

Special Report

Homelessness Assistance

February 2019



Over the past several years, Austin has made significant efforts to address the issue of homelessness, and the Office of the City Auditor began auditing these efforts in February 2017. Since homelessness is such a complex topic, we decided to conduct our work through a series of four audits. This series of audits addressed City policies related to homelessness, coordination of the City's efforts, allocation of City resources, and the overall outcomes of the City's efforts. This special report summarizes the findings of those reports, and represents the completion of the Homelessness Assistance Audit Series.

City Policies

November 2017

The objective of this audit was to determine if City ordinances aligned with City efforts to achieve desired outcomes for people experiencing homelessness.

This report concluded that the enforcement of certain city ordinances may create issues for people attempting to exit homelessness. Additionally, it noted that enforcement of these ordinances did not appear to be an effective or efficient way to connect people experiencing homelessness to the services they needed. Lastly, this report indicated that other U.S. cities had faced lawsuits related to the enforcement of similar ordinances. In some of those cases, rulings against the cities were based on conditions that also appeared to exist in Austin.

Coordination

December 2017

The objective of this audit was to determine if the City coordinated homelessness assistance efforts to achieve desired outcomes for people experiencing homelessness.

This report noted that while many City departments deal with homelessness in some way, the City had only recently started to coordinate its homelessness assistance efforts. It listed several U.S. cities which had created a position or agency to coordinate homelessness assistance efforts in their area. This report concluded that without a coordinated effort, the City may not effectively provide homelessness assistance services, efficiently allocate resources, or identify opportunities to aid people experiencing homelessness.

Resource Allocation

May 2018

The objective of this audit was to evaluate how the allocation of City resources assisted in the City's efforts to achieve desired outcomes for people experiencing homelessness.

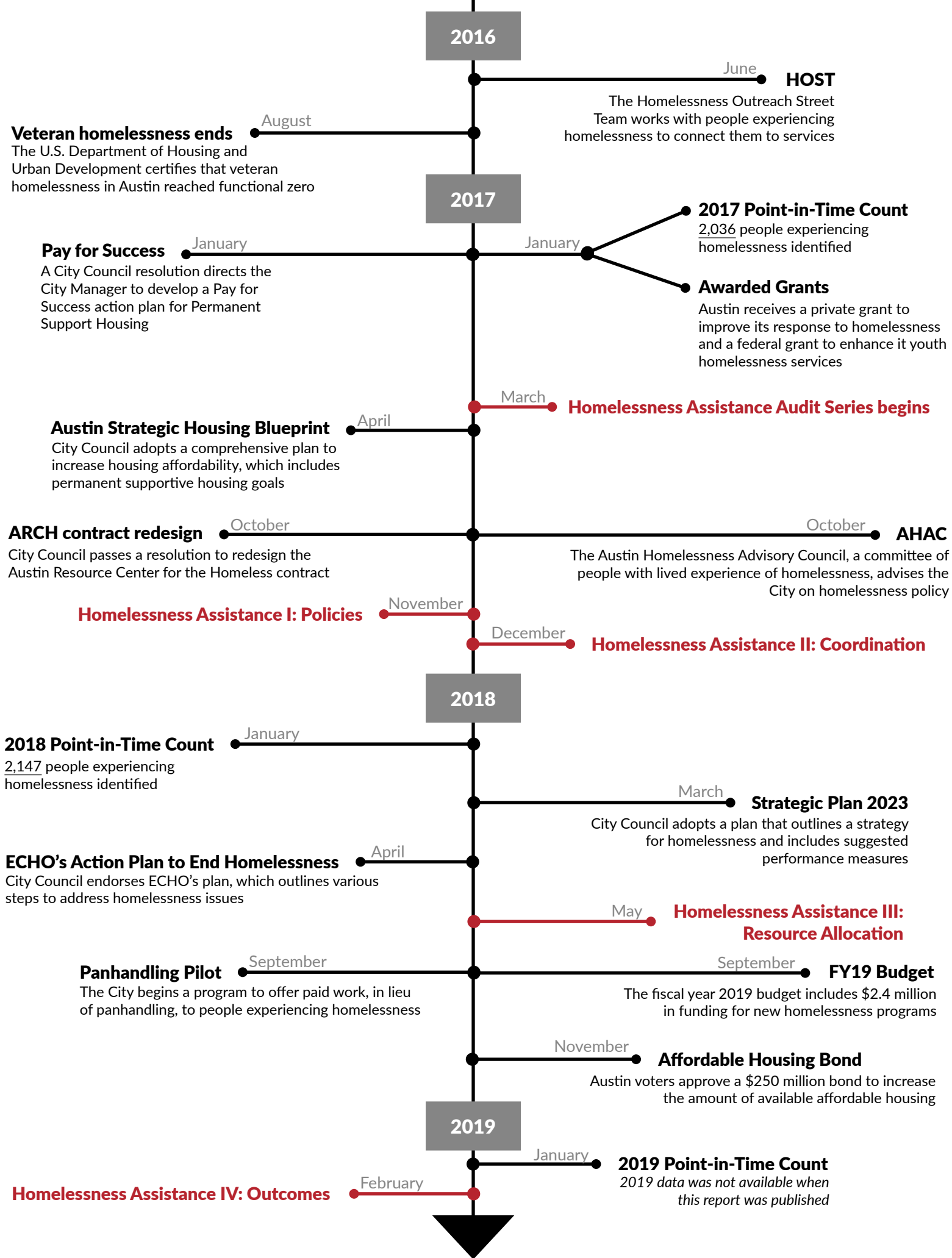
This report found that because the City did not have a complete understanding of the size or needs of the homeless population it was unclear whether the City was effectively allocating resources for homelessness assistance. This report noted that the City was not meeting its goal for creating new units of Permanent Supportive Housing, which led to a greater need for short-term services. However, this report determined that the City collected limited information about the short-term needs of the homeless population.

Outcomes

February 2019

The objective of this audit was to evaluate the outcomes of the City's efforts to prevent homelessness and assist people experiencing homelessness.

This report concluded that although homelessness remains a significant problem for the City, Austin has actively engaged in addressing the issue. However, this report noted that homelessness service providers frequently did not meet contract performance goals, which limited the City's ability to assist the homeless population. This report also found that the City did not measure the long-term success of its homelessness assistance efforts, and resources to prevent people from experiencing homelessness were not sufficient or effectively targeted to those most-at-risk. Lastly, this report indicates that case management services could be improved in order to reduce inefficiencies and better connect people to services.



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DRAFT

Audit Report

Homelessness Assistance Audit Series: City Policies Related to Homelessness

November 2017



City ordinances that limit or ban camping, sitting or lying down in public spaces, and panhandling may create barriers for people as they attempt to exit homelessness because they can lead to a criminal record or arrest warrants. Even if a citation does not result in a criminal record, it does not appear to be an effective means of connecting that individual to the services they need, nor is it an efficient use of City resources.

Lastly, other U.S. cities have faced lawsuits challenging the enforcement of similar ordinances. In some of those cases, rulings against the cities have been based on conditions that also appear to exist in Austin.

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Cover: 7th Street, Office of the City Auditor.

Objective

The objective of this audit was to determine if City ordinances align with City efforts to achieve desired outcomes for people experiencing homelessness.

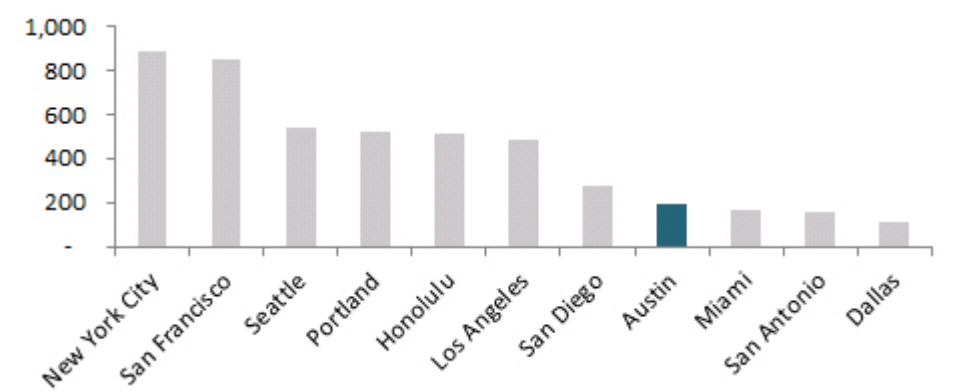
Due to the complex nature of the topic, we plan to evaluate the City’s homelessness assistance efforts in a series of audits. Future reports are planned to analyze coordination of the City’s homelessness assistance efforts, how the City allocates resources to address homelessness, and the outcomes of these efforts. This report is the first in that series.

Background

More than 7,000 people used homelessness assistance services in 2016, a 14% increase since 2013.

One day each year, Austin’s Ending Community Homelessness Organization (ECHO) coordinates a count of the City’s homeless population. This annual “Point in Time Count” is required for communities that receive funding from the United States Department of Housing and Urban Development. The 2017 count identified a total of just over 2,000 people experiencing homelessness in Austin, which is similar to the results of previous counts.¹ However, ECHO noted in its 2017 “Needs and Gaps” report that more than 7,000 people used homelessness services in 2016, a 14% increase since 2013. When compared to the counts done by other cities in 2016 (as shown in Exhibit 1), 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.

The National Law Center on Homelessness and Poverty reviewed municipal codes in 187 cities to identify ordinances that relate to the criminalization of homelessness. According to this analysis, Austin has three such ordinances, which are shown in Exhibit 2. Violations of each ordinance are classified as a Class C misdemeanor and can result in a fine of up to \$500.

Exhibit 2: Austin City Ordinances Associated with Homelessness



Panhandling (§9.4.13)

- Bans certain actions such as making physical contact and using obscene or abusive language and gestures while soliciting
- Bans solicitation within 25 feet of an ATM/bank or at sidewalk cafes
- Bans solicitation in the downtown area from 7pm to 7am



Camping (§9.4.11)

- Bans camping in public areas of the City
- Defines camping as storing personal belongings, using a tent/car as a living accommodation, and cooking
- Does not apply to permitted camping or cooking in a park



Sit/Lie (§9.4.14)

- Bans sitting or lying in parts of downtown
- Does not apply in situations such as a medical emergency, viewing a parade, waiting for public transit, or using a bench provided by a public agency or property owner

SOURCE: OCA analysis of *The National Law Center on Homelessness and Poverty's "No Safe Place"* report and Austin City Code, September 2017

What We Found

Summary

City ordinances that limit or ban camping, sitting or lying down in public spaces, and panhandling may create barriers for people as they attempt to exit homelessness because they can lead to a criminal record or arrest warrants. Even if a citation does not result in a criminal record, it does not appear to be an effective means of connecting that individual to the services they need, nor is it an efficient use of City resources.

Lastly, other U.S. cities have faced lawsuits challenging the enforcement of similar ordinances. In some of those cases, rulings against the cities have been based on conditions that also appear to exist in Austin.

Finding

Select City ordinances may create barriers for people attempting to exit homelessness, do not appear to effectively or efficiently connect people experiencing homelessness to services, and may increase the risk the City will be sued.

Most citations for violating the City's camping, sit/lie, or panhandling ordinances resulted in an arrest warrant because the cited person failed to appear in court.

Ordinances may create barriers to exiting homelessness.

According to data from the Downtown Austin Community Court (DACC) there were about 18,000 citations issued to people for violating the City's camping, sit/lie, or panhandling ordinances between fiscal year 2014 and fiscal year 2016. The data indicated that for about 90% of the citations, the person failed to appear in court. A warrant was issued in 72% of the cases when the cited person failed to appear in court.²

Many landlords and employers require applicants pass a criminal background check, and an active arrest warrant may disqualify a person from consideration for an apartment or job. Affordable housing property managers stated that a conviction for violating one of these ordinances would not automatically eliminate an applicant and that they consider criminal records on a case-by-case basis. One location's written policy stated that applications could be denied for any non-felony conviction within the past 10 years.

In addition to possibly impacting a person's ability to secure housing or employment, an arrest warrant may create additional obstacles even after someone has been housed. For example, if arrest warrants are not appropriately addressed, the cited individual may be jailed which may then increase the risk of that person losing employment. Also, the additional fines associated with a warrant may limit the person's ability to continue paying for housing and other household expenses.³

Ordinances are not an effective or efficient method for connecting people to services.

During interviews, some stakeholders asserted that in addition to maintaining public order, the City's sit/lie ordinance is an effective way to connect people experiencing homelessness to services. This is because DACC offers case management and rehabilitative services in an effort to

² According to court staff, warrants were not issued in every case because a defendant dealt with their case before the warrant become active.

³ State law regarding warrants for fine-only offenses was recently changed. It is unclear at this time how, or if, these changes will impact this issue.

help people exit homelessness. These stakeholders appear to genuinely care about helping people experiencing homelessness, however there is limited evidence that the sit/lie ordinance is an effective or efficient way to connect people to services.

The Downtown Austin Community Court maintains a waitlist for its case management services.

First, DACC management asserted that limited resources prevent them from giving case management services to everyone who may need it. DACC maintains a waitlist for its case management services, and prioritizes people based on the number of citations the person has received in the past year. As a result, only people with multiple citations are typically eligible for DACC's case management services.

Second, the Austin Police Department (APD) has greatly reduced the number of sit/lie citations they issue. According to DACC data, APD wrote 63% fewer sit/lie citations in fiscal year 2016 than they did in fiscal year 2014. APD's unofficial policy is to give people 30 minutes to move before issuing a citation. Enforcement of this policy may be one of the factors contributing to the decrease in the number of citations issued by APD. If citations are a method to connect people to services, reducing the number of citations is not an effective way to accomplish this goal.

Nearly 25% of cited individuals refused case management services.

Additionally, not everyone who is eligible for case management services at DACC takes advantage of the program. According to DACC data, 65 people received more than 20 citations in fiscal year 2014.⁴ DACC reported that nearly 25% of those individuals refused case management services. DACC was able to successfully provide services to some of them though. DACC reported that five of the 65 individuals are currently housed, including the most frequent offender of the sit/lie and camping ordinances.⁵ We could not determine outcomes for the majority of those 65 people because we were not allowed access to data in the Homelessness Management Information System at the time of this audit.⁶

Persons cited outside of the Downtown Austin Community Court's jurisdiction do not have the same opportunity to connect to case management services.

Another issue is that persons who do not address their citations at DACC may not have an opportunity to connect to case management services. Specifically, the City's Municipal Court handles citations but does not offer case management services.⁷ The Municipal Court reported handling about 6,300 citations for violations of the three ordinances between fiscal year 2014 and fiscal year 2016.

Beyond considering the efficacy of enforcing these ordinances as a method for connecting people to services, this process is not efficient and may not be the best use of City resources. As shown in Exhibit 3, enforcing these ordinances includes APD issuing citations and holding hearings through DACC or the Municipal Court. This may involve a trial, monitoring of community service activities, and processing fines.

⁴ These 65 individuals received a total of 2,592 citations for camping or sitting/lying in fiscal year 2014, an average of 40 per person.

⁵ This person received more than 120 citations in fiscal year 2014 alone.

⁶ The Homelessness Management Information System is managed by ECHO.

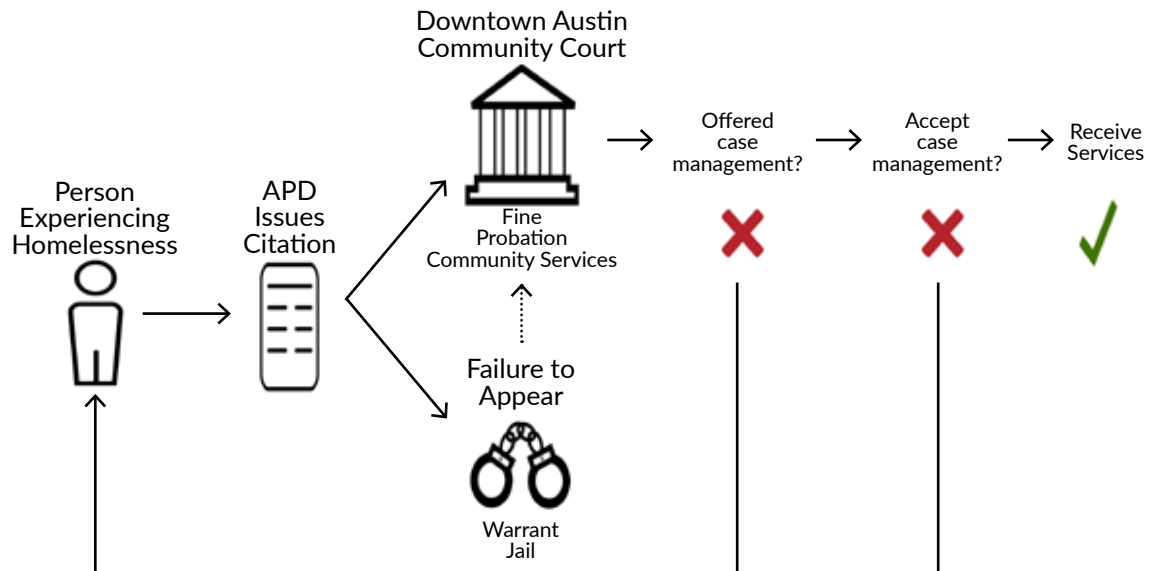
⁷ The Municipal Court may refer people to DACC.

As noted earlier, this process results in only a small percentage of people actually receiving case management services.

The City pays Travis County around \$6 million per year for jail services, a portion of which is due to holding people cited for violating City ordinances.

Finally, enforcing these ordinances increases what the City pays to Travis County to hold people experiencing homelessness in jail. Under an interlocal agreement, the City reimburses Travis County around \$6 million per year for jail services. DACC frequently uses jail time served as credit towards the fine associated with the citation. Between fiscal year 2014 and fiscal year 2016, DACC credited defendants nearly \$600,000 for jail time served.⁸

Exhibit 3: Citing People Experiencing Homelessness is Not an Effective Way to Connect Them to Services



SOURCE: OCA analysis of the City's process for handling violations of the panhandling, sit/lie, and camping ordinances, September 2017

Ordinances increase the City's legal risk.

Cities around the country have faced recent lawsuits related to their camping ordinances.⁹ The basic premise of these suits is that when homeless shelters are full, people experiencing homelessness have no way to comply with the ordinance because there is nowhere else for them to go.

In August 2017, a U.S. District Judge ordered that the City of Houston temporarily halt enforcement of its camping ordinance because Houston's emergency shelters were full. In his decision, the Judge wrote that enforcing the ordinance would cause people experiencing homelessness "irreparable harm by violating their Eighth Amendment right to be free from cruel and unusual punishment due to their status of 'homelessness.'"

In a ruling against Houston, a U.S. district Judge wrote that enforcing the city's camping ordinance would cause "irreparable harm by violating their Eighth Amendment right to be free from cruel and unusual punishment due to their status of 'homelessness.'"

⁸ This amount is not solely attributed to cases involving people experiencing homelessness or citations for violating one of the ordinances identified in this report.

⁹ Jones v. City of Los Angeles, 444 F. 3d 1118, (9th Cir. 2006); United States Department of Justice Statement of Interest filed in Bell V. City of Boise, 709 F. 3d 890, 893 (9th Cir. 2013); Temporary Restraining Order filed in Kohr et al v. City of Houston, Case Number 2:2017cv01473, filed in United States Federal Court - Texas Southern District.

Austin's camping ordinance is similar to Houston's and emergency shelters in Austin are effectively full most nights of the year. Although some shelters may report empty beds on some nights, shelter practices and policies often result in beds not being available to every person who may need one. For example, a shelter may not accept clients after a certain time, or may only serve a certain demographic.¹⁰

Additionally, a 2015 Supreme Court ruling has recently been used to challenge elements of panhandling ordinances in other cities. Specifically, courts have ruled against cities whose ordinances limit when panhandling can occur, or ordinances that require panhandlers to be certain distances from a particular location. Austin's panhandling ordinance includes both of these restrictions.

Since similar conditions exist in Austin, there is an increased risk that the City will be sued for enforcing these ordinances. Although this would not necessarily result in a decision against the City, defending the ordinances would result in a financial cost and possible reputation damage to the City.

Additional Observation

A major hurdle to addressing the issue of homelessness is adequate shelter capacity. This directly relates to the legal risks associated with the ordinances. Lack of capacity also impacts the ability of DACC case managers to secure successful outcomes for the people they interact with.

The City is making some efforts to address this, such as identifying City buildings that could be used as temporary emergency shelters. However, a full analysis of the City's capacity needs, and efforts to address any deficiencies that may exist, was not within the scope of this audit. The Office of the City Auditor plans to address this topic as part of future audits in the Homelessness Assistance Audit series.

¹⁰ Specific curfew times vary from shelter to shelter, but ranged from 6:15 pm to 9 pm for the shelters interviewed. Some shelters only serve women or families with children.

Recommendations and Management Response

1

The City Attorney should reassess the City's camping, sit/lie, and panhandling ordinances to determine what legal risk they pose to the City. Further, the City Attorney should report the results of this review to City Council.

Management Response: Agree

Proposed Implementation Plan: A memorandum to Mayor and Council Members will be sent regarding the three ordinances.

Proposed Implementation Date: April 6, 2018

2

The City Manager should work with City Council to determine if the City's camping, sit/lie, and panhandling ordinances are still aligned with the City Council's vision for addressing the issue of homelessness, or whether the ordinances should be revised or repealed.

Management Response: Agree

Proposed Implementation Plan: The City Manager designated Interim Assistant City Manager Sara Hensley to lead the overall Homelessness effort. This includes working with the City Attorney's Office to review the current camping, sit/lie and panhandling ordinances. A cross departmental team has been formed to look at all the Council Resolutions regarding Homelessness. The current camping, sit/lie and panhandling ordinances have been added to the work plan for review in the overall context. Once the information from the City Attorney's Office is received, the information will be included in the discussion as it relates to any recommended revisions or repeals. The team will produce an overall "holistic" recommendation for Council to consider as a part of their vision for addressing homelessness.

Proposed Implementation Date: April 6, 2018

3

If the ordinances are not repealed, the City Manager should identify and implement changes to make the enforcement of the City's camping, sit/lie, and panhandling ordinances more effective and efficient. Changes may include, but are not limited to:

- Expanding DACC case management resources and ensuring that all citations involving people experiencing homelessness are handled by DACC;
- Implementing strategies to encourage more people experiencing homelessness to accept case management services;
- Implementing strategies to reduce arrest warrants issued in response to people experiencing homelessness who fail to appear in court following citation; and
- Implementing strategies to reduce the number of people experiencing homelessness in jail for violating these ordinances.

Management Response: Agree with caveats

Proposed Implementation Plan: A City Team has been formed that is reviewing all things related to homelessness: grants, general fund dollars allocated, staffing, efforts with non-profits, education institutions and the faith community, contracts, agreements, pilot programs and Council Resolutions. The overall goal is to discover what is currently working, who is not at the table, how we can better

spend and allocate the dollars and resources, who are the most effective providers of services, what are the services most needed, recommendations related to the ARCH and how we ultimately form a “global” mission to serve our individuals and families experiencing homelessness. This is a monumental task that will hopefully align the resources to the most effective efforts in addressing homelessness.

- The Expansion of the DACC case management resources would take time, budget dollars and City Council approval. If found to be the most effective effort, additional resources will be requested.
- Implementing strategies to encourage more people experiencing homelessness to accept case management services is a tedious and long term effort. First, trust must be built and there has to be a continuum of care that follows the individuals. Every effort will be made to encourage more individuals to accept case management; however, more resources may be needed.
- Implementing strategies to reduce arrest warrants is already underway as the HOST team works to assist homeless individuals. The more successful we are aligning homeless individuals with services, the more likely we will be able to reduce the number of arrest warrants issued.
- Implementing strategies to reduce the number of people experiencing homelessness that end up in jail for violating these ordinances is also difficult. Many times, they do not understand or may not have the capacity to understand the ordinance. However, if we are successful in providing more or better aligned resources to address individuals experiencing homelessness, then the number in jail should be reduced.

Proposed Implementation Date: April 6, 2018

Scope

The audit scope included the City's current efforts related to enforcement of the sit/lie and camping ordinances, as well as the results of enforcing those ordinances since fiscal year 2014.

Methodology

To complete this audit, we performed the following steps:

- Interviewed staff with Austin Police Department, Law Department, Downtown Austin Community Court, and Municipal Court;
- Interviewed local service providers and stakeholders including shelters, affordable housing providers, employers, Ending Community Homeless Commission, and the Downtown Austin Alliance;
- Reviewed court decisions from cases related to sit/lie, solicitation, and camping ordinances.
- Observed court operations at the Downtown Austin Community Court;
- Reviewed court records related to citations for violations of sit/lie, solicitation, and/or camping ordinances;
- Reviewed outcomes for a sample of 65 frequent offenders using information from Travis County jail records, internal Downtown Austin Community Court records, and the Homeless Management Information System; and
- Evaluated internal controls related to City ordinances that may criminalize 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.

Audit Report

Homelessness Assistance Audit Series: Coordination of the City's Homelessness Assistance Efforts

December 2017



Addressing the issue of homelessness requires a coordinated, multi-department response from the City. However, the City only recently started to coordinate its homelessness assistance efforts and does not have a dedicated position or group assigned to this task. Several U.S. cities have created a position or agency within the City to coordinate homelessness assistance efforts. Without a coordinated effort, the City may not effectively provide homelessness assistance services, efficiently allocate resources, and may miss opportunities to aid people experiencing homelessness.

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Cover: 7th Street, Office of the City Auditor.

Objective

The objective of this audit was to determine if the City coordinates homelessness assistance efforts to achieve desired outcomes for people experiencing homelessness.

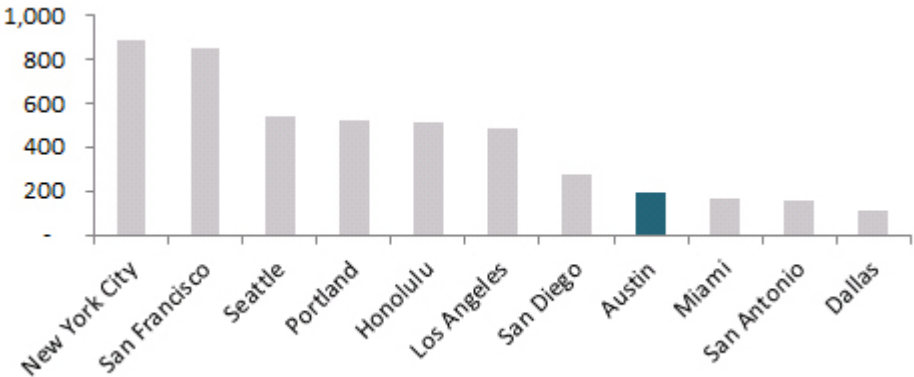
Due to the complex nature of the topic, we are evaluating the City's homelessness assistance efforts in a series of audits. This report is the second in the series. The first report, presented in November 2017, analyzed how City ordinances align with the City's homelessness assistance efforts. Future reports are planned to analyze how the City allocates resources to address homelessness, and the outcomes of these efforts.

Background

One day each year, Austin's Ending Community Homelessness Organization (ECHO) coordinates a count of the City's homeless population. This annual "Point in Time Count" is required for communities that receive funding from the United States Department of Housing and Urban Development. The 2017 count identified a total of just over 2,000 people experiencing homelessness in Austin, which is similar to the results of previous counts.¹ However, ECHO noted in its 2017 "Needs and Gaps" report that more than 7,000 people used homelessness services in 2016, a 14% increase since 2013. When compared to the counts done by other cities in 2016 (as shown in Exhibit 1), 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.

More than 7,000 people used homelessness assistance services in 2016, a 14% increase since 2013.

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.

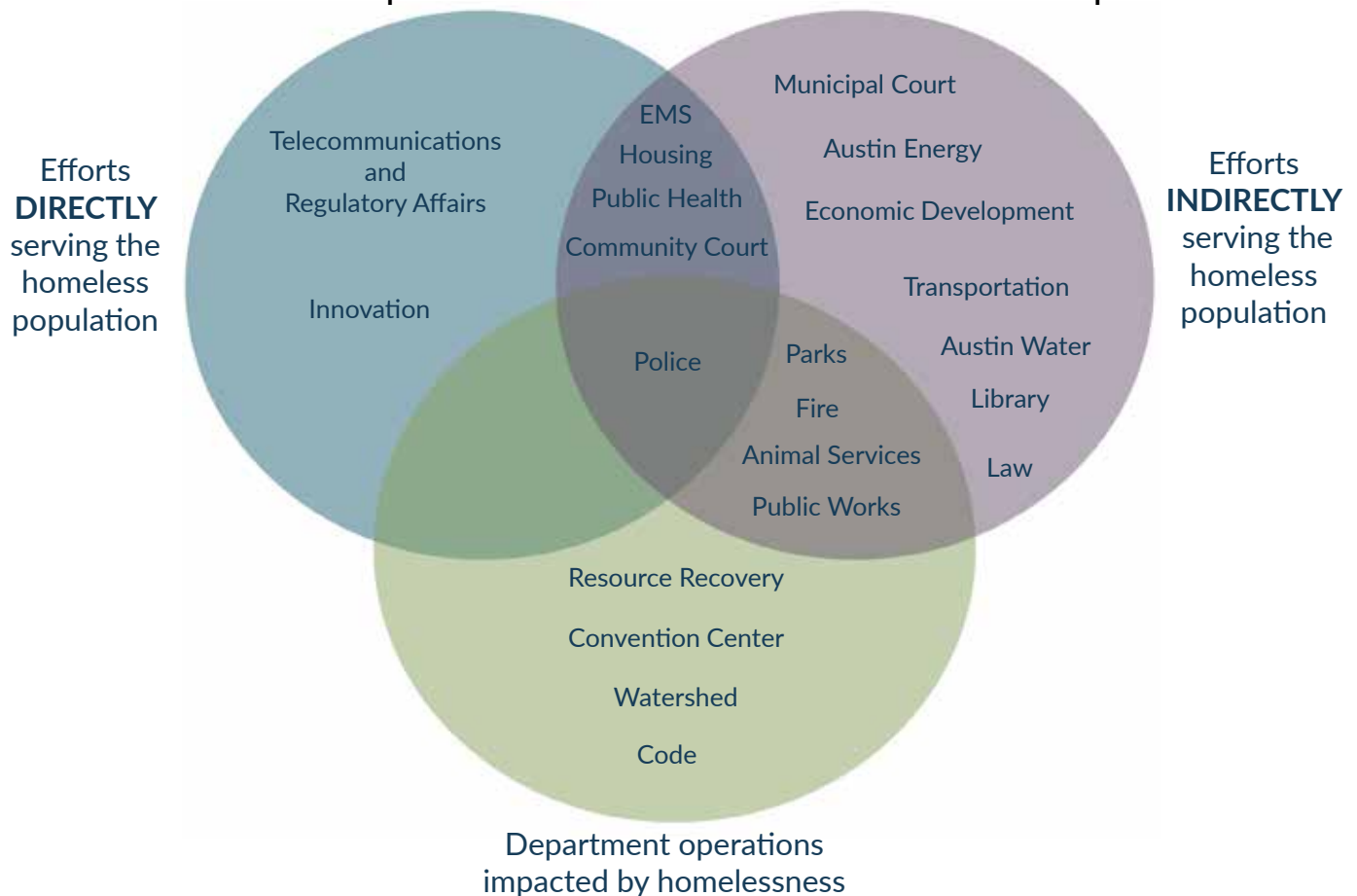
¹ The count identified 832 people sleeping in shelters, 834 unsheltered people, and 370 people in transitional housing.

At least 20 City departments have programs, activities, or services that are affected by homelessness. Generally, department efforts can be classified in three ways:

- Efforts directly associated with homelessness assistance, such as programs to connect people experiencing homelessness to services. An example is Austin Public Health, which manages contracts for homeless shelters.
- Efforts indirectly associated with homelessness assistance, such as programs for all residents that may be used by people experiencing homelessness. An example is the Economic Development Department, which provides workforce development training that is offered to all residents, but which may be used by someone experiencing homelessness.
- Efforts associated with the impacts of homelessness. An example is the Watershed Protection Department, which deals with the impact of homeless camps on creeks.

In many cases, a department's efforts will fall into more than category, as shown in Exhibit 2 below.

Exhibit 2: Department Efforts Related to Homelessness Often Overlap



SOURCE: OCA interviews with sample of City departments and analysis of the City's homelessness assistance efforts, October 2017.

What We Found

Summary

Addressing the issue of homelessness requires a coordinated, multi-department response from the City. However, the City only recently started to coordinate its homelessness assistance efforts and does not have a dedicated position or group assigned to this task. Several U.S. cities have created a position or group within the city to coordinate homelessness assistance efforts. Without a coordinated effort, the City may not effectively provide homelessness assistance services, efficiently allocate resources, and may miss opportunities to aid people experiencing homelessness.

Finding

The City does not have a position or agency to coordinate its homelessness assistance efforts, resulting in reduced effectiveness and efficiency and potential missed opportunities to aid people experiencing homelessness. However, limited coordination efforts are underway.

Addressing the issue of homelessness requires a coordinated, multi-department response from the City. In recent years, several other cities have created an internal position or group to coordinate homelessness assistance efforts. As shown in Exhibit 3 below, this ranges from a single position to an entire department.

Exhibit 3: Examples of How Other Cities Coordinate Homelessness Assistance Efforts

City	Method of Coordination
San Diego	Mayor's Senior Advisor on Homeless Coordination
Dallas	Homeless Commission
San Francisco	Department of Homelessness and Supportive Housing

SOURCE: OCA analysis of practices in peer cities, October 2017.

Although the Imagine Austin plan calls for the City to “coordinate between all the organizations providing services to the homeless community to maximize the efficacy of limited resources,” Austin does not have a dedicated position or group to coordinate homelessness assistance. The City also lacks a comprehensive strategic plan to guide City efforts. The City created a strategic plan for homelessness in 2004, which has since been updated by ECHO.² However, ECHO does not have the authority to direct City activities.

The City does coordinate some activities, but these are limited in scope. One example is the Homelessness Outreach Street Team (HOST). This was a pilot program that started in June 2016 to address the needs of people experiencing homelessness. It is a partnership between some City departments and third parties involved with homelessness. However, it is mainly focused on public safety issues in the downtown area. Additionally, the City Manager recently created a team to develop a Homelessness Action Plan. This group has identified several tasks to accomplish, including identifying current City services, gathering data related to

² In 2010 ECHO published its “Plan to End Community Homelessness”, which states that is an update on the City’s 2004 plan. ECHO also published a draft report in September 2017 which outlines actions to end homelessness.

homelessness, and evaluating homelessness contracts. However, this team does not have dedicated resources. City staff's participation on this team is in addition to their regular job duties and the person tasked with leading the team is currently serving in an interim role.

Coordination is necessary because many City departments (as shown in Exhibit 2) are involved with, or impacted by the issue of homelessness. This includes departments with efforts that directly assist people experiencing homelessness, efforts that indirectly assist them, or have efforts related to the community impacts of homelessness.³ Few departments reported that they had training or guidance for staff about how to interact with people experiencing homelessness. Additionally, departments often reported that they were not collecting data related to the impact of homelessness on their department operations.

At least 20 City departments are involved with or impacted by the issue of homelessness.

The lack of a coordinated effort to deal with the issue of homelessness results in many issues for the City. It creates inefficiencies, such as multiple departments that manage contracts for homelessness assistance. It can also lead to ineffective operations. As an example, Austin Resource Recovery has cleaned downtown alleys for a number of years. This results in water containing human waste being washed into downtown creeks. This impact was only recently identified and the department indicated that they are now working with the Watershed Protection Department to mitigate the impact of these cleaning efforts.

A lack of coordination can also lead to missed opportunities to aid people experiencing homelessness. For example, locating social workers from Austin Public Health in libraries could result in the ability to connect more people experiencing homelessness to services. City programs to assist low-income residents may also be used to identify people at risk of losing their housing. This may allow the City to help them avoid becoming homeless. Lastly, external entities working on homelessness may have difficulty connecting with the appropriate resources within the City.

³ Appendix A includes a list of department identified by the audit team as having homelessness assistance efforts. It is not meant to be comprehensive.

Recommendations and Management Response

1

The City Manager should designate a position within the City whose primary responsibility is coordinating the homelessness assistance efforts in Austin. This position should:

- Develop a strategic plan to address homelessness, and
- Coordinate City department's efforts related to homelessness.

Management Response: Agree

Proposed Implementation Plan: Sara Hensley, Interim Assistant City Manager is currently coordinating the City effort, leading a multi-department team. Sara has recently borrowed a staff member to assist with the work related to the Homelessness efforts. However, this person is also working with Sara on the Graffiti Initiatives as well. The overall strategy will be to request a full time position through the 2018-19, Budget Process, that will have a primary responsibility of coordinating homeless efforts.

The City's Homelessness Team is mapping current efforts, both within City departments and among external stakeholders. We are identifying funding sources, needs, and critical gaps in services as well as leveraging the findings from the City Auditor's Homelessness Assistance Audit Series. Once we fully understand the current state, we can begin to develop a three (3) to five (5) year strategy. The overall goal is to assess the City's role and align resources to ensure that the most significant impact supports the City's Strategic Planning efforts.

The City Team will work with stakeholders to develop and implement comprehensive and coordinated approaches to reduce the number of persons experiencing homelessness in Austin. Approaches will include the prevention of homelessness, support for recovery from homelessness, and delivery of services in coordination with external agencies, including a near-term solution to alleviate health & safety issues in the downtown area. The City will leverage and improve on the use of data, technology, and human-centered design while encouraging improvement and innovation across sectors. In addition, we will highlight recommended objectives that tie to the Strategic Plan.

Tasks:

The following is a draft list of near-term tasks the City Team will undertake as part of the strategy implementation. This is in addition to the ten (10) homelessness related resolutions that are under review and action plans being developed.

- Task 1: Define and map current services across the City of Austin, (COA) including those provided by city and county agencies, non-profit stakeholders, and the faith community;
- Task 2: Leverage mapping and engagement per Task 1 to define COA role in prevention, recovery, and delivery of services;
- Task 3: Define scope and performance criteria for contracts supported by the City to address homelessness. Performance criteria will align with the indicators and metrics developed as part of the Strategic Planning effort;
- Task 4: Assess costs and benefits associated with concentrated service delivery (downtown core) compared to a dispersed service delivery model through community providers;
- Task 5: Work with stakeholders to develop and expand on common database/data set, and technologies for accessing information, (including option for mobile technology).

Proposed Implementation Date: October 1, 2018

Appendix A: List of Department Efforts Related to Homelessness Assistance

Animal Services	<ul style="list-style-type: none"> • Treating and housing pets of people experiencing homelessness • Assisting other departments who interact with homeless populations
Austin Code	<ul style="list-style-type: none"> • Responding to complaints about abandoned properties and debris
Austin Convention Center	<ul style="list-style-type: none"> • Ensuring the safety and satisfaction of convention attendees
Austin Energy	<ul style="list-style-type: none"> • Providing utility payment assistance
Austin Fire Department	<ul style="list-style-type: none"> • Responding to medical emergency calls • Responding to structure fires where the structure may be being used by people experiencing homelessness • Responding to fires at homeless camps
Austin Police Department	<ul style="list-style-type: none"> • Enforcement of laws and ordinances • Participating in HOST • Assisting other departments who interact with homeless populations
Austin Public Health	<ul style="list-style-type: none"> • Managing contracts related to homelessness assistance • Providing health services to low-income residents
Austin Public Library	<ul style="list-style-type: none"> • Operating library facilities
Austin Resource Recovery	<ul style="list-style-type: none"> • Keeping public spaces clean and hygienic • Cleaning streets and alleys
Austin Transportation Department	<ul style="list-style-type: none"> • Reducing pedestrian death and injury on roadways
Austin/Travis County Emergency Medical Services	<ul style="list-style-type: none"> • Responding to calls related to medical emergencies • Participating in HOST
Austin Water	<ul style="list-style-type: none"> • Providing utility payment assistance
Downtown Austin Community Court	<ul style="list-style-type: none"> • Providing case management services to people experiencing homelessness • Providing judicial services to residents
Economic Development	<ul style="list-style-type: none"> • Managing contracts for workforce development training
Innovation Office	<ul style="list-style-type: none"> • Administering the Bloomberg Innovation Grant
Law Department	<ul style="list-style-type: none"> • Prosecuting cases in Downtown Austin Community Court and Municipal Court
Municipal Court	<ul style="list-style-type: none"> • Providing judicial services to residents
Neighborhood Housing and Community Development	<ul style="list-style-type: none"> • Managing contracts related to homelessness assistance • Managing affordability programs
Parks and Recreation Department	<ul style="list-style-type: none"> • Cleaning City parks • Operating recreation centers
Public Works	<ul style="list-style-type: none"> • Cleaning streets and alleys • Installing temporary toilet facilities
Telecommunications and Regulatory Affairs	<ul style="list-style-type: none"> • Managing contract to provide technology training at the ARCH
Watershed Protection	<ul style="list-style-type: none"> • Keeping the creeks and watersheds clear of debris and clean

Scope

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

Methodology

To complete this audit, we performed the following steps:

- Interviewed staff with multiple City departments;
- Researched practices in peer cities;
- Attended meetings for HOST and the City's homelessness task force;
- Reviewed documentation related to department programs and activities;
- Evaluated City programs for people experiencing homelessness; and
- Evaluated internal controls related to the City's coordination efforts.

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.

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

The City primarily relies on ECHO to collect and report information about the homeless population.

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.

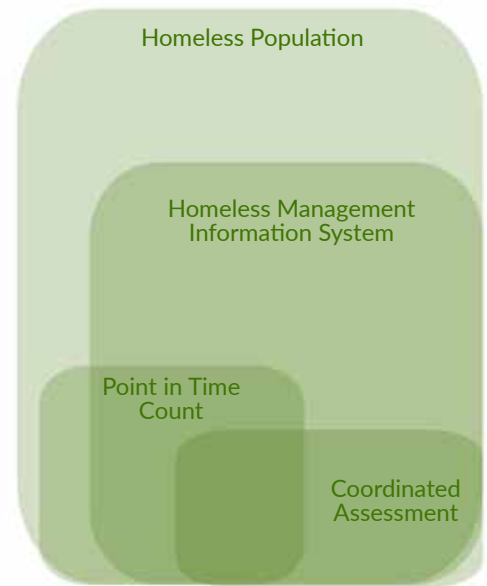
The City primarily relies on the Ending Community Homelessness Coalition (ECHO) to collect and report information about the homeless population. ECHO’s three main sources of this information are the Point in Time count, the Homelessness Management Information System (HMIS), and coordinated assessments. 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

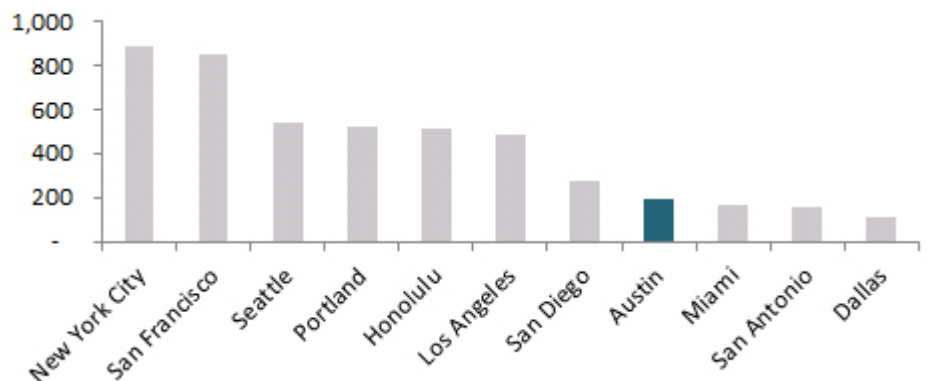
The **Coordinated Assessment** evaluates a person’s need for housing based on factors such as their health and interactions with the police



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

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.

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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Cover: Licensed under Creative Commons Public Domain

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.

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.

Homelessness remains a significant problem in Austin.

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.

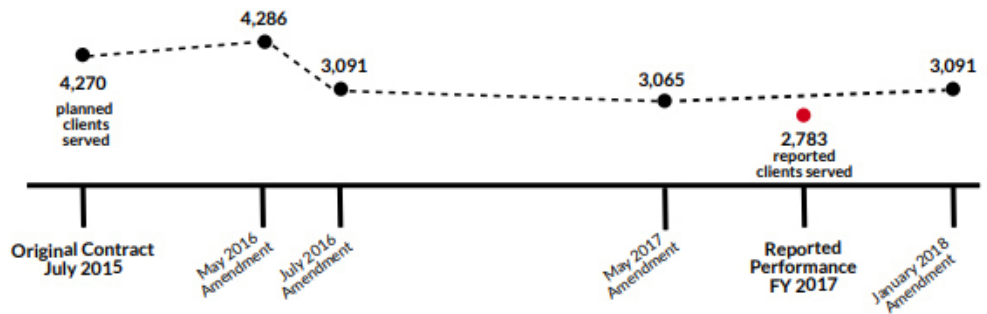
However, the result is that service providers assisted fewer people than they were contracted to serve. Although, APH management asserts that service providers may face more intensive monitoring if they consistently do not meet their performance goals, there did not appear to have been any other consequences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

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.

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

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

APH management asserts the process for handling contract amendments has improved since fiscal year 2017.

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.

Current performance measures do not report on the length of time a person remains housed, making it difficult to accurately identify successful programs and services.

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.

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.

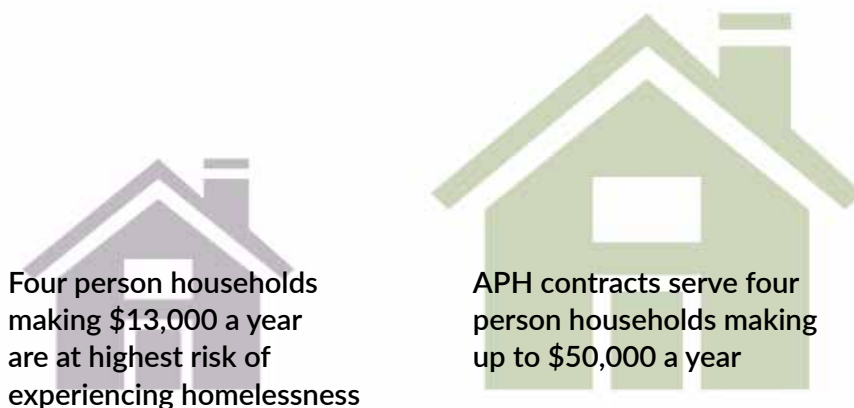
HUD asserts that preventing homelessness costs less than providing shelter services and results in less trauma for individuals. A HUD study showed that children who remain housed are in better health, and have fewer behavioral problems, when compared to children who have experienced homelessness.⁴ Although 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



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.

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

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.

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 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

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

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

capacity to serve everyone, and must then prioritize clients or maintain 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



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.

clients can achieve successful outcomes and remain stably housed.

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.

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

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



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:

Proposed Implementation Plan:

Proposed Implementation Date:

- 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
 - includes provide appropriate resources to achieve these efforts.

Management Response:

Proposed Implementation Plan:

Proposed Implementation Date:

- 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:

Proposed Implementation Plan:

Proposed Implementation Date:

- 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:

Proposed Implementation Plan:

Proposed Implementation Date:

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.

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