

Presentation to Jack London
NCPC, Beat 1X

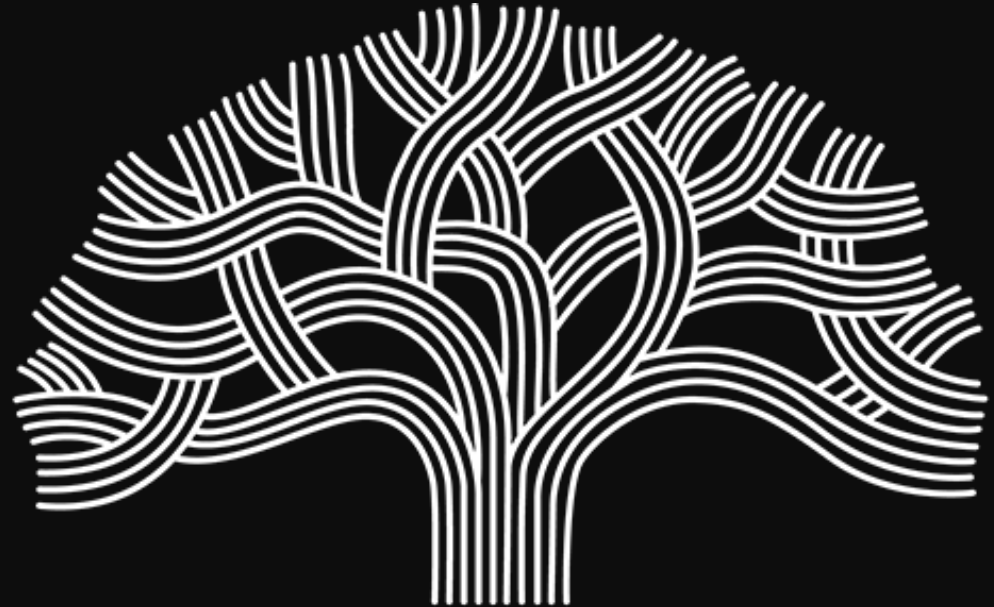
February 28, 2023

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CITY OF OAKLAND
Office of the City Auditor



Oakland's City Auditor (again)

- City Auditor from 2007-2014
- City Auditor again in 2019
- Re-Elected in November 2022



The City Auditor's Authority

Section 403 of the City Charter

I have the power and duty to:

- Audit all departments and agencies of the City and other matters the Council and Mayor may request.
- Audit areas deemed to be in the best interest of the public.
- Report to Council the results of such audits.
- Advise and make recommendations to the City Administrator.
- Access all City records needed to conduct our work.

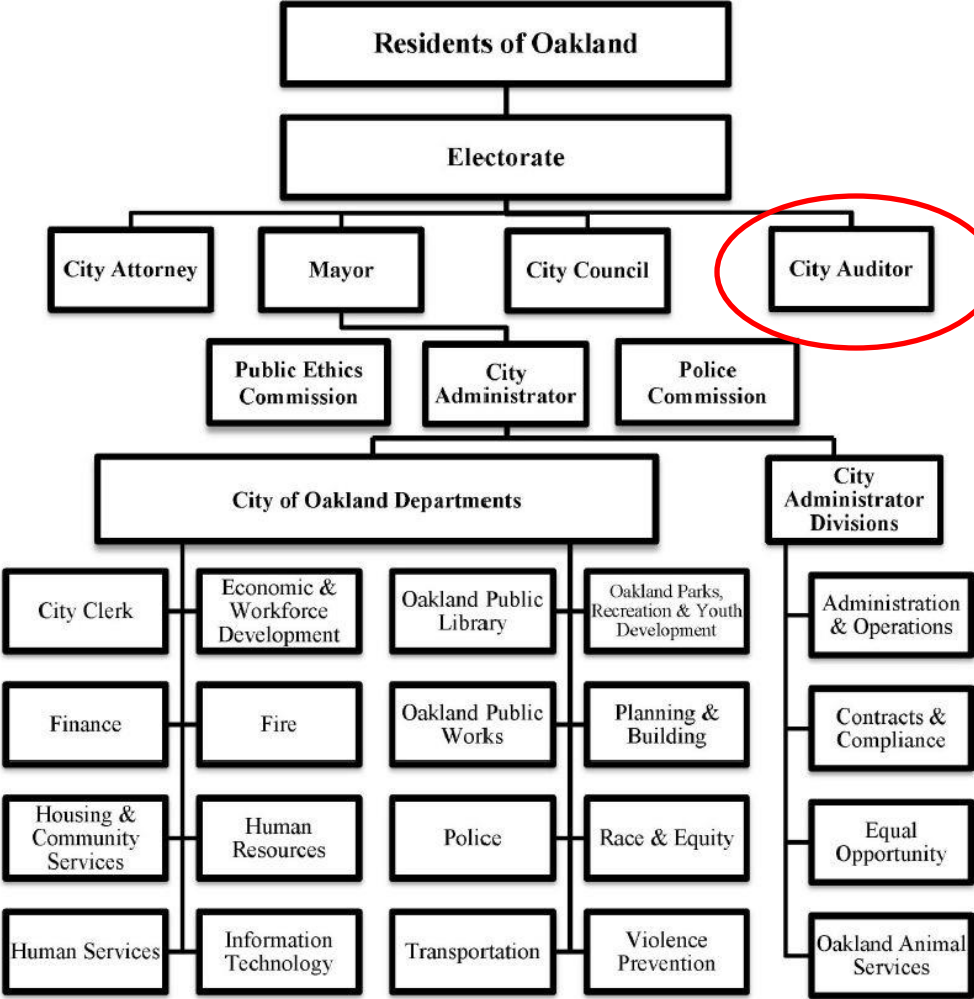


What is a Performance Audit?

Performance audits examine the efficiency and effectiveness of government programs and functions with the goal of making them better. Performance audits answer questions such as:

- 1) Are Programs achieving their intended objectives or outcomes?
- 2) Are Services provided efficiently and/or equitably?
- 3) Are legal requirements and rules being met?

City Organization Chart – Independence Matters

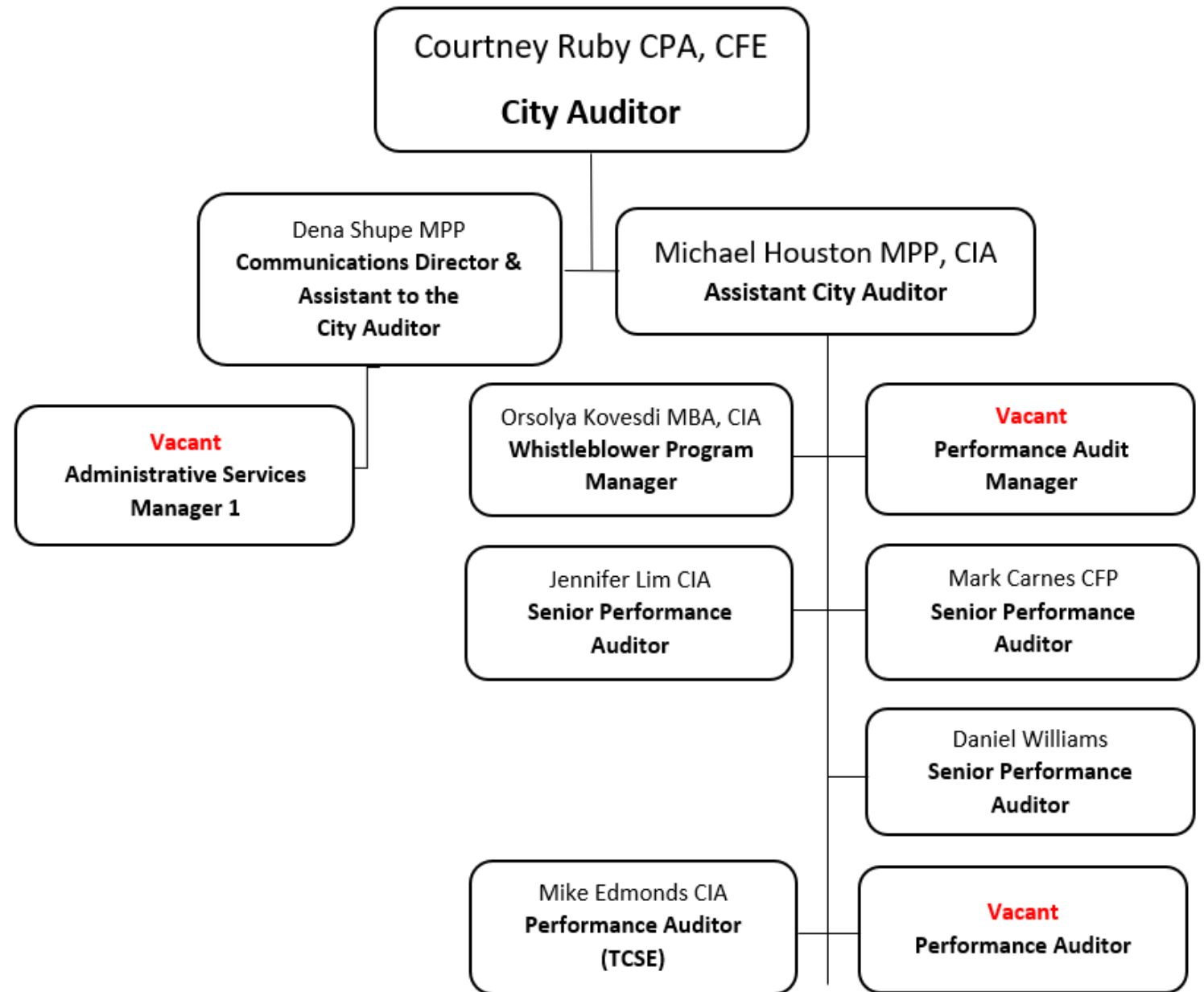


Elected

Office Overview & Structure

Staffing: 11 FTE's

- 9 Auditors
- 2 Administrative staff
- Oakland voters approved Measure X in November 2022, which when implemented, will increase the office's staffing to a minimum of 14 FTEs.



Mission Statement

To conduct performance audits and investigations that return in-depth and meaningful results to the residents of Oakland by identifying, auditing and investigating areas of government most vulnerable to mismanagement, fraud, waste, and abuse.



How Does My Office Fulfill Its Mission And Goals?

- Ballot Analyses
- Whistleblower Investigations
- Risk-based Audits
- Mandated Audits
- And more...



How to Submit a Whistleblower Complaint

To file a complaint, you may call the **WHISTLEBLOWER HOTLINE** at **1-888-329-6390** (interpreter available) or **SUBMIT A REPORT ONLINE** (Español or 汉语).



- The City Auditor will ensure **confidentiality**
- Whistleblowers can remain **anonymous**
- Employees are protected from **retaliation**
- We will take **appropriate action** based on the investigation results.
- The City **benefits!**

Homelessness Services Audit

AUDITTEAM

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PERFORMANCE AUDIT OF THE CITY OF OAKLAND'S HOMELESSNESS SERVICES:
Better strategy and data are needed for more effective and accountable service delivery and positive outcomes for Oakland's homeless residents

City of Oakland Homelessness Services

Audit Objectives & Scope

- Audit Scope: FYs 2018-19, 2019-20, and 2020-21
- Quantify the number of people receiving short-term, long-term, and permanent housing and their lengths of stay.
- Evaluate the performance of contracted service providers against intended program outcomes.
- Identify disparities in how the City's short-term, long-term, and permanent housing are provided to various subpopulations.
- Assess the coordination and partnerships between City departments, other governmental agencies, and select service providers.

Section 1: The City's Homelessness Services Housing Programs: Participants Served, Exit Destinations, and Lengths of Stay

Section 2: Maintaining and Increasing Incomes and Enrolling Participants in Benefit Programs

Section 3: Data on Programs, Outcomes, Service Providers, and Participants

Section 4: Proportionate Service Delivery and Racial Equity

Section 5: Contracting with Service Providers

Section 6: Strategy, Public Reporting, and Oversight

City of Oakland Homelessness Services

Report Overview

- The City had mixed results in:
 - placing people into permanent housing and better information is needed to determine whether they remain housed.
 - facilitating enrollments in various income and health benefits.
- Underlying these mixed results:
 - City's access to timely, accurate, and complete data and its ability to use this data to adequately evaluate performance of the service providers contracted to provide direct homelessness services.

City of Oakland Homelessness Services

Report Overview

- This was compounded by:
 - the fact that the City's contract monitoring activities were incomplete, inadequately documented, and did not sufficiently address service delivery concerns.
- The audit did, however, find:
 - the City was delivering homelessness services in proportion to the racial make-up of the City's homelessness population per the latest Point-in-Time Counts

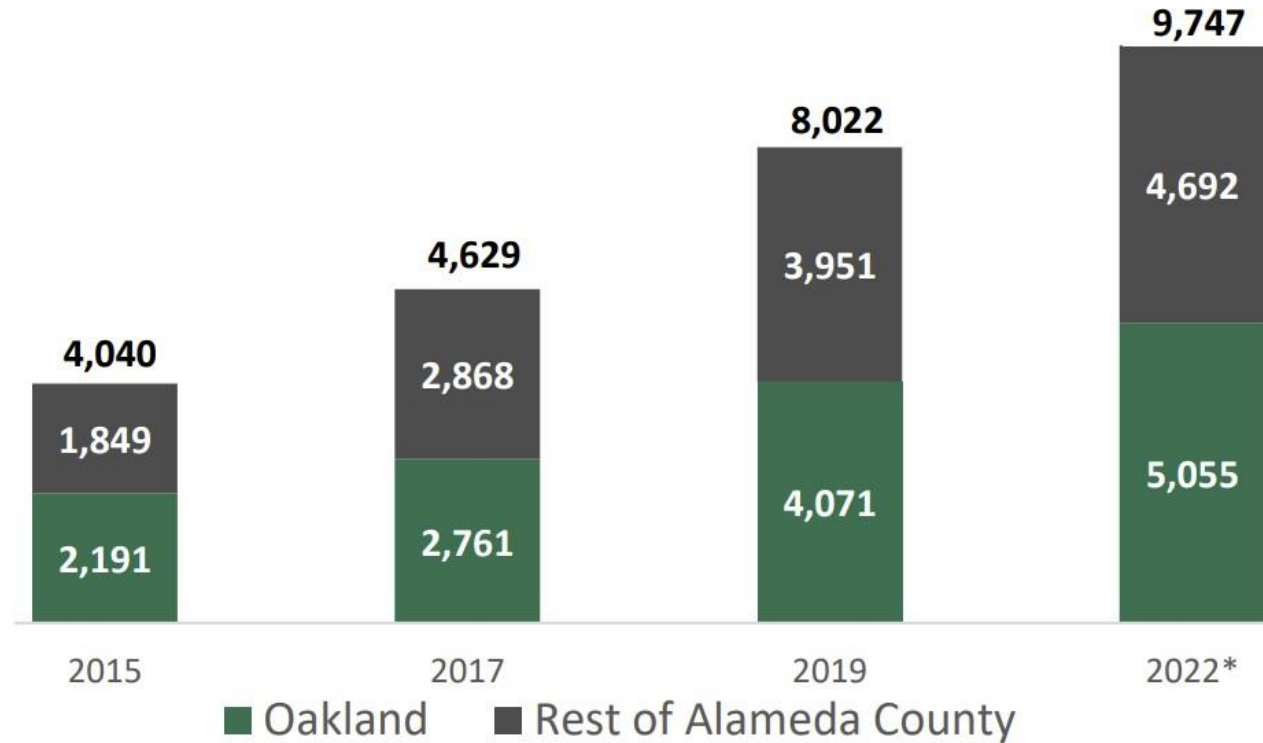
City of Oakland Homelessness Services

The demand for housing far exceeds supply – Alameda County’s Home Together 2026 Community Plan

In April 2022, Alameda County released a draft of the Home Together 2026 Community Plan (Plan) that stated every year new people experience homelessness in Alameda County, but the homelessness response system does not currently have enough capacity to keep up with annual inflow. The Plan predicts that by 2026, Alameda County will need an inventory of approximately 26,000 permanent housing units. As of 2021, there were 3,215 existing units, meaning the permanent housing inventory must increase eightfold by 2026.

City of Oakland Homelessness Services

The total number of individuals experiencing homelessness in Oakland and the rest of Alameda County in 2015, 2017, 2019, and 2022



City of Oakland Homelessness Services

Community Homelessness Services Division expenditures from FY 2018-19 through FY 2020-21 - \$78 million

Expenditure Category	FY 2018-19	FY 2019-20	FY 2020-21
Contract Service Expenditures	\$ 19,653,092	\$ 23,821,831	\$ 25,039,728
Employee Personnel Service	\$ 1,468,234	\$ 1,758,421	\$ 2,314,506
Service Expenditures	\$ 42,389	\$ 30,672	\$ 564,276
Other Expenditures	\$ 234,777	\$ 319,354	\$ 323,360
Capital Acquisitions	\$ 121,196	\$ 1,510,985	\$ 305,599
Supply and Material	\$ 74,868	\$ 71,742	\$ 201,534
Internal Service / Work Order	\$ 55,836	\$ 131,427	\$ 126,115
Travel and Education	\$ 61,643	\$ 74,777	\$ 35,415
Total	\$ 21,712,034	\$ 27,719,209	\$ 28,910,533

City of Oakland Homelessness Services

Sources of funding for Community Homelessness Services Division contract services expenditures in FY 2018-19 through FY 2020-21 – nearly \$69 million

Funding Source	FY 2018-19	FY 2019-20	FY 2020-21
Federal Government	\$ 9,851,633	\$ 9,086,358	\$ 12,369,480
State of California	\$ 1,916,643	\$ 7,390,040	\$ 5,315,480
City of Oakland	\$ 1,931,129	\$ 1,851,336	\$ 4,003,935
Alameda County	\$ 4,399,448	\$ 4,169,602	\$ 2,189,781
Private Grants	\$ 723,604	\$ 851,397	\$ 1,075,110
Social Services Grants	\$ 434,309	\$ 225,597	\$ 57,724
Total	\$ 19,256,767	\$ 23,574,331	\$ 25,011,509

City of Oakland Homelessness Services

Homelessness Services Programs

Crisis Response Housing Programs

- Community Cabins
- Emergency Shelters
- RV Safe Parking
- Transitional Housing
- COVID Response

Longer-Term Housing Programs

- Rapid Re-Housing
- Oakland Path Rehousing Initiative (OPRI)
- Permanent Housing Services

Supportive Services

- Hygiene Services
- Street Outreach
- Workforce programs

Section 1

The City's Homelessness Services Housing Programs: Participants Served, Exit Destinations, and Lengths of Stay

- This section quantifies the number of people served by the City's various homelessness services housing programs and discusses the City's performance against established performance metrics and targets including how successful the City was at exiting participants to permanent destinations versus back to homelessness.
- **FINDING:** The City had mixed results in helping program participants exit to permanent housing, many crisis response and longer-term housing participants' long-term outcomes are unknown, and lengths of stay need more analysis.

Section 1

Exit Destinations

CoC Defined Metrics

- Exits to permanent housing (ex: PSH, rental by the participant with or without subsidies, staying with family or friends, etc.)
- Exits to homelessness (ex: non-habitable places like the streets, emergency shelters, transitional housing, etc.)

City Defined Metrics

- Exits to positive destinations (ex: all permanent housing, some temporary housing like emergency shelters and transitional housing)
- Exits to streets or unknown destinations

Section 1 Community Cabins

Exits to permanent housing, homelessness, positive destinations, and streets or unknown destinations

Fiscal Year	CoC-Defined Metrics		City-Defined Metrics	
	Exits to Permanent Housing TARGET: 50%	Exits to Homelessness TARGET: <10%	Exits to Positive Destinations TARGET: 70%	Exits to Streets or Unknown Destinations TARGET: N/A
2018-19	31%	58%	50%	44%
2019-20	29%	42%	51%	40%
2020-21	27%	44%	63%	22%

Section 1 Community Cabins

Number of participants who exited and those who exited to positive destinations and to streets or unknown destinations

Fiscal Year	Participants who exited	Participants who exited to positive destinations	Participants who exited to the streets or unknown destinations
FY 2018-19	80	40	35
FY 2019-20	321	163	129
FY 2020-21	298	189	67
Total	699	392	231

Section 1

Summary

- Out of the 8,683 participants served over the three fiscal years, 6,697 participants were in crisis response programs and 1,986 were in longer-term housing programs.
- During the audit period, 4,110 participants exited crisis response programs and 729 exited longer-term housing programs.
- Generally, longer term housing programs were more successful than crisis response programs in terms of finding permanent housing for participants.
- Generally, family housing programs were more successful than those for single adults and transition-aged youth.

Section 1

Recommendations

1. Access data on “returns to homelessness,” to identify how many participants exited to permanent housing and return to homelessness 6, 12, or 24 months later.
2. Adopt exits to positive destinations and exits to streets or unknown destinations as metrics for Emergency Shelters and set performance targets.
3. Continuously review performance metrics and targets, and consider adjusting and developing new ones as needed.
4. Ensure that requirements within service provider contracts reflect adopted performance metrics and targets and ensure consistency.
5. Collect and analyze lengths of stay.

Section 2

Maintaining and Increasing Incomes and Enrolling Participants in Benefit Programs

- This section addresses the City's performance in maintaining or increasing participants' incomes and enrolling participants in non-cash benefits and health insurance programs as a critical step to ending homelessness.
- **FINDING:** The City had mixed results in facilitating enrollments in benefit programs critical to improving homelessness services participants' life circumstances and housing stability.

Section 2

Maintaining and Increasing Incomes and Enrolling Participants in Benefit Programs

Maintaining and increasing income and enrolling in benefits is critical for people experiencing homelessness

- Incomes – Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), Temporary Assistance for Needy Families (TANF), etc.
- Mainstream/non-cash benefits: Supplemental Nutrition Assistance Program (SNAP)
- Health insurance

Section 2

Recommendations

1. Evaluate the maintaining/increasing income metric and enrollments in mainstream and health insurance benefits metrics to identify successes and failures related to participant enrollment.
2. Review participants' income data across programs to reveal the range of incomes and use this information to inform the development and adaptation of City programs to provide deeply affordable housing.
3. Clarify what the RV Safe Parking program is intended to accomplish in terms of outcomes for its participants.

Section 3

Data on Programs, Outcomes, Service Providers, and Participants

- This section discusses data quality, timeliness, and usefulness.
- **FINDING:** The City lacked access to timely, accurate, and complete data to fully understand service provider performance, bed utilization, and participants' returns to homelessness.

Section 3

Data on Programs, Outcomes, Service Providers, and Participants

- **The CoC has a target of getting data into HMIS within three days**
- **The need for more accurate data within the County's HMIS has long been established**
- **The City lacks quality bed utilization data, a key performance metric for efficiently placing participants with available services**
- **The City needs data on returns to homelessness**
- **Robust analysis of HMIS data can provide valuable insights into program and service provider performance**

Section 3

Recommendations

1. Add a dedicated staff member with requisite analytical and technical skills to consistently track and monitor HMIS data, analyze data, and present results for management to review
2. Work with the County HMIS Lead to identify and develop standard and custom reports within HMIS, including reports for real-time bed utilization and returns to homelessness
3. Secure training on HMIS data entry and how to produce various reports.
4. Adopt and negotiate with service providers, a performance metric and benchmark for timely input of client data into HMIS, preferably in alignment with the CoC's three-day target
5. Advocate for the County to improve its HMIS data and reporting capabilities, including disaggregating program outcomes by race.
6. Implement dashboards.

Section 4

Proportionate Service Delivery and Racial Equity

- This section evaluates the City's efforts to eliminate racial disparities in homelessness services.
- **FINDING:** The City provided homelessness services to participants of different races roughly proportionately to their share of Oakland's homeless population except for the RV Safe Parking program. More data is needed to ensure the City is meeting its racial equity goals and identifying disparities affecting groups underserved or underrepresented by the City's homelessness services.

Section 4

Homelessness in Oakland has disproportionately affected Black/African Americans

Racial Demographic	2019 PIT Count	2022 PIT Count	2020 Census
Black, African American, or African	70%	59%	21%
White	11%	20%	30%
Asian or Asian American	1%	5%	16%
Multiple Races	13%	11%	12%
Native Hawaiian or Pacific Islander	1%	2%	1%
American Indian, Alaska Native, or Indigenous	4%	4%	2%
Other and Unknown			18%

Section 4

Participation in homelessness services programs by racial groups appeared generally in line with racial groups' share of the population experiencing homelessness

Racial Demographic	Homelessness Services Program Participants			PIT Counts	
	2018-19	2019-20	2020-21	2019	2022
Black, African American, or African	71%	68%	69%	70%	59%
White	16%	19%	18%	11%	20%
Asian or Asian American	2%	2%	2%	1%	5%
Multiple Races	6%	5%	5%	4%	11%
Native Hawaiian or Pacific Islander	1%	1%	1%	1%	2%
American Indian, Alaska Native, or Indigenous	3%	2%	3%	13%	4%
Other/Unknown	2%	2%	2%		

Section 4

The RV Safe Parking program does not reflect the overall racial make-up of Oaklanders experiencing homelessness

Racial Demographic	FY 2018-19		FY 2019-20		FY 2020-21	
	#	%	#	%	#	%
Black, African American, or African	6	55%	46	28%	50	29%
White	4	36%	96	59%	99	57%
Other	1	9%	20	12%	25	14%

Section 4

Proportionate Service Delivery and Racial Equity

- Exits to permanent housing across all programs were generally proportionate to the populations served by the City's homelessness services programs.
- The City needs the ability to break down program outcomes by race
 - Due to the limitations of the County-run HMIS, CHS cannot access other outcome data by race.
- More data is needed to ensure the City is meeting its racial equity goals and identifying disparities affecting groups underserved or underrepresented by the City's homelessness services.

Section 4

Recommendations

1. Work with the County HMIS Lead to identify and develop standard and custom reports within HMIS that break down data by race.
2. Continuously review racial and other demographic data from HMIS, PIT Counts, and the U.S. Census to ensure the City is identifying and serving communities particularly vulnerable to, or impacted by, homelessness.

Section 5



Contracting with Service Providers

- This section reviews the effectiveness of contract monitoring and oversight procedures.
- **FINDING:** Improvements are needed in the monitoring, oversight, and administration of the City's homelessness services contracts.

Section 5

Contracting with Service Providers

- Contract monitoring activities were incomplete, inadequately documented, and did not sufficiently address service delivery concerns and risks.
- Contract terms can promote more accountable service delivery.
- Providers started work before contracts were fully approved.

Section 5

Recommendations

1. Design, document, and implement improved monitoring procedures that comprehensively incorporate risks, ensure enforcement of contract deliverables, and ensure corrective action plans are implemented.
2. Consider the advantages and disadvantages of implementing multi-year contracts to minimize the administrative burdens presented by annual contract renewals.
3. Consider how to design contracts to promote accountability for reaching performance targets, including both incentives and consequences based on level of performance.

Section 6

Strategy, Public Reporting, and Oversight

- This section provides guidance for the City Administration on how to more effectively manage homelessness services while optimizing the City's limited resources to ensure our most vulnerable residents are receiving timely services to improve their living situations and secure and maintain permanent housing.
- **FINDING:** The City needs to move homelessness services forward by adopting an actionable strategic plan and increasing oversight.

Section 6

Recommendations

1. Develop written goals and objectives for the City's homelessness services. These goals and objectives should formally communicate what the City aspires to achieve with its homelessness services. Audit findings and recommendations should be considered in the development of these goals and objectives.
2. In coordination with the Commission on Homelessness, develop a strategic plan that includes written strategies for achieving the City's homelessness services goals and objectives, and establish formal systems for assessing the City's progress in implementing these strategies.
3. Develop annual workplans to accomplish the strategic plan by identifying goals and deadlines for the next year and the strategies for achieving them.
4. Report annually on activities, progress, and results of the strategic plan.
5. Consult with the City Council and the Commission on Homelessness to develop comprehensive financial reports on homelessness services funding that include funder, program type, and service provider. We recommend these financial reports be both retrospective and prospective and cover multiple years.

Section 6

Recommendations

6. Periodically, at least annually, compile and present a comprehensive report on homelessness services including detailed information on the service providers, such as performance metrics and targets. Staff should consult with the City Council and the Commission on Homelessness about the information needed to provide adequate oversight and use their input to develop a standard report format that can be updated annually and modified as needed.
7. Perform a staffing analysis to assess the City's staffing requirements for homelessness services. The staffing analysis should not only address the number of staff needed to carry out homelessness service activities, but it should also address the appropriate mix and composition of staff needed to effectively manage homelessness services and address the audit findings.
8. Clearly define and document roles, responsibilities, and authority of all staff working on homelessness services, including the Homelessness Administrator's staff.

Section 6

Recommendations

We recommend the City Council:

9. Designate the Commission on Homelessness as the entity to oversee the development of the initial strategic plan for the City's homelessness services, and its ongoing monitoring.
10. Adopt the Oakland homelessness response strategic plan once completed.

We recommend the Commission on Homelessness:

11. Determine and request the additional resources needed to develop and monitor the strategic plan for homelessness services.

QUESTIONS?

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