night

The **Homeless Management Information System (HMIS)** tracks the use of services and programs associated with homelessness

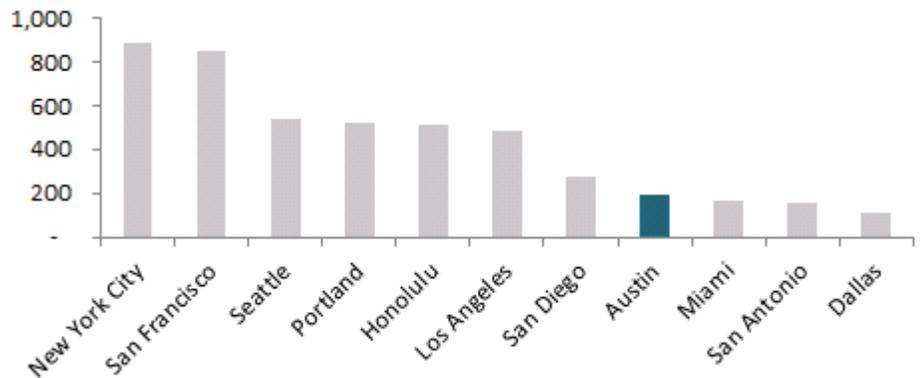
The **Coordinated Assessment** evaluates a person’s need for housing based on factors such as their health and interactions with the police



The Point in Time count and HMIS are used to identify how many people are experiencing homelessness and what services they use. The coordinated assessment is intended to prioritize services for people experiencing homelessness. Although it is primarily used to identify people most in need of housing, many of the City’s social service contracts require that service providers prioritize clients based on their coordinated assessment score.

According to ECHO’s 2017 Point in Time count the City had just over 2,000 people experiencing homelessness. This is similar to the results of previous counts.¹ When compared to the counts done by other cities in 2016 (as shown in Exhibit 2), Austin had more people experiencing homelessness per capita than other large Texas cities. However, Austin’s count was significantly lower than several other cities that received Federal funding in 2016.

Exhibit 1: 2016 Rate of Homeless Per 100,000 People in Select U.S. Cities



SOURCE: OCA analysis of Point in Time counts conducted by various Continuum of Care organizations, September 2017.

¹ The count identified 832 people sleeping in shelters, 834 unsheltered people, and 370 people in transitional housing.

While the Point in Time count indicated about 2,000 people experiencing homelessness in Travis County, ECHO noted in its 2016 “Needs and Gaps” report that HMIS data indicated more than 7,000 people used homelessness services in that year, a 14% increase since 2013.

The City expects to spend at least \$30 million on homelessness assistance in 2018. This does not include indirect costs associated with homelessness.

The City uses a variety of funding sources for its homelessness assistance efforts. The City’s Homeless Task Force estimates that the City will spend at least \$30 million on homelessness assistance in 2018. This money includes a mix of City funds and money from federal sources, such as HUD. City funds primarily come from the budgets of Austin Public Health (APH), Neighborhood Housing and Community Development (NHCD), and Downtown Austin Community Court (DACC). These departments allocate resources to programs and services along the entire spectrum of homelessness services from emergency shelter to permanent housing.

In addition to allocating resources directly, the City indirectly allocates resources through City services impacted by homelessness. As an example, the Watershed Protection Department must clear homeless encampments to keep the waterways free of debris and has recently begun tracking the costs of those efforts associated with homelessness. Generally, City departments do not explicitly track this indirect spending, although some have started to document the costs of their efforts. As a result, it is not feasible to calculate the total cost of these indirect services at this time.

What We Found

Summary

The City does not have a complete understanding of the size or needs of the homeless population, so it is unclear whether the City is effectively allocating resources for homelessness assistance. There are various housing solutions for Austin's diverse homeless population and the City has focused specifically on creating Permanent Supportive Housing. However the City is not meeting its goal for creating new units of Permanent Supportive Housing. As a result, there is a greater need for short-term services. However, the City collects limited information about these needs. Additionally, a mix of funding sources is used for certain services. This minimizes impacts of potential funding cuts but may create an administrative burden for service providers.

Finding 1

The City does not have a complete understanding of how many people are experiencing homelessness or their needs, which limits its ability to effectively allocate resources.

Due to many reasons, it may not be possible to know the exact number of people experiencing homelessness in Austin.

ECHO reported having around 100 fewer volunteers than needed for the Point in Time count.

Understanding the homeless population and their needs is necessary to ensure that resources are used effectively and efficiently. However, the City does not have a complete understanding of this information, so it cannot be sure that resources are allocated effectively.

The City does not know the total population of people experiencing homelessness in Austin

It may not be possible to know the exact number of people experiencing homelessness in Austin. One reason is that there are different definitions of homelessness. Some children who meet the U.S. Department of Education's definition of homeless would not be considered homeless under HUD's definition. In addition, HUD notes that factors such as a distrust of public services, mental health issues, and a desire to not be found make it difficult to count the homeless population.

There are also some issues with the methods used to identify people experiencing homelessness. For example, HUD guidelines specify that only institutions with space dedicated to people experiencing homelessness should be included in the Point in Time count. As a result, ECHO does not count people experiencing homelessness who are in jail, hospitals, or substance abuse treatment facilities on the night of the count. Many of these entities are also not integrated into HMIS.

Additionally, ECHO reported having around 100 fewer volunteers than their methodology suggested they needed for the 2017 Point in Time Count. In many parts of the City, including parts of downtown Austin, ECHO had less than 75% of the needed volunteers. This means that it is possible someone experiencing homelessness on the night of the Point in Time count was not counted.

Although it may not be possible to know the exact size of the population, having a more accurate count would allow the City to more effectively plan homelessness assistance efforts. Figuring out how much shelter space is needed, or an appropriate number of case managers, depends on knowing how many people need those services.

Efforts to identify the needs of the City's homeless population are limited

In addition to knowing the size of the population to be served, it is important to fully understand their needs. However, efforts to collect data about the needs of people experiencing homelessness are limited.

Although used to prioritize services, 42% of people who slept in an emergency shelter in 2017 had not had a coordinated assessment.

According to ECHO, the coordinated assessment is the primary tool for this purpose. Data from this assessment is used to develop ECHO's Needs and Gaps report. However, many people experiencing homelessness in Austin have not had a coordinated assessment. According to an analysis of HMIS data, 42% of people who slept in an emergency shelter in 2017 had not had a coordinated assessment.² The number of people qualified to administer the assessment is limited, which hinders when and where people can take it. For example, staff at the Austin Resource Center for the Homeless, the City's main homeless shelter, are not able to administer the coordinated assessment. Also, HMIS does not record when, or if, someone was offered a coordinated assessment. As a result, it is unclear if people declined to take the assessment or never had the opportunity to take it.

Additionally, the coordinated assessment is primarily a tool to determine a person's need for housing. Since the City is unable to meet the current long-term housing needs of the homeless population (as will be discussed in Finding 2) the City must address the more immediate needs of people experiencing homelessness. Although the coordinated assessment follows HUD guidelines, it does not include questions that identify specific short-term needs.

There are currently only limited efforts to collect this information. For example, the City's iTeam interviewed more than 100 people experiencing homelessness in Austin to learn about their needs. However, this is a grant funded initiative and would have to be funded by the City once the grant ends.

² Our analysis indicated that 3,662 people slept in a shelter in 2017. Of those, 1,533 had not had a coordinated assessment.

Finding 2

The City is not meeting the long-term needs of the homeless population and it is unclear if it is effectively meeting the short-term needs.

It does not appear that NHCD will reach its goal of creating 400 new permanent supportive housing units by 2018.

Without knowing what the short-term needs are, it cannot be determined if the City is effectively allocating resources for homelessness assistance.

Although the City lacks complete data about the needs of the homeless population as noted in Finding 1, the City must meet both the long- and short-term needs of people experiencing homelessness.

Limited resources for long-term housing needs

There are a variety of housing solutions available to assist people experiencing homelessness. Examples include rapid re-housing and Permanent Supportive Housing (PSH). Rapid re-housing is intended to quickly connect people experiencing homelessness to permanent housing, while PSH combines housing with support services like case management. PSH units can be created by building new housing, buying existing housing, or through a rental assistance program. A 2014 Council resolution identified PSH as the primary solution to end chronic homelessness in the City.

In 2014, Council directed NHCD to deliver 400 PSH units by the end of 2018. However, that goal is below the current estimated need, as ECHO reported in 2017 that the City needed at least 700 PSH units.

Additionally, it does not appear that NHCD will reach the goal of 400 PSH units. As of March 2018, the department reported funding 241 PSH units. Many of these funded units were still under construction and not expected to be ready for at least a year. One reason NHCD may miss the City's goal is that the department was unable to solicit bids on one PSH project. Although NHCD planned to use money from a City bond to build these units, the project did not have dedicated funding for the required support services. NHCD management asserts that this is the reason there were no bids for the project.

NHCD may also miss its housing goal due to limited supply of available existing units. Austin's Strategic Housing Blueprint indicates that a limited supply of affordable housing and a growing population will only make it harder for low-income and homeless households to obtain housing in the future. The City also has a low supply of available rental units, which may limit NHCD's ability to leverage those units for housing the homeless.

Difficulty assessing short-term needs

Due to the shortage of available housing, people continue to experience homelessness while they wait for housing. This results in a demand for programs and services to address more immediate needs such as shelter, food, personal hygiene, and health care.

However, as noted in Finding 1, the City has limited data about the exact nature of these short-term needs. This is because the tools used to assess people experiencing homelessness, primarily the coordinated assessment, do not identify a person's short-term needs. Without knowing what the short-term needs are, it cannot be determined if the City is effectively allocating resources to the appropriate programs and services.

The City has recently begun some efforts to collect this information.

This includes interviews with people experiencing homelessness and the creation of a homeless advisory committee.³ The City has also piloted some programs to address short-term needs. This includes a mobile public restroom through a partnership with the Downtown Austin Alliance, and a program to offer access to phones for people at the ARCH.

Additional Observation

A mix of funding sources are often used for homelessness assistance efforts. This minimizes impacts of potential funding cuts but may create a burden on service providers.

A mix of federal, state, private, county, and City resources are often used to fund homelessness assistance programs. This “braiding” model helps minimize the impact funding reductions would have on any one program. However, each funding source has unique reporting requirements. For example, the City’s fiscal year is not aligned with HUD’s measurement period for grant funding, and performance measures required in City contracts do not always align with HUD’s performance metrics.

Service providers indicated that different reporting requirements create burdens as they attempt to comply with them. For example, one service provider asserted that they had one staff member responsible for federal reporting requirements and one for City requirements.

The City should consider working with service providers to identify ways that burdens resulting from multiple reporting requirements can be reduced.

³ The Homeless Advisory Committee of Austin was created under the Bloomberg Innovation Grant and both Austin Public Health and the Innovation Office expressed an intent to continue funding for this effort when the grant ends.

Recommendations and Management Response

1

The Assistant City Manager leading the City's Homelessness Task Force should work with ECHO and other partners to improve the quality and accuracy of data collected about the homeless population. This may include, but should not be limited to:

- Improving identification of people experiencing homelessness;
- Improving the percentage of people experiencing homelessness who receive a coordinated assessment, and
- Collecting and analyzing information about the short-term needs of people experiencing homelessness.

Management Response: Agree

Proposed Implementation Plan: The Assistant City Manager will work with the City's Homelessness Task Force, the Bloomberg iTeam, ECHO, and other community partners to identify and implement strategies for enhanced data collection and data analysis pertaining to individuals experiencing homelessness in Austin/Travis County. The City will continue to use learnings of the Bloomberg iTeam, the Homelessness Advisory Council, HOST (Homeless Outreach Street Team) and the ongoing PURCs (Pop-up Resource Clinics) to identify and address short-term needs of the homeless population.

Proposed Implementation Date: January 2019

2

The Director of Neighborhood Housing and Community Development should develop and implement strategies to meet current need for housing for those transitioning out of homelessness.

Management Response: Agree

Proposed Implementation Plan: NHCD recognizes the significant need for more housing for the City's homeless population and sees Permanent Supportive Housing (PSH) as the evidence-based solution. The department will work to create more PSH units both within City-funded buildings that include other affordable units at varying Median Family Incomes (scattered site) and also build new buildings that are entirely or primarily for PSH (single-site; e.g., Oak Springs). The department will build and facilitate PSH units using the following strategies: 1) pursue 2018 bond funding; 2) use additional funding sources outlined in the Austin Strategic Housing Blueprint (e.g. Strike Fund, Tax Increment Financing; Housing Trust Fund); and 3) continue the landlord outreach program with Ending Community Homelessness Coalition (ECHO) to find additional market-rate units that accept vouchers for PSH.

Proposed Implementation Date: Ongoing

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Scope

The audit scope included the City's current efforts to allocate resources to homelessness assistance.

Methodology

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

- interviewed city departments responsible for providing homelessness services;
- interviewed service providers;
- analyzed HMIS data;
- evaluated ECHO's operation of the Point in Time count and coordinated assessment;
- researched social service programming procedures;
- reviewed Council actions related to homelessness over the past decade;
- evaluated contracts between the City and service providers; and
- evaluated internal controls related to the City's identification and assessment of people experiencing homelessness.

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.

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