



Homelessness in California

The State's Uncoordinated Approach to Addressing Homelessness Has Hampered the Effectiveness of Its Efforts

February 2021

REPORT 2020-112





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February 11, 2021
2020-112

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, CA 95814

Dear Governor and Legislative Leaders:

As directed by the Joint Legislative Audit Committee, my office conducted an audit of five local governments who play a key role in a Continuum of Care (CoC). Our assessment of CoC agencies—groups of organizations, including local government agencies and homeless service providers, that receive funding from the U.S. Department of Housing and Urban Development to work toward ending homelessness within specified geographic areas—focused on best practices related to homeless services. In general, we determined that the State continues to struggle to coordinate its efforts to address homelessness, and CoCs do not always comply with federal regulations or follow best practices.

With more than 151,000 Californians who experienced homelessness in 2019, the State has the largest homeless population in the nation, but its approach to addressing homelessness is disjointed. At least nine state agencies administer and oversee 41 different programs that provide funding to mitigate homelessness, yet no single entity oversees the State's efforts or is responsible for developing a statewide strategic plan.

Although the Homeless Coordinating and Financing Council (homeless council) was created, in part, to coordinate existing funding and establish partnerships with stakeholders to develop strategies to end homelessness, it has not done so. As a result, the State continues to lack a comprehensive understanding of its spending to address homelessness, the specific services the programs provide, or the individuals who receive those services. The homeless council has also not created guidance or expectations for CoCs to follow.

Our audit found three additional factors that make state guidance to coordinate efforts to address homelessness especially necessary:

- CoCs do not always employ best practices related to identifying, planning for, and providing services for those experiencing homelessness.
- None of the five CoCs we reviewed has adequately determined whether it has enough service providers to meet the needs of those experiencing homelessness.
- Two of the five CoCs we assessed do not have current comprehensive plans.

Given the magnitude of the homelessness crisis in California and the amount of funding the state and federal governments commit to combatting it, the State needs to ensure that its system for addressing problems at both the CoC and the state level is coherent, consistent, and effective.

Respectfully submitted,

A handwritten signature in black ink that reads 'Elaine M. Howle'.

ELAINE M. HOWLE, CPA
California State Auditor

Selected Abbreviations Used in This Report

CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CoC	Continuum of Care
HDIS	Homeless Data Integration System
HHAP	Homeless Housing, Assistance, and Prevention
HMIS	Homeless Management Information System
HUD	U.S. Department of Housing and Urban Development
LAO	Legislative Analyst's Office
USICH	U.S. Interagency Council on Homelessness

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Summary

Results in Brief

In recent years, the number of individuals experiencing homelessness in California has soared. More than 151,000 Californians were homeless in 2019, an increase of 15 percent from 2017, and the economic impact of the recent COVID-19 pandemic is likely to further exacerbate this crisis. Both the federal government and the State have dedicated significant resources to addressing the growing problem of homelessness. Specifically, in 1993 the federal government established the Continuum of Care (CoC) system, which combats homelessness at the local level. A CoC is a group of organizations, such as homeless service providers, cities, counties, and other stakeholders, that receives funding from the U.S. Department of Housing and Urban Development (HUD) to carry out the goal of ending homelessness within a specified geographic area. Each CoC must designate an organization as its collaborative applicant to apply for funding from HUD for the CoC. In 2019 HUD awarded more than \$441 million to the 44 CoCs that plan and coordinate funding for services and housing to address homelessness in California's 58 counties. In addition, the State has provided more than \$4 billion in each of the last three fiscal years to local entities to address aspects of homelessness.

Nonetheless, California continues to have the largest homeless population in the nation, likely in part because its approach to addressing homelessness has been disjointed. Unlike in some other states, no single state entity in California oversees efforts to address homelessness or is responsible for developing a statewide strategic plan. Instead, at least nine state agencies administer and oversee 41 different programs that provide funding for purposes related to homelessness. In 2017 the State established the Homeless Coordinating and Financing Council (homeless council)—which includes representatives of state agencies, advocacy groups for the homeless, and other stakeholders. The statute that created the homeless council assigned it 18 goals, including coordinating existing funding, creating a statewide data system, and establishing partnerships with stakeholders to develop strategies to end homelessness. However, homeless council staff stated that the council has not set priorities or timelines for achieving all 18 statutory goals. Further, the homeless council still has not finalized an action plan that homeless council staff believe will serve as the council's strategic plan.

The homeless council has yet to fulfill some of its most critical goals. For example, it is charged with coordinating existing state and federal funding and any related applications for competitive funding. However, homeless council staff stated that

Audit Highlights . . .

Our audit of efforts to address homelessness in California by the State and Continuum of Care (CoC) agencies highlighted the following:

- » *The State's approach to addressing homelessness is disjointed— at least nine state agencies administer and oversee 41 different programs that fund homeless services.*
- » *Although established in 2017, the homeless council has yet to set priorities or a timeline for achieving its 18 statutory goals.*
 - *It cannot coordinate existing state and federal funding because it lacks expenditure data from state agencies.*
 - *Its planned statewide data system will lack information about some service providers.*
 - *It is not required to develop guidance or disseminate best practices to CoCs and does not have a mechanism to enforce them.*
- » *The five CoCs we reviewed do not consistently employ best practices to improve homeless services in their areas.*
 - *None fully understand the homelessness needs and available services in their areas due to insufficient annual gaps analyses.*
 - *Some do not use a mobile application, which can make counting homeless individuals more reliable and efficient.*
 - *Some can improve how they prioritize the projects to receive federal funding.*

although it has established coordination channels with some state agencies and can request information from them, it does not currently have the authority to require this information from other state agencies and has not been able to track program spending to date. In addition, homeless council staff explained that it needs additional statutory authority to collect expenditure data from other state agencies that could be useful in streamlining its collection of this information. As a result, the State continues to lack a comprehensive understanding of its spending to address homelessness. The homeless council has taken steps toward another goal: establishing a statewide data system that will collect information such as the number and characteristics of people receiving assistance from homelessness programs and the types of services they receive. However, because the new system will obtain its data from each CoC's database, known as the Homeless Management Information System (HMIS), it may lack information on service providers that do not receive CoC Program funding. A clear understanding of all state and federal funding related to homelessness programs, and the specific services the programs provide, is critical to make effective policy and program decisions at the state level.

Further, although the homeless council is well positioned to provide guidance to CoCs, state law lacks a definite requirement to develop guidance or disseminate best practices to CoCs or a mechanism to enforce them. Because HUD's guidance allows for extraordinary discretion in how CoCs implement the suggested practices and CoCs do not always employ best practices, the State has an opportunity to help CoCs improve their efforts to combat homelessness within their areas. For this audit, we reviewed five CoCs: Fresno City and County/Madera County CoC (Fresno-Madera CoC), Mendocino County Homeless Services CoC (Mendocino CoC), County of Riverside CoC (Riverside CoC), Santa Maria/Santa Barbara County CoC (Santa Barbara CoC), and San José/Santa Clara City and County CoC (Santa Clara CoC).¹ We found that they have not conducted sufficiently comprehensive annual gaps analyses to fully understand the needs of those facing homelessness in their areas and whether the services that their networks of service providers offer are sufficient to meet those needs. Although federal regulations require CoCs to plan for such analyses, HUD has not provided detailed guidance on conducting them. The homeless council is best positioned to provide this

¹ The respective counties for the Mendocino, Riverside, Santa Barbara, and Santa Clara CoCs are the collaborative applicants for those CoCs. The Housing Authority of the City of Fresno (Fresno City Housing Authority) is the collaborative applicant for the Fresno-Madera CoC. We have made our recommendations to the collaborative applicant because it is generally responsible for carrying out various activities at the direction of the CoC board.

type of guidance and to disseminate best practices to help ensure that the State's CoCs are taking all steps necessary to ensure the effectiveness of their efforts to address homelessness.

In addition to the lack of comprehensive gaps analyses, we identified other weaknesses in the five CoCs' coordination and provision of homeless services. For example, the Fresno-Madera and Riverside CoCs do not have federally required plans in place that contain clear, long-term strategies for identifying individuals in need of services and coordinating with service providers. Further, when conducting counts of individuals experiencing homelessness within their areas, the Mendocino and Santa Clara CoCs currently use paper surveys rather than a mobile application, even though the use of this technology can make the counts more reliable and efficient. Given the increasing size of California's homeless population, it is critical that each CoC understand the needs of those experiencing homelessness in their areas, determine whether adequate numbers and types of service providers exist to meet those needs, and adjust their long-term strategies to address any deficiencies in the types of services that are available in their communities.

Some CoCs we reviewed could also improve their processes for ensuring that people experiencing homelessness can access available services. For example, each CoC is required to have a process—referred to as a *coordinated entry process*—to identify individuals needing assistance, assess their housing needs and vulnerabilities, and refer them to available services within the area. However, some of the five CoCs we reviewed have not always followed best practices related to the coordinated entry process, such as establishing a dedicated telephone hotline or having an outreach team to identify individuals needing assistance. Moreover, most of the CoCs we reviewed stated that because the demand for services like housing exceeds the availability, individuals may have to wait weeks or even months after their initial assessments for the CoC to match them with service providers. At that point, difficulties in locating the individuals—who are generally transient—can cause an even longer delay before they receive needed services. However, four of the five CoCs do not track how long it takes to locate people after their initial assessment and referral to a service provider, in part, because HUD did not require them to do so until October 2020. Only the Santa Clara CoC has taken steps to address this problem; it tracked the time required to locate people after they were referred to a service provider, determined that there was a delay in locating people, and established a dedicated team to go into the community to quickly locate individuals for whom it has identified available services.

Finally, two of the CoCs we reviewed have not adequately ensured that they prioritize the most effective local projects to receive federal funding. HUD requires each CoC to design and implement a process for homeless service providers to apply for CoC Program funding each year. The providers submit their applications to the CoC, which reviews and ranks them based on its established scoring criteria. It then submits the applications and its ranked list to HUD, which typically uses the CoC's list to make funding decisions. Although each of the CoCs we reviewed has policies in place for this process, the Mendocino and Riverside CoCs' policies and application scoring tools do not ensure that they consistently prioritize the projects that are likely to be the most effective. Specifically, their policies and scoring tools favor projects that have received funding in the past (renewal projects) over new projects, even if the new projects show significant potential.

Given the magnitude of the homelessness crisis in California and the amount of funding the state and federal governments are committing to combat this crisis, the State needs to ensure that its system for addressing problems at both the CoC and the state level is coherent, consistent, and effective. Centralizing performance data collection from service providers and tracking federal and state funds dedicated to combating homelessness is a critical step toward that goal. By investing added responsibility and authority in the homeless council to coordinate the State's response to homelessness, the Legislature can ensure that decision makers have the ability to clearly assess the State's efforts, successes, and challenges and to make informed decisions in the fight to reduce homelessness.

Selected Recommendations

Legislature

To ensure that the State effectively addresses the statewide issue of homelessness, the Legislature should provide the homeless council with the authority and the responsibility to work with all state agencies that administer programs that provide state and federal funding for addressing homelessness to collect and track funding data on all homelessness programs, including the amount of funding available and expended each year, the types of activities funded, and types of entities that received the funds.

The Legislature should require the homeless council to prioritize its statutory goals, with an emphasis on giving higher priority to coordination of statewide efforts to combat homelessness. The Legislature should further require the homeless council to finalize

its action plan and ensure that the plan documents the State's approach to addressing homelessness in California and that the action plan is updated regularly.

To ensure that the State has access to comprehensive data about homelessness, the Legislature should require all state entities that administer state funding for homelessness to ensure that recipient service providers enter relevant data into their CoC's HMIS, as law allows, as a condition of state funding. The required information should include, at a minimum, the same or similar information that recipients of federal CoC programs must enter.

CoCs

To help ensure that they have adequate levels of services and service providers in their respective areas to meet the needs of people who are experiencing homelessness, the counties of Mendocino, Riverside, Santa Barbara, and Santa Clara, and the Fresno City Housing Authority should coordinate with their CoCs to ensure that the CoCs annually conduct a comprehensive gaps analysis in accordance with the plans they have developed under federal regulations. To be effective, the gaps analyses should consider whether adequate services are available in the areas where individuals are experiencing homelessness and should contain strategies to address any deficiencies.

To ensure that they adequately identify their long-term strategies to address homelessness, the county of Riverside and the Fresno City Housing Authority should coordinate with their CoCs to implement a planning process and develop a comprehensive plan that meets all federal requirements by August 2021. The planning process should ensure that the CoCs update their comprehensive plans at least every five years.

To ensure that individuals experiencing homelessness have adequate access to the coordinated entry process, the county of Mendocino and the Fresno City Housing Authority should, by August 2021, coordinate with their CoCs to assess the feasibility of establishing a dedicated telephone hotline for providing information about available services, assessing individuals' needs, and referring those individuals to appropriate housing or homeless service providers.

To increase the efficiency of the coordinated entry process, the counties of Mendocino, Riverside, and Santa Barbara and the Fresno City Housing Authority should coordinate with their CoCs to determine how long it takes to locate individuals after they have been matched with a service provider. Specifically, they

should use the referral data that HUD required CoCs to collect as of October 2020 to determine whether locating individuals after they have been matched with a service provider is a cause of delay in providing them with services. If these entities find that excessive delays exist, they should coordinate with their CoCs to implement processes, such as deploying a dedicated team to locate these individuals when appropriate housing and services become available.

To ensure that it identifies the projects that offer the greatest possible benefits when ranking applications for CoC Program funds, the counties of Mendocino and Riverside should, by August 2021, coordinate with their CoC to update the CoCs' scoring tools and review-and-rank policies and procedures to give new and renewal projects an equal opportunity to receive federal funding.

Agency Comments

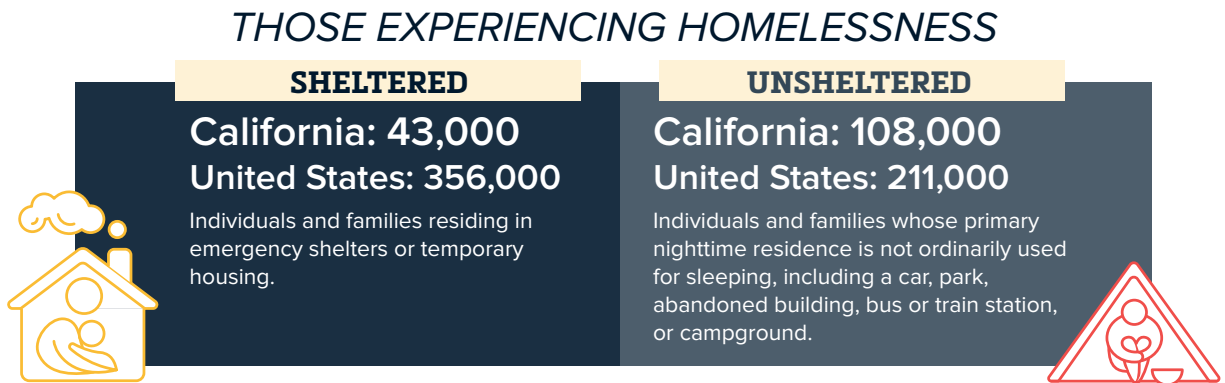
The counties of Mendocino, Riverside, Santa Barbara, and Santa Clara generally agreed with our recommendations and stated that they will take actions to implement them. The Fresno City Housing Authority disagreed with some of our recommendations. For example, it did not agree with our recommendation to annually conduct a comprehensive gaps analysis and to assess the feasibility of establishing a dedicated telephone hotline. Moreover, although we did not make any recommendations to the Homeless Council, it stated that it is ready to work with the Legislature on opportunities to strengthen existing law to enable more effective efforts to prevent and end homelessness in the State.

Introduction

Background

The U.S. Department of Housing and Urban Development (HUD) determined that in 2019 more than half a million people in the United States experienced homelessness on a given night. The McKinney-Vento Homeless Assistance Act (McKinney-Vento Act) broadly defines *homeless individual* as a person who is lacking a fixed, regular, and adequate nighttime residence. Its definition includes individuals who are sheltered and unsheltered, as Figure 1 shows. According to the Boston University School of Public Health, people experiencing homelessness have higher premature mortality rates than those who are not experiencing homelessness, in large part because of injuries, unintentional drug overdoses, and extreme weather events. Those experiencing homelessness also have poor quality of life, characterized by chronic pain associated with poor sleeping conditions and limited access to medications and other critical resources.

Figure 1
Number of People Experiencing Homelessness in California and the United States, 2019



Source: Federal law and the HUD Exchange website.

Homelessness affects a large cross section of populations in the nation. According to the National Alliance to End Homelessness, most people who experience homelessness are single adults, especially young adults, veterans, and individuals who are physically and mentally ill; however, the organization points out that homelessness also has a significant effect on youth.²

² The National Alliance to End Homelessness is a nonpartisan, nonprofit organization whose sole purpose is to end homelessness in the United States.

It noted that veterans' military service puts them at higher risk of experiencing traumatic brain injury and post-traumatic stress disorder, which research has found to be among the most substantial risk factors for homelessness.

Homelessness Is Increasing in California

According to the latest available data, California is home to the largest number of people experiencing homelessness in the United States, and the problem has gotten worse in recent years. According to HUD, more than 131,000 individuals experienced homelessness in California in January 2017, representing about 24 percent of the total homeless population in the nation. By January 2019, that number had grown to more than 151,000, an increase of 15 percent. Of Californians experiencing homelessness in 2019, more than 100,000 were unsheltered, meaning that they were living on the streets, or such places as parks or cars. These individuals represented more than half of all unsheltered people in the nation at that time.

According to the National Coalition for the Homeless, the primary risk factor for an individual becoming homeless is poverty and an inability to pay for housing, although mental health problems, addiction, domestic violence, and a lack of affordable health care all play significant roles.³ Further, the Boston University School of Public Health found that homelessness overwhelmingly corresponds with poverty and with poor behavioral health related to mental illness or substance abuse. According to the California Housing Partnership, about 1.3 million of California's lowest-income households do not have access to affordable housing. As a result, these individuals are at higher risk of becoming homeless. As we describe later, the current COVID-19 pandemic (pandemic) will only exacerbate this situation.

HUD Established the Continuum of Care Program to Address Homelessness

In 1993 HUD established the Continuum of Care (CoC) system, which Congress codified into law by amending the McKinney-Vento Act in 2009. Among other things, the CoC system promotes the goal of ending homelessness, in part by providing funding for efforts by nonprofit providers, states, and local governments to quickly

³ The National Coalition for the Homeless is a national network of people who are currently experiencing or have experienced homelessness: activists, advocates, community-based and faith-based service providers, and others committed to ending and preventing homelessness while ensuring that the immediate needs of those experiencing homelessness are met and that their civil rights are respected and protected.

rehouse individuals and families experiencing homelessness. As the text box shows, a CoC is a group of organizations—such as homeless service providers, cities, and counties—and individuals organized to carry out the goal of ending homelessness within a specified geographic area. HUD envisioned that CoCs would function as local networks that plan and coordinate funding for services and housing. California has 44 CoCs that cover its 58 counties.

As Figure 2 shows, federal law identifies the overall structure a CoC must establish and the roles of each entity within that structure. For example, a CoC must designate a board, made up of members who are representative of the relevant organizations, to act on its behalf. Additionally, the CoC must designate an organization as its collaborative applicant to apply for funding from HUD for the CoC, as well as an organization to lead the CoC’s data collection efforts using its Homeless Management Information System (HMIS), as federal regulations require. If the CoC chooses, it can designate the same organization as the collaborative applicant and HMIS lead. The five CoCs we reviewed each designated a local government agency as their collaborative applicant and as their HMIS lead.

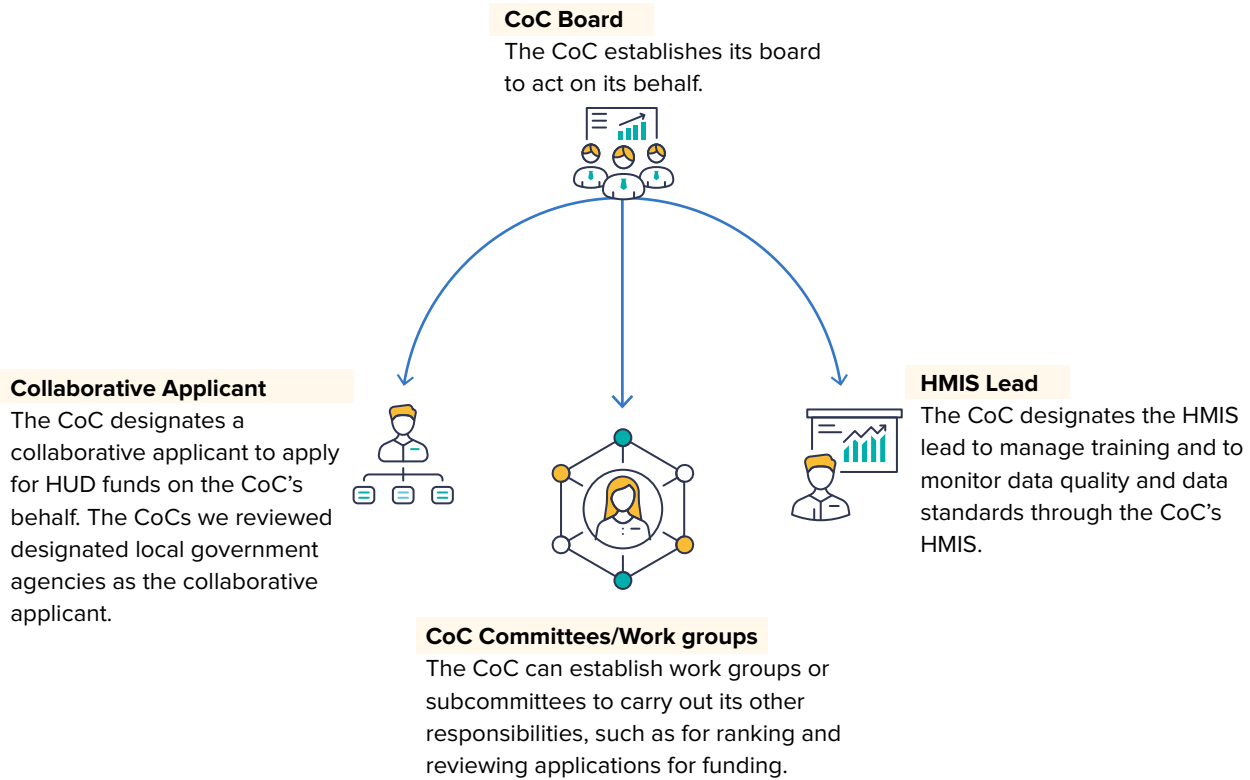
Relevant Organizations and Individuals in a CoC

- Nonprofit homeless assistance providers
- Victim service providers
- Faith-based organizations
- Governments
- Businesses
- Homeless advocates
- Public housing agencies
- School districts
- Social service providers
- Mental health agencies
- Hospitals
- Universities or colleges
- Affordable housing developers
- Law enforcement agencies
- Organizations that serve veterans experiencing homelessness
- Currently or formerly homeless individuals

Source: Federal law.

As Figure 3 shows, under federal law, each CoC has four primary responsibilities: conducting a Point-in-Time (PIT) count, maintaining its HMIS, assessing and prioritizing the needs of those experiencing homelessness, and reviewing and ranking applications for CoC Program funding. Appendix B describes the requirements, methodology, and benefits associated with each of these responsibilities. In Chapter 2, we discuss our assessment of five CoCs’ performance related to these responsibilities.

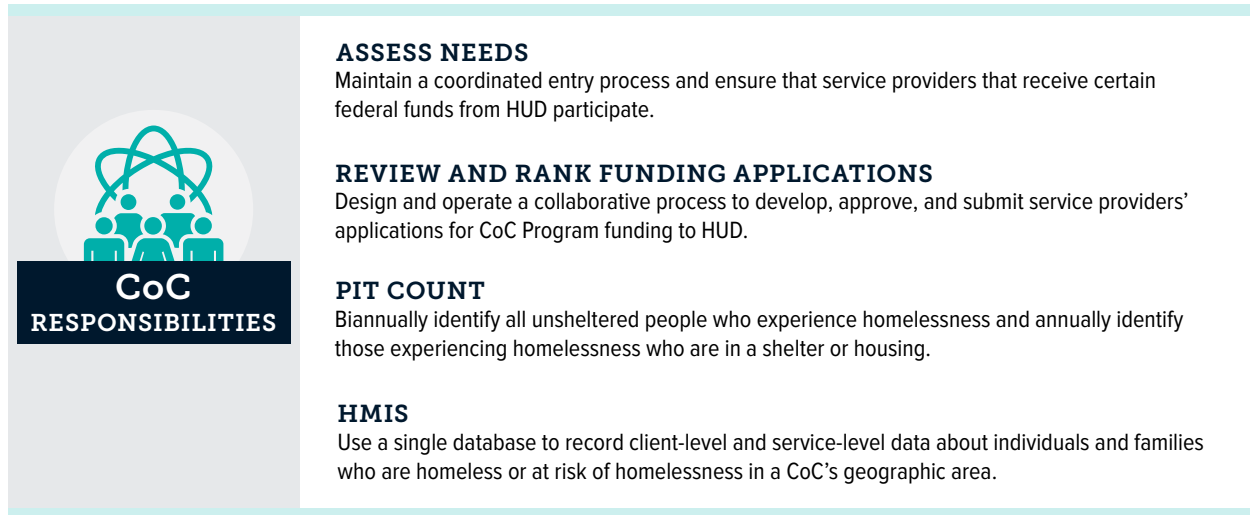
Figure 2
General Structure of a CoC



CoC Members
Relevant organizations, including homeless service providers that may attend CoC meetings and cast votes on CoC decisions.

Source: Federal law, HUD's CoC Program Road Map, and information obtained from the five CoCs we reviewed.

Figure 3
A CoC's Responsibilities Include Four Primary Areas



Source: Federal law and documents obtained from HUD and CoCs.

A Single Federal Program Is the Primary Source of Funding for the State's CoCs

Although HUD oversees multiple programs that provide homeless assistance, only one of these—the CoC Program—provides funds to entities that administer homeless service projects.⁴ As Appendix B shows, CoCs' collaborative applicants submit their ranked lists of project applications annually for funding to HUD, which then awards funds for projects primarily for the four program categories described in the text box. In addition, in some cases, a service provider may receive CoC Program funds for homelessness prevention. A CoC can also apply to receive a grant from HUD for its own planning purposes, which include administrative activities—in fact, in 2019 HUD reported that it awarded most California CoCs from \$3,000 to nearly \$1.3 million for planning, based on the CoC's determination of its funding needs in its area. Similarly, service providers may use up to 10 percent of the CoC Program funds

Categories for Which HUD Awards CoC Program Funds

1. Permanent housing—Recipients may use funds to provide community-based housing in which formerly homeless individuals and families live as independently as possible without a designated length of stay.
2. Transitional housing—Recipients may use funds to provide individuals and families with a place to stay for up to two years until they find permanent housing.
3. Supportive services only—Recipients may use funds to conduct outreach to sheltered and unsheltered persons and families, to link clients with housing or other necessary services, and to provide support.
4. HMIS—Recipients may use funds for costs related to establishing, operating, and customizing a CoC's HMIS.

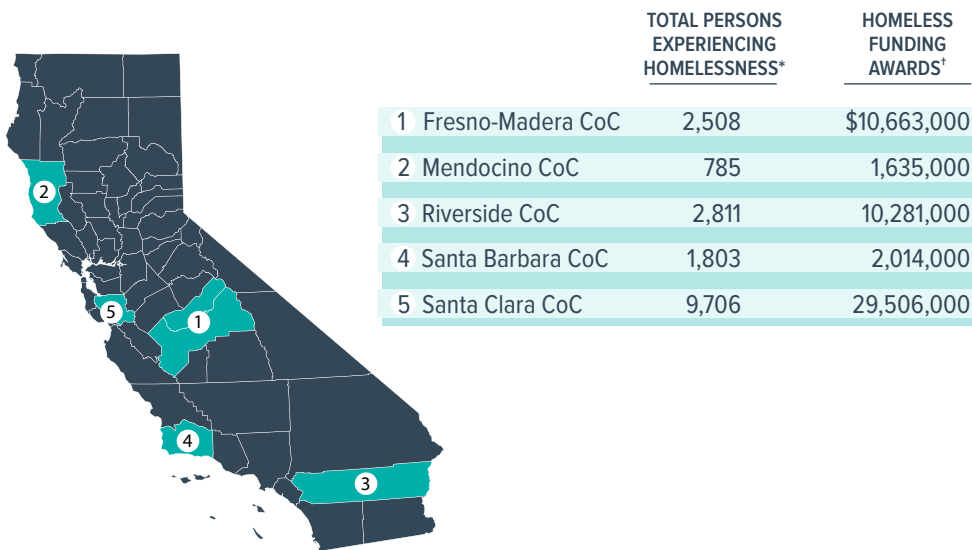
Source: Federal law.

⁴ HUD provides funding to states, cities, counties, and territories either competitively or using a formula through other programs, such as the Emergency Solutions Grants Program and the Housing Opportunities for Persons With AIDS Program.

they receive for administrative purposes, including for paying staff salaries, preparing project budgets, and monitoring compliance activities.

In 2019 HUD awarded a total of more than \$441 million to California's 44 CoCs. As Figure 4 shows, the five CoCs we reviewed received varied amounts of federal funding. We present similar information for all 44 CoCs on our website.⁵

Figure 4
2019 Federal Funding for the Five CoCs We Reviewed



Source: Data available on HUD's website.

* This is the total number of people experiencing homelessness, both sheltered and unsheltered, that the CoC identified during its PIT count in January 2019.

† HUD determines each CoC's allocation for CoC Program funding in part by using a formula that relies on the CoC's geography.

The State Has Increased Funding to Combat Homelessness

In recent years, the State has allocated new and increased funds to programs that address homelessness. For example, the Homeless Emergency Aid Program provided \$500 million in early 2019 for localities to use for a variety of purposes, including criminal justice diversion programs for individuals who are experiencing homelessness and have mental health needs. In fiscal year 2019–20, the State approved \$650 million through a new program—the Homeless Housing, Assistance, and Prevention Program—which

⁵ To view these statistics for all 44 CoCs in California, visit our interactive map in the online version of this report at www.auditor.ca.gov.

supports regional coordination to expand or develop local capacity to address immediate homelessness challenges by moving individuals and families into permanent housing. The fiscal year 2020–21 State Budget increased this amount by \$300 million. Appendix A presents a list of state-administered programs we identified that provided funding to address homelessness during fiscal years 2018–19 through 2020–21.

Moreover, over the past year and a half, the State has taken a number of actions to address the homelessness crisis, in part by assisting city and county governments through the removal of regulatory barriers. In September 2019, the Governor signed a package of 13 bills addressing homelessness, including Senate Bill 211, which authorizes the California Department of Transportation to lease certain property to local governments for temporary emergency shelters or feeding programs, and Senate Bill 450, which exempts certain hotels converted to supportive or transitional housing from the requirements of the California Environmental Quality Act until January 1, 2025. In January 2020, the Governor signed an executive order that focuses on preventing homelessness, providing shelter and services to people experiencing homelessness, and creating new temporary housing to reduce unsheltered homelessness. This executive order calls for, among other things, a multiagency state strike team to provide technical assistance and direct support to counties, cities, and public transit agencies seeking to bring people experiencing homelessness indoors and connect them with appropriate health, human, and social services.

The Pandemic Is Likely to Worsen California's Homelessness Crisis

The pandemic's economic impact is likely to increase the number of Californians experiencing homelessness. According to the State's Employment Development Department, the unemployment rate in California was 9 percent as of December 2020—more than twice the unemployment rate in February 2020. Statewide and regional public health orders directed many individuals to stay home, curtailing and shutting down business operations throughout the state. The Legislature declared in the fiscal year 2020–21 State Budget that the pandemic has affected every sector of California's economy and has caused record-high unemployment. Similarly, the U.S. Government Accountability Office indicated that loss of jobs and income may cause individuals to fall behind on rent, ultimately leading to evictions and possibly homelessness. Although federal and state law have temporarily halted eviction filings for some tenants due to the pandemic, the federal order appears likely to be extended until March 31, 2021, while California's moratorium has been extended through June 30, 2021. Once these measures expire,

many renters may be unable to stay in their homes, especially given that the current economic crisis may make obtaining and retaining employment more difficult.

The federal government and the State have allocated increased funding to address the impact of the pandemic on populations that are experiencing homelessness. For example, in March 2020, the Governor allocated \$150 million of emergency funding from the amended Budget Act for local emergency homelessness actions, such as supporting shelters and leasing hotel and motel rooms for emergency housing. In addition, California allocated \$500 million in funds it received under the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to cities for various purposes, including to address homelessness. Further, the CARES Act provided nearly \$300 million in additional grant funding to allocate to eligible California CoCs' service areas through the federal Emergency Solutions Grants Program to prevent, prepare for, and respond to the effects of the pandemic on individuals and families who are experiencing homelessness or are receiving homelessness assistance. Finally, according to the California Department of Housing and Community Development, the CARES Act also made \$139.5 million available to eligible local jurisdictions within California through HUD's Community Development Block Grant Program for COVID-19 response and recovery, which includes facility improvements related to COVID-19 health care and housing needs.

Chapter 1

THE STATE HAS A DISJOINTED APPROACH TO ADDRESSING HOMELESSNESS

Chapter Summary

The State's approach to combating homelessness is fragmented. In the past three fiscal years, at least nine state agencies administered and oversaw 41 different programs that provided funding to address and prevent homelessness in California. Although the State established the Homeless Coordinating and Financing Council (homeless council) in 2017 to coordinate existing state and federal funding, among other goals, the homeless council lacks a comprehensive approach to do so. It also has not taken steps to prioritize all of its numerous goals and has not yet finalized its action plan that it asserts will help the homeless council pursue the State's work to prevent and end homelessness. In fact, the homeless council does not track how the State spends funds to combat homelessness, which is critical to coordinating such efforts. Although the homeless council is currently working to develop a statewide database to collect information from each CoC's HMIS, the data it collects will be limited because CoCs may not have complete data regarding homeless services in their areas. Further, although the homeless council is the best positioned state entity to provide the necessary support and guidance to CoCs to effectively address homelessness at the local level, it has not done so. In the absence of a finalized action plan, tracking of all state and federal funding, and adequate technical support for its CoCs, California will continue to lack a complete understanding of its efforts to combat homelessness and will struggle to make effective policy decisions to address the problem.

For at Least 30 Years, the State Has Struggled to Coordinate Its Efforts to Address Homelessness

The State has recognized the need for a single entity to coordinate services for people experiencing homelessness in California for at least 30 years. Specifically, a 1989 report by the Little Hoover Commission—an independent state oversight agency charged with making recommendations to the Governor and Legislature to promote economy, efficiency, and improved state operations—recommended that the State should unify the diverse state programs dealing with homelessness under a single state agency. It also recommended that the State take an aggressive leadership role in coordinating services, at least in part because the commission

The State has continued to have a fragmented approach to addressing homelessness—at least nine state agencies provided homeless services through 41 programs.

found that services provided for people experiencing homelessness were fragmented and therefore did not benefit some segments of the population who needed them.

In the decades since, the State has continued to have a fragmented approach to addressing homelessness. During fiscal years 2018–19 through 2020–21 at least nine state agencies provided homeless services through 41 programs. No single entity existed to coordinate these services until 2017, after the Legislature passed Senate Bill 1380 to establish the homeless council—representing certain state agencies, homeless advocacy groups, and stakeholders. Among other things, its purpose is to identify resources, benefits, and services for preventing and ending homelessness in California. State law lists 18 goals for the homeless council, as Table 1 shows. However, state law does not specify priorities or timelines for achieving these goals, and homeless council staff explained that the homeless council has not set priorities or timelines either. Homeless council staff explained that the homeless council’s primary concern to date has been administering the programs it is responsible for, including the Homeless Housing, Assistance, and Prevention (HHAP) grant, which provides local jurisdictions with funds to support regional coordination and local capacity to address their immediate homelessness challenges. Therefore, homeless council staff stated that the homeless council has not formally gone through the process of prioritizing the 18 statutory goals.

As a result, the homeless council has not fulfilled some of its most critical responsibilities. In our 2018 report on the Los Angeles Homeless Services Authority, we stated that the homeless council might face critical challenges in coordinating California’s response to homelessness and in meeting its statutory goals because it lacked permanent staff of its own and had no budget for such staff.⁶ Additionally, that report concluded that it was critical that the homeless council focus on developing and implementing a statewide strategic plan that documents the State’s approach to addressing homelessness in California. In that report, homeless council staff explained that to adequately develop a plan, the homeless council would need dedicated staff. The homeless council now has 24 staff positions available because the Legislature appropriated an additional \$1.5 million to add 10 more staff in fiscal year 2020–21, bringing its operating budget to about \$3.4 million, to carry out its statutory mandates. However, the homeless council has yet to finalize its action plan, which it asserts will serve as its strategic plan.

⁶ *Homelessness in California: State Government and the Los Angeles Homeless Services Authority Need to Strengthen Their Efforts to Address Homelessness*, Report 2017-112, April 2018.

Table 1
The Homeless Council Has 18 Statutory Goals

GOAL	
1	Oversee the implementation of the state law establishing the homeless council.
2	Identify resources, benefits, and services that can be used to prevent and end homelessness in California.
3	Create partnerships among various entities, including state and federal agencies, local governments, and homeless service providers, to identify specific strategies to end homelessness.
4	Promote systems integration and design systems to address the needs of those experiencing homelessness.
5	Coordinate use of existing funding and applications for competitive funding.
6	Make policy and procedural recommendations to legislators and other governmental entities.
7	Identify funding opportunities, such as federal and philanthropic funding, and coordinate the efforts of state agencies with programs to end homelessness to obtain that funding.
8	Broker agreements between state agencies and local jurisdictions to align, coordinate, and access resources and to foster common applications for services, operations, and capital funding.
9	Serve as a statewide facilitator, coordinator, and policy development resource on ending homelessness in California.
10	Report to the Governor, federal Cabinet members, and the Legislature on homelessness and the homeless council's work to reduce homelessness.
11	Ensure accountability and results in meeting the strategies and goals of the homeless council.
12	Identify and implement strategies to fight homelessness in small communities and rural areas.
13	Create a statewide data system that collects local data from each CoC's HMIS, with the ultimate goal of matching data to programs affecting homeless recipients of state programs.
14	Set goals to prevent and end homelessness among California's youth.
15	Improve the safety, health, and welfare of youth experiencing homelessness in the State.
16	Increase system integration and coordinate homeless prevention among youth who are currently or were formerly involved in the child welfare system or the juvenile justice system.
17	Coordinate funding, policy, and practices related to youth experiencing homelessness.
18	Identify best practices to ensure youth who are homeless and may have experienced certain maltreatment are appropriately referred to, or are able to self-refer to, the child welfare system.

Source: State law.

According to homeless council staff, the homeless council likely still lacks the necessary resources to be able to address all of its statutory goals. Although the homeless council requested and received additional staff in the State's fiscal year 2020–21 budget, staff explained that, as of January 2021, it is still in the process of filling 10 vacant positions. However, homeless council staff stated that even with the additional staff, they believe that the homeless council likely will not have enough staff to achieve all of its statutory goals.

The homeless council's staff asserted that to address the statutory goal of ensuring accountability and results in meeting the strategies and goals of the homeless council, the homeless council will approve a finalized action plan. The action plan will focus more on state agencies with the ultimate goal of helping people who are experiencing homelessness. Although the homeless council's action plan will not be a traditional strategic plan, homeless council staff asserted that the action plan will address parallel ideas. In a December 2020 homeless council meeting, homeless council staff shared for discussion a document containing draft objectives, current and planned activities, and potential priorities for additional activities. According to that meeting document, the draft action plan will include five action areas, under which there are various objectives. Each objective will describe activities, lead departments, collaborating departments, time frames and performance measures.

However, the action plan is not complete. According to a December 2020 homeless council meeting document, homeless council staff plan to present a more developed draft of the action plan to the homeless council for discussion and input in February 2021. Subsequently, the meeting document indicates that homeless council staff plan to prepare and present to the homeless council a final draft of the action plan in March 2021 for a decision on whether to adopt the action plan at that time. Given that the homeless council is responsible for identifying resources and services that can be accessed to prevent and end homelessness in the State, we expected it to have a finalized action plan that describes the State's plan for addressing homelessness, including how and when the homeless council will achieve its various statutory goals. Without a finalized and adopted statewide action plan that includes its statutory goals and timelines, addresses efforts to coordinate existing homelessness funding and services, and that is updated regularly, the homeless council is hindered from fulfilling its main purposes.

Without a finalized and adopted action plan, the homeless council is hindered from fulfilling its main purposes.

The lack of statewide coordination has not gone unnoticed. The Legislative Analyst's Office (LAO) recently highlighted the need for a cohesive and clear approach to address homelessness. In a report released in February 2020, the LAO stated that the scale of the homelessness crisis in California is significant and that even substantial investments of resources may not result in adequate progress if investments are made without a clear plan. Further, the LAO asserted that addressing homelessness requires the involvement of agencies across the State and collaboration among all levels of government and other stakeholders. The LAO found that the State's fragmented response to addressing homelessness creates various challenges, including impeding its ability to determine how programs work collaboratively and what programs are collectively accomplishing.

The Legislature's recent efforts to create a single entity—other than the homeless council—with authority to oversee the State's homelessness funding and activities have failed. In 2020 the Legislature passed a bill that would have established a lead entity within the office of the Governor to oversee the State's homelessness funding and activities. According to the bill's author, although state funding plays a critical role in the fight against homelessness, funding alone will not solve systemic issues. The bill's author further explained that continued state investments, combined with significant structural changes to how California oversees, coordinates, and delivers its homelessness programs, are essential to ensuring that state and local programs are being utilized effectively. However, the Governor vetoed the bill, stating that the proposed entity would separate policy development related to homelessness from that related to health care and housing, which would lead to more fragmentation.

Nonetheless, California continues to have numerous state agencies that administer separate programs to address various aspects of homelessness. To ensure that these state agencies' efforts are effective, the homeless council needs to have a more active role in coordinating the aspects of these programs that provide funding to combat homelessness.

The State Does Not Track the Funding It Provides to Combat Homelessness

The State currently does not have a comprehensive understanding of how it is spending state funds to address homelessness. As Table 2 shows, at least nine state agencies provided funding through 41 programs to address homelessness in the State during the past three years. These programs provided funding for purposes that included the acquisition and construction of new housing for people experiencing homelessness, relocation assistance, and individual financial assistance. In addition, some of the programs provided assistance to people with specific characteristics who were experiencing homelessness, such as victims of domestic violence, veterans, and youth. However, there is no single state entity that comprehensively tracks the sources of funding, the intended uses, or related expenditures for these programs. We would expect the homeless council to do so to fulfill its statutory goal of coordinating existing state and federal funding and applications for competitive funding. However, the homeless council does not track how much funding is available or spent toward addressing homelessness statewide. Homeless council staff explained that it expects that the statewide Homeless Data Integration System (HDIS), which is under development as we describe in the next section, will be able to track this information once implemented.

The Legislature's recent efforts to create a single entity—other than the homeless council—with authority to oversee the State's homelessness funding and activities have failed.

Table 2
At Least Nine California Agencies Administer 41 Programs to Address Homelessness
Fiscal Years 2018–19 Through 2020–21

AGENCY	NUMBER OF PROGRAMS RELATED TO HOMELESSNESS	TOTAL FUNDS AVAILABLE (IN MILLIONS)*
Business, Consumer Services and Housing Agency	3	\$1,580
California Department of Corrections and Rehabilitation	1	51
California Department of Education	2	34
California Department of Social Services	6	527
California Governor's Office of Emergency Services	9	335
California Housing Finance Agency	1	90
California Tax Credit Allocation Committee	1	327
Department of Health Care Services	5	6,994
Department of Housing and Community Development	13	3,385
Totals	41	\$13,323

Source: Review of the homeless council's California State Homelessness Funding Programs; the budget acts of 2018, 2019, and 2020; state and federal laws; and agencies' websites and notices of funding available.

* Although not every program was active during each of the three fiscal years, we calculated the aggregate of funding available in any or all of the three-year period.

Because of the homeless council's lack of funding coordination, the State is missing an opportunity to leverage its various program activities and to identify opportunities for collaboration between agencies and programs. As Appendix A shows, the State provides homelessness funding through many different programs that various state entities administer. Although these programs may have slightly different purposes, they all strive to provide assistance to those experiencing homelessness. For example, the California Department of Social Services administers the CalWORKs Housing Support Program, which had \$95 million available in fiscal year 2019–20 for administrative entities, including local governments.⁷ This program provides housing support, including financial assistance, housing stabilization, and relocation services, to CalWORKs recipients who are experiencing homelessness or housing instability. Meanwhile, the Department of Housing and Community Development administers the California Emergency Solutions and Housing Program, which had nearly \$30 million available in fiscal year 2019–20 for local governments. This program assists people experiencing or at risk of homelessness through activities such as housing relocation and stabilization services. As a result, there could be duplication of services between these two programs.

⁷ California Work Opportunity and Responsibility to Kids (CalWORKs) is a public assistance program that provides cash aid and services to eligible families that have a child in the home. The program serves all 58 counties in the State and is operated locally by county welfare departments.

The homeless council has not prioritized coordination of existing funding and applications for competitive funding. According to homeless council staff, the homeless council does not have the authority to direct agencies to make policy. Specifically, homeless council staff stated that although it has established coordination channels with some state agencies and can request information from them, it does not currently have the authority to require this information from state agencies and has not been able to track program spending to date. In addition, homeless council staff explained that it needs additional statutory authority to collect expenditure data from other state agencies that could be useful in streamlining its collection of this information. Considering that the homeless council consists of representatives from state agencies and that one of its statutory goals is to coordinate funding, we believe that it is well positioned to track the State's sources of funding and spending on homelessness activities and make informed recommendations to decision makers to ensure proper coordination among different programs.

A number of other states we reviewed have charged a single agency with addressing homelessness statewide and tracking funding information centrally. Examples include Washington's Department of Commerce (Washington), Maryland's Department of Housing and Community Development (Maryland), and Virginia's Department of Housing and Community Development (Virginia). These three states believe that having such tracking of funding has allowed them to focus their efforts to address homelessness more effectively. For example, Washington state—which ranked fifth nationwide in 2019 for the highest number of residents who were homeless—explained that it tracks all funding and expenditures for every homelessness project in the state from every funding source. In fiscal year 2019–20, it tracked more than 2,300 different projects overseen by more than 500 different entities, such as state departments, local governments, and nonprofit organizations. Washington shared that it is able to compare the costs of these projects to their performance to identify successful projects on which it will focus greater efforts.

Similarly, Maryland and Virginia track and report to their state legislatures on all federal and state homelessness funding activities annually. In fiscal year 2019–20, Maryland reported on nine federal homeless services funding sources and on six state homeless services funding sources that three agencies within the state administer. Maryland's 2019 annual report on homelessness outlines the work of all relevant state agencies, trends in homelessness, and policy recommendations to the state legislature's Joint Committee on Ending Homelessness. In addition, Maryland's annual report details federal funding trends, which can inform state funding decisions. Virginia reported on five federal and state homelessness programs it administered in fiscal year 2018–19, and it tracked how much

A number of other states we reviewed have charged a single agency with addressing homelessness statewide and tracking funding information centrally.

These other states have fared better than California in stemming the number of people who experience homelessness.

money it awarded to service providers statewide through the Virginia Homeless Solutions Program. Virginia also reported program outcomes, such as who was served under these state and federal programs, which can inform its state legislature's policy decisions for programs that address homelessness. Virginia asserted that having a single statewide entity charged with addressing homelessness has allowed it to leverage and maximize state resources, coordinate and share resources across state agencies, and target resources across the state to reduce or end homelessness.

These other states have fared better than California in stemming the number of people who experience homelessness. Both Maryland and Virginia have realized reductions in the number of people who were homeless over the past five years. For example, according to data on HUD's website, the number of people experiencing homelessness in Virginia decreased from 7,000 in 2015 to 5,800 in 2019. Although the number of people experiencing homelessness in Washington increased by 11 percent during these same years, it grew at a far slower rate than in California, which experienced an increase of 31 percent over that period. Having a single entity work with the different state agencies that administer programs that provide homelessness funding would allow California to understand more fully how the funds are being used. California could use that information to allocate its various funding sources more effectively to better coordinate the statewide response to homelessness, to build on projects that have demonstrated successful outcomes, and to make informed policy decisions regarding the State's efforts.

The State Lacks Data on Homelessness Services to Determine Whether It Is Effectively Addressing Homelessness

California does not currently have a statewide system to collect data on local or statewide efforts to combat homelessness. As we discuss in Appendix B, federal regulations require CoCs to capture certain information in their HMISs about the number and demographics of people experiencing homelessness and the services they receive through different providers in their areas. These data include information about homelessness programs, such as their sources of funding and their inventory of available beds, and information about those experiencing homelessness, such as basic demographic characteristics, current living situations, sources of income, and health conditions. However, the State currently has no mechanism in place to collect, integrate, and analyze statewide data on individuals and families experiencing homelessness or on the services that programs provide. Further, according to homeless council staff, CoCs typically do not have access to one another's data and do not know whether an individual has accessed services through another CoC. Because the State lacks a central database, it does not

have comprehensive information related to homelessness programs and the clients they serve, which is critical to understanding how effectively California is responding to its homelessness crisis.

The State is making an effort to establish a statewide data warehouse. In November 2020, the Business, Consumer Services and Housing Agency, in which the homeless council exists, contracted with a firm to design, develop, implement, and support HDIS, the Homeless Data Integration System. According to the contract, HDIS will provide a statewide data warehouse to produce an unduplicated count of those experiencing homelessness in California, gain insights into the characteristics of people experiencing homelessness, determine patterns of service use, evaluate the impact of services, and identify gaps in services. To accomplish this, homeless council staff explained that HDIS will collect, match, and remove duplicate records from all California CoCs' HMISs. Homeless council staff stated that the homeless council plans to implement the system in March 2021 and that HDIS will be able to provide a number of benefits, including access to statewide and local homelessness data that CoCs can use to make data-informed decisions. Further, homeless council staff believe that HDIS will shed light on the characteristics of homelessness at the state, regional, and CoC levels; support coordination and collaboration among CoCs; and enable the State to identify the most effective resources to reduce homelessness.

However, the State's efforts to collect comprehensive data in HDIS may be limited because CoCs are unlikely to have complete data regarding homelessness in their areas. Federal regulations require only that CoCs ensure that service providers that receive certain federal funding from HUD report data in the respective CoC's HMIS. In addition, although state agencies administer programs that provide benefits and services to people experiencing homelessness throughout California, the State does not currently require all service providers that receive state funding to enter information about these programs into a CoC's HMIS. In fact, only eight of the 41 programs—representing 15 percent of the more than \$13 billion the State provided to address homelessness during fiscal years 2018–19 through 2020–21—require recipients of state funds to report data into an HMIS. Depending on the program, these data can include information about clients served, the activities the programs fund, and program outcomes.

Further, we identified a number of CoC member organizations that provide homeless services but do not report information to the HMIS of the five CoCs we reviewed. We requested and received a list of member organizations and a list of the organizations that report data into its HMIS from each of the five CoCs we reviewed: Fresno-Madera CoC, Mendocino CoC, Riverside CoC, Santa Barbara CoC, and Santa Clara CoC. A comparison of the two lists allowed

Only eight of the 41 programs—representing 15 percent of the more than \$13 billion the State provided to address homelessness during fiscal years 2018–19 through 2020–21—require recipients of state funds to report data into an HMIS.

Some service providers do not report information to an HMIS because they do not receive funding that requires such reporting or they lack the capacity for the extra administrative burden that they believe this reporting would require.

us to identify the member organizations at each CoC that do not report data into its HMIS. We confirmed whether any of the organizations that were not in HMIS provide homeless services by either obtaining detailed information about the services that each member provided or by confirming with CoC staff whether a selection of these members provide homeless services. Although HUD prohibits victim service providers, such as those providing services to victims of domestic violence, from reporting data into an HMIS, we identified several other types of service providers that are members of CoCs and do not report into their respective HMIS.

In most instances, these service providers do not report information because they do not receive funding that requires such reporting or they lack the capacity for the extra administrative burden that they believe this reporting would require. For example, the Santa Clara CoC stated that some of its homeless service providers are small and operate with limited resources and that the CoC does not want to require HMIS participation if it will impact providers' ability to deliver services. The Santa Barbara CoC reported at least 12 organizations that do not participate in HMIS because the funding they receive does not require participation, and the Mendocino, Riverside, and Fresno-Madera CoCs each stated that some of their member organizations do not enter data in their HMIS for similar reasons. As a result, CoCs do not have access in their HMIS to complete data related to homelessness funding and homelessness-related activities in their geographic areas.

Most of the CoCs we reviewed agreed that they would find complete data from all service providers in their areas to be helpful to fully understand the extent of homelessness in their areas and better coordinate the provision of services. In addition, homeless council staff stated that it would be beneficial if all state funding for addressing homelessness required the recipients of those funds to report information into their CoC's HMIS. Such requirements, homeless council staff explained, would make the information that HDIS will collect more comprehensive. An example of a state program in which funding recipients must participate in a CoC's HMIS is the HHAP Program, which is administered by the homeless council and has a budget of \$330 million for fiscal year 2020–21. In June 2020, the Legislature amended state law to require recipients of program funds to report data into their regional CoC's HMIS and agree to participate in HDIS once it is implemented. Homeless council staff stated that this requirement results in more accurate tracking of the impacts of homeless services. Further, by amending state law to require data reporting into an HMIS as a condition of applying for funding, the Legislature ensured that information from recipients of HHAP funding would be captured in an HMIS and ultimately in HDIS, when it is implemented.

Other states we reviewed that use a centralized data warehouse have required data reporting from recipients as a condition of receiving funds. For example, according to Washington, it runs a statewide HMIS that combines information from all CoCs within the state into a central data warehouse. It then requires recipients to enter client data into its CoCs' HMISs or directly into the state's data warehouse in order to receive consolidated state funding. Washington then uses the data it collects to set performance measures for homelessness projects. Although only the state—rather than the CoCs—can access the information in the data warehouse, Washington indicated that setting statewide performance measures results in increased transparency and allows it to see which homeless projects are performing well. In addition, Washington includes performance measures in annual public reports, which can inform communities about their progress in addressing homelessness.

Maryland also oversees a centralized data warehouse that consolidates information from each CoC's HMIS. Maryland consolidated some of its federal and state funding into a single program and requires recipients of those funds to report information into their regional CoC's HMIS, which is then transferred to the data warehouse. By collecting performance data from recipients of state funding, Maryland asserts that it is able to identify and provide increased support to low-performing communities.

Although California does not consolidate its various streams of homelessness funding under a single state agency, as Washington and Maryland do for some of their state and federal funds, the Legislature could still ensure that the State has comprehensive homelessness data by requiring all service providers that receive state funding to report data into their regional CoC's HMIS, as law allows. Requiring data reporting into an HMIS as a condition of receiving state funding would ensure that data from the various homelessness programs that the State funds would be eventually captured into the HDIS, since the homeless council intends to pull its data from each CoC's HMIS. As a result, the HDIS would be able to provide both the homeless council and the State more comprehensive data about the efficacy of homelessness programs at the local and state levels. Having a statewide database with complete information will allow the State to assess how effectively California is addressing homelessness and to develop strategies to further its goal of ending homelessness.

The Legislature could still ensure that the State has comprehensive homelessness data by requiring all service providers that receive state funding to report data into their regional CoC's HMIS, as law allows.

The State Does Not Provide Adequate Guidance or Technical Support to CoCs

The State falls short of providing CoCs with the necessary support and guidance to effectively address homelessness at the local level. In fact, the operations of CoCs are largely unsupervised by

any state agency. Although state law assigned the homeless council the goals of creating partnerships among state agencies, local government agencies, recipients of federal CoC program funding, federal agencies, and homeless service providers, this goal is vague and lacks a definite requirement or enforcement mechanism to develop minimum expectations or guidance and to disseminate best practices to CoCs. According to homeless council staff, the homeless council has attempted to provide some guidance to CoCs; however, it lacks the authority to create enforceable guidance. CoCs generally play a prominent role in addressing homelessness in their areas, and federal regulations intend for them to promote communitywide commitment to the goal of ending homelessness. Given that the homeless council serves as a statewide facilitator, coordinator, and policy development resource on ending homelessness in California, we believe that it is best positioned to develop necessary guidance and set explicit expectations for CoCs. Further, doing so would also allow the homeless council to more effectively fulfill its goal of working with CoC program funding recipients to arrive at specific strategies to end homelessness.

State guidance is especially necessary considering that HUD's guidance allows for extraordinary discretion in how CoCs implement suggested practices, especially when it comes to CoC planning.

State guidance is especially necessary considering that HUD's guidance allows for extraordinary discretion in how CoCs implement the suggested practices, especially when it comes to CoC planning. For example, HUD regulations require CoCs to have a plan in place to conduct an annual gaps analysis. We believe a gaps analysis should be an assessment, performed by the CoC itself or a contracted entity, to determine whether the CoC has sufficient services and service providers in its area to meet the needs of those experiencing homelessness. HUD explained that regular evaluation of a CoC's performance, which should include a gaps analysis, is critical to a CoC's success. However, it has not provided any guidance on conducting such an analysis and does not require CoCs to submit these gaps analyses to HUD for review. HUD acknowledged that it has not clarified its expectations for the annual gaps analysis. It stated that when it developed the CoC Program it sought input from the community through focus groups, some of which expressed the concern that the federal government would be too prescriptive with its requirements. HUD explained that as a result, it ensured that its regulations covered the main elements for the CoC Program without imposing unnecessary requirements.

In the absence of detailed requirements, we found the five CoCs we reviewed do not always employ best practices or comply with federal regulations and expectations. As we describe in the next chapter, CoCs do not always have comprehensive plans that identify their strategies to combat homelessness, nor do they adequately conduct annual comprehensive gaps analyses. Further, not all of the five CoCs follow best practices when conducting PIT counts or ensure adequate access to homeless services and housing through their coordinated entry process.

Homeless council staff recognize the need for providing additional guidance to CoCs but also expressed concerns about taking on this role. According to homeless council staff, they connect CoCs that require technical assistance to HUD, which they believe is the appropriate entity to provide federal guidance. Homeless council staff further stated that it is not appropriate for the State to provide guidance on federal laws and regulations because it would not want to provide guidance that does not comply with federal regulations. However, homeless council staff agree that there is a need for the State to develop its own expectations and guidance for local entities, including CoCs, and the council staff generally feel that they have a good understanding of the problems and inconsistencies in the CoCs' efforts. Further, homeless council staff stated that the State's expectations and guidance could be similar to federal regulation requirements. Setting statewide expectations as a condition of state funding and developing guidance for meeting these expectations would ensure consistency across the CoCs' efforts to address homelessness and would help ensure that CoCs comply with federal regulations.

Homeless council staff stated that the homeless council does not currently have the resources to develop such guidance and that legislative action would be necessary for it to do so and for it to enforce any requirements. However, we believe it could use state funding to ensure that local entities and CoCs comply with any requirements it develops and to better coordinate the State's efforts to address homelessness. Other states already use this approach. For example, Washington officials told us that the state develops a statewide plan and that it requires local entities to develop plans that include strategies that align with that state plan. Similarly, Virginia reported that it requires CoCs to have plans in place that comply with federal regulations in order to receive state homelessness funding and that it reviews its CoCs' policies, procedures, and plans on an annual basis to ensure compliance with federal regulations and state guidelines. In the absence of sufficient guidance from the federal level, we believe that the CoCs would benefit from the homeless council developing guidance and disseminating best practices for effectively addressing homelessness.

According to one HUD official, states may provide oversight of CoCs under certain circumstances so long as they do not contradict federal regulations. HUD also explained that it is aware that some states regulate access to state funding in order to impose requirements on CoCs. Given that the homeless council is responsible for coordinating state efforts to address homelessness and that CoCs play a prominent role in such efforts, it is essential for the council to provide guidance and set minimum expectations for CoCs to ensure their success.

We believe that the CoCs would benefit from the homeless council developing guidance and disseminating best practices for effectively addressing homelessness.

Recommendations

Legislature

To ensure that the State effectively addresses the statewide issue of homelessness, the Legislature should require the homeless council, in collaboration with all state agencies that administer state and federal funding for homelessness, to collect and track funding data on all federal and state-funded homelessness programs, including the amount of funding available and expended each year, the types of activities funded, and types of entities that received the funds.

The Legislature should require the homeless council to prioritize its statutory goals with an emphasis on giving higher priority to coordination of statewide efforts to combat homelessness. To this end, the Legislature should require the homeless council to finalize its action plan and ensure that the plan documents the State's approach to addressing homelessness in California and that the action plan is updated regularly.

To ensure that the State has access to comprehensive data about homelessness, the Legislature should require all state entities that administer state funding for homelessness to ensure that recipient service providers enter relevant data into their CoC's HMIS, as law allows, as a condition of state funding. The required information should include, at a minimum, the same or similar information that recipients of federal CoC program funding must enter.

To ensure that CoCs are aware of processes and practices that can improve their efforts to combat homelessness at the local level and to provide CoCs with the necessary technical support, the Legislature should require the homeless council to develop statewide expectations and guidelines that CoCs and other local entities must follow as a condition of receiving state funding. These expectations and guidelines should consider best practices available from relevant local, state, and federal entities and should address, at a minimum, developing effective comprehensive plans, conducting PIT counts effectively and efficiently, increasing collaboration among service providers, conducting gaps analyses, and ensuring an effective coordinated entry process.

To the extent that the homeless council believes it does not have sufficient resources to implement any new statutory requirements, the Legislature should require the homeless council to conduct an analysis to determine its budgetary needs for implementing any new statutory requirements.

Chapter 2

CoCs DO NOT CONSISTENTLY EMPLOY BEST PRACTICES TO IMPROVE HOMELESS SERVICES IN THEIR AREAS

Chapter Summary

Our review of five CoCs—Fresno-Madera CoC, Mendocino CoC, Riverside CoC, Santa Barbara CoC, and Santa Clara CoC—found that they have not consistently complied with federal regulations or implemented best practices related to identifying those experiencing homelessness and planning to address those individuals' needs. For example, the five CoCs we reviewed do not conduct a comprehensive annual gaps analysis to determine whether the number and variety of services and service providers in their areas are adequate to achieve the goal of reducing homelessness. Further, although federal regulations require CoCs to develop a comprehensive plan that includes strategies to address homelessness, two out of the five CoCs do not have such a plan. In addition, although HUD and other national organizations recommend the use of a mobile application to conduct the PIT count, two of the five CoCs continue to manually record data on paper and could thus be missing an opportunity to better identify individuals experiencing homelessness in their area. We also found that two out of the five CoCs could expand access to housing and homeless services by implementing a dedicated telephone hotline for people experiencing homelessness. Finally, two of the five CoCs we reviewed do not have adequate processes for reviewing, scoring, and ranking project applications for federal funding. The number and pervasiveness of the problems we identified demonstrates the need for the State to provide CoCs with further guidance and support.

CoCs Have Not Ensured That They Adequately Assess and Plan for the Needs of Those Experiencing Homelessness

The five CoCs have not always complied with federal regulations or implemented best practices to ensure that they adequately assess and plan for the needs of those experiencing homelessness. For example, none of the five CoCs we reviewed conduct comprehensive annual gaps analyses. Although some CoCs reported that they perform these analyses, we found that their efforts were not comprehensive or adequate to determine whether service providers in their area were sufficient to address the needs of people experiencing homelessness. Further, one CoC has not updated its comprehensive plan in nearly five years, while another has never had such a plan in place. Finally, two of the five CoCs have not implemented the best practices of collecting feedback

from volunteers on how to improve the PIT count process and using a mobile application for conducting their PIT counts. Because they do not always comply with regulations and follow best practices, the CoCs are missing vital opportunities to improve their efforts to combat homelessness in their areas.

None of the Five CoCs Have Adequately Determined Whether They Have Enough Service Providers to Meet the Needs of Those Experiencing Homelessness

The five CoCs we reviewed do not adequately conduct a comprehensive annual gaps analysis. Federal regulations require each CoC to have a plan in place to conduct an annual gaps analysis to determine whether the number and type of current services and service providers in its area are adequate to meet the needs of all the people it has identified as experiencing homelessness. We believe that an effective gaps analysis would track the types of services and the number of service providers that exist in the CoC area and determine whether both are sufficient to meet the needs of the individuals that the CoC has identified through its coordinated entry process. This gaps analysis can inform a CoC's efforts to more effectively combat homelessness in its area. For example, a CoC may learn that it does not have enough emergency shelters, mental health service providers, or organizations that serve veterans in an area. The CoC could then choose to make a concerted effort to recruit such service providers in the area. However, none of the CoCs we reviewed adequately conduct such an analysis annually.

Although four CoCs said they have performed aspects of gaps analyses, we found that the resulting assessments were not comprehensive or adequate.

Although four CoCs—the Santa Clara, Fresno-Madera, Santa Barbara, and Mendocino CoCs—said they have performed aspects of gaps analyses, we found that the resulting assessments were not comprehensive or adequate. For example, the Santa Clara CoC asserted that it has multiple work groups that conduct analyses on a continual basis to make ongoing improvements to address gaps in services in its area. However, the CoC does not take a comprehensive approach. For example, its coordinated assessment work group reviews and evaluates the performance of the coordinated entry process—the process for engaging with people who need housing and homeless services, assessing their needs, and connecting them to available services—and makes decisions about related policy and design changes. We found that this analysis focuses solely on the CoC's coordinated entry process, as this is the responsibility of the work group, and does not include a review to comprehensively identify services that are needed but not available within the CoC's area. Because the Santa Clara CoC does not have a process in place to conduct such an annual comprehensive gaps analysis, its understanding of the effectiveness or breadth of its homelessness program as a whole is limited.

Similarly, the Fresno-Madera CoC stated that although it does not conduct a formal gaps analysis, some of the work that it conducts would inform a gaps analysis. For example, the CoC stated that when it completes its annual assessment of the coordinated entry process and when it ranks the projects it believes should receive CoC Program funds, it identifies certain gaps and areas where additional funds are needed for services. However, its coordinated entry assessment does not analyze and identify gaps in its homeless service provider network as a whole. Further, the Fresno-Madera CoC could not demonstrate that when it prioritized projects for funding, it considered gaps in its network of homeless service providers. As a result, the Fresno-Madera CoC's efforts do not allow it to assess its network of service providers, operations, and homelessness programs in a comprehensive or holistic manner to ensure that the CoC has sufficient types and numbers of service providers to meet the needs of those experiencing homelessness.

The Santa Barbara CoC also conducted a gaps analysis; however, its analysis did not adequately address whether it has a sufficient number and appropriate types of service providers to meet the needs of people experiencing homelessness. In 2019 the Santa Barbara CoC contracted with a consultant to conduct a gaps analysis as part of an update to its current community plan—a plan that identifies strategies for delivering housing and services to meet the specific needs of people who are experiencing homelessness. According to the CoC, it used the consultant's gaps analysis to create its own template that it intends to use annually to comply with the federal expectation. We expected the template to include an assessment of whether the number and types of services and service providers are adequate to meet the needs of those that are experiencing homelessness. Although the analysis the contractor conducted and the subsequent template the CoC created focus on identifying whether the CoC has adequate shelters and housing, the analysis does not address other types of supportive services, such as mental health services, job training, social services, and food assistance programs.

Additionally, Mendocino County contracted with a consultant in 2017 who developed a gaps analysis that the CoC used to develop its comprehensive plan. The analysis appropriately identified gaps in the CoC's area, including a need for winter shelters and additional short-term and long-term housing. However, the CoC does not have a formal process in place to conduct a gaps analysis annually; in fact, this was the only analysis that the CoC could demonstrate it had completed. Further, according to the CoC, it will not be able to conduct such an analysis annually because doing so was resource- and time-intensive.

The Santa Barbara CoC's gaps analysis did not adequately address whether it has a sufficient number and appropriate types of service providers to meet the needs of people experiencing homelessness.

Finally, the Riverside CoC has not yet conducted any type of gaps analysis, although its staff told us that it hopes to do so in the near future. In May 2020, the CoC assigned a committee of CoC members the responsibility of developing a process to conduct an annual gaps analysis. The CoC stated that the committee is currently working with consultants, who provide subject-matter expertise, to determine what the gaps analysis will include and how the CoC will assess the data. The Riverside CoC plans to complete its first gaps analysis by July 2021.

The five CoCs cited different reasons to explain why they have not completed annual gaps analyses, which HUD does not require them to submit for review. The Santa Clara CoC believes that the current process it has in place—committees that prepare reports analyzing limited aspects of its system—is beneficial in terms of consistently looking for gaps. The Santa Barbara CoC explained that its previous collaborative applicant—a nonprofit organization—did not have the capacity and did not fully understand the expectation to conduct the analysis. Fresno-Madera CoC explained that it believes its current processes are sufficient as it informs the CoC’s work and HUD has not provided explicit guidance in terms of how it wishes CoCs to conduct an annual gaps analysis. In addition, Fresno-Madera CoC stated that HUD has not identified any issues nor commented negatively on its processes during the application process for CoC Program funds. The Mendocino CoC stated that it does not have the resources or personnel to conduct a gaps analysis annually. Finally, the Riverside CoC could not explain why it has not conducted an annual gaps analysis.

The five CoCs lack assurance that they have identified and addressed shortcomings in the types of services and service providers available within their areas.

Because they have not conducted a comprehensive annual gaps analysis, the five CoCs lack assurance that they have identified and addressed shortcomings in the types of services and service providers available within their areas. Given that California has the highest rate of homelessness in the United States—a rate that is continuing to increase—it is essential for each CoC in the State to understand gaps within its network of service providers, develop strategies for addressing those gaps, and prioritize funding for the necessary services and service providers.

Two of the Five CoCs Do Not Have Current Comprehensive Plans

Federal law requires each CoC to develop a comprehensive plan that identifies its strategies to meet the needs of those experiencing homelessness. Federal regulations require that the plan include strategies for activities such as performing outreach; providing shelter, housing, and supportive services; and preventing homelessness. HUD’s best practices suggest that developing a comprehensive plan allows a CoC to assess its capacity, identify

gaps, and develop proactive solutions to move those experiencing homelessness toward permanent housing. Further, HUD asserts that CoC planning helps communities develop a common vision and goals to combat homelessness, assists providers in identifying ways to coordinate resources to avoid duplication, and encourages stakeholder participation. HUD does not specify how frequently a CoC should update its plans; however, we expected the CoCs we reviewed to have regularly updated their plans to reflect their current efforts, identify their new strategies, and communicate to the public and other stakeholders how they are addressing homelessness.

Nonetheless, only three of the CoCs we reviewed—Mendocino, Santa Barbara, and Santa Clara—have comprehensive plans in place that they plan to regularly update going forward. For example, the Santa Clara CoC uses its steering committee, which consists of CoC board members and additional key CoC leaders, to oversee the planning process, in part by gathering community input and drafting an update to the comprehensive plan every five years. The Santa Clara CoC’s planning process encourages community engagement: to inform the strategies in the comprehensive plan, the CoC seeks feedback from relevant organizations involved in homelessness programs, the public, and subject-matter experts. This continuous communication during the planning process builds trust, assures mutual objectives, and ensures that all participants have a shared vision for change, including a common understanding of problems and a joint approach to solving them through agreed-upon strategies and actions.

In contrast, the other two CoCs—Fresno-Madera and Riverside—do not have current comprehensive plans that reflect the totality of their strategies and plans of action to prevent and address homelessness. The Fresno-Madera CoC asserted that a 2018 report that a consultant generated for the Fresno Housing Authority and the city of Fresno serves as its comprehensive plan. Although this report includes recommendations for addressing homelessness, it is not a plan with clear strategies or plans of action. Further, the Fresno-Madera CoC has not taken steps to implement its recommendations, which include engaging the entire Fresno community in developing solutions for homelessness and ensuring that the Fresno community has a clear plan of action based on a common agenda for change. Although the recommendations in the consultant’s report are not directed at the Fresno-Madera CoC, we expected that the CoC would have taken steps to implement them if it considers this report to be its comprehensive plan. Further, although the CoC area covers Fresno and Madera counties, the report is limited only to Fresno County. Because the report does not encompass the entire CoC area and contains recommendations for improvements without clear plans of action, it does not adequately

Only three of the CoCs we reviewed have comprehensive plans in place that they plan to regularly update going forward.

reflect the Fresno-Madera CoC's strategies for combating homelessness as the federal government expects a comprehensive plan to do.

Similarly, the Riverside CoC does not have in place a current comprehensive plan that contains its strategies to address homelessness. Instead, the CoC uses Riverside County's 2018 action plan to address homelessness as a guide for its strategies regarding homelessness. Although this action plan contains most of the required strategies in federal regulations, its development was a county effort that included only certain county departments rather than CoC members, such as nonprofit homeless service providers and homeless advocates. Ensuring that all members of a CoC have a shared vision and common understanding of problems and joint approach to solving them through agreed-upon actions is important to ensure that all participants are fully committed to ending homelessness. The Riverside CoC indicated that it is actively working to develop a plan and intends to publish it by July 2021.

Some CoCs Do Not Follow All Best Practices When Identifying People Experiencing Homelessness

All five of the CoCs we reviewed have generally employed the minimum standards that HUD prescribes to identify people experiencing homelessness, but they could perform this critical task better by following all best practices. As Appendix B describes, the federally required PIT count includes a count of people experiencing homelessness who are sheltered and unsheltered. It also includes surveying at least a selection of these individuals to determine specific information related to their homeless status, such as where they are sleeping the night of the count and the length of time they have been experiencing homelessness. HUD establishes required minimum standards for conducting the PIT count and provides best practices to CoCs on how to meet those standards in its 2014 *Point-in-Time Count Methodology Guide*. We found that the five CoCs we reviewed satisfied HUD's standards by using the best practices HUD prescribes. These practices include recruiting and training volunteers, providing incentives to people experiencing homelessness to encourage them to participate in the survey, and ensuring that adequate measures are in place to safely store the sensitive data while conducting the PIT count.

Nevertheless, some CoCs could employ certain additional best practices to ensure the efficiency of their PIT counts and the usability of their PIT count data. The PIT count is a resource-intensive process because CoCs must coordinate a count of all people experiencing homelessness on a single night in their geographic area, as well as conducting a survey with

We found that the five CoCs we reviewed satisfied HUD's standards by using the best practices HUD prescribes, but some CoCs could employ certain additional best practices.

specific questions. Most CoCs have historically conducted both the count and survey by using paper to record the numbers and responses. However, in recent years, the U.S. Interagency Council on Homelessness (USICH) has reported that an increasing number of CoCs across the country have transitioned to the use of digital technology to make the PIT count process more reliable and efficient.⁸ Recognizing the benefits of using this technology, in December 2016 HUD released a guide that encourages CoCs to use mobile applications for conducting their PIT counts. USICH published an article in November 2019 that also highlights the benefits of CoCs using mobile applications to conduct their PIT counts.

One of the benefits of using a mobile application that both HUD and USICH highlight is the ability to collect and analyze homelessness data more quickly by eliminating the transfer of the data from paper surveys to an electronic database. Further, USICH asserts that mobile applications provide enhanced quality control opportunities because the data can be immediately uploaded from a volunteer's smart device to a central server, allowing for real-time corrections of errors. For example, if a volunteer consistently forgets to enter information into a specific field, such as a person's age, gender, race, or ethnicity, the CoC can monitor for these data input errors and contact the volunteer immediately to correct the problem. In addition, using a mobile application provides increased security of people's personally identifiable information because fewer people will see it due to the elimination of the paper-to-computer transfer. The USICH article also highlights that a mobile application increases ease of use, leads to higher accuracy of data collection, and is less expensive.

The Fresno-Madera, Riverside, and Santa Barbara CoCs agree with the benefits the USICH article highlights, and these three CoCs have taken advantage of these benefits by using mobile applications for their PIT counts. However, the Mendocino and Santa Clara CoCs still use paper, which could decrease the efficiency of their processes and the usability of their data. The Mendocino CoC explained that it considered switching to a mobile application but did not feel confident that the application would be reliable enough because of the rural locations and poor mobile signals in some parts of its area. However, USICH found that mobile applications are able to collect data on smart devices even when a mobile signal is not available and then upload the data later, when a mobile signal becomes available. The Santa Clara CoC stated that it does not believe there is any delay in processing PIT count data that

An increasing number of CoCs across the country have transitioned to the use of digital technology to make the PIT count process more reliable and efficient.

⁸ USICH was established within the executive branch of the U.S. government to coordinate the federal response to homelessness and create a national partnership at every level of government to end homelessness in the United States.

Until the Mendocino and Santa Clara CoCs begin to use a mobile application for conducting their PIT counts, they will be missing an opportunity to ensure that their PIT count process is as effective and efficient as possible.

it collects. However, it explained that it is planning to move to a mobile application for several reasons, including that its community has expressed interest in transitioning to a mobile application and because it will allow for faster data processing. The Santa Clara CoC stated that it is continually working on improving and streamlining its PIT count process and plans to utilize a mobile application for its next PIT count. Until the Mendocino and Santa Clara CoCs begin to use a mobile application for conducting their PIT counts, they will be missing an opportunity to ensure that their PIT count process is as effective and efficient as possible.

Further, the Mendocino CoC could not demonstrate that it collects and responds to feedback from volunteers after conducting its PIT count. The homeless council has noted that successful counts of unsheltered people experiencing homelessness are often highly dependent on volunteer participation from the community. Additionally, the National Alliance to End Homelessness highlights the importance of collecting and responding to feedback from volunteers to improve the PIT count process. According to the Mendocino CoC, getting anyone besides its own staff members to participate in activities after the completion of the PIT count is difficult. Instead, the lead person for each volunteer group often informally solicits feedback from volunteers when they return from the PIT count and provides that feedback in the form of handwritten notes to the CoC. However, the Mendocino CoC acknowledged that it does not have any documentation demonstrating that it used the informal feedback to inform its approach to conducting subsequent PIT counts. Until the Mendocino CoC formalizes its process for documenting volunteer feedback, it may be missing opportunities to improve its PIT count process.

The remaining four CoCs found that feedback from volunteers has provided useful information for improving their PIT count process. For example, the Santa Clara CoC stated that it has made several changes to its PIT count process based on volunteer feedback, such as adding a recorded training option and streamlining some aspects of its training. In addition, the Riverside CoC stated that one of the challenges it faces is getting all volunteers who sign up to show up on the actual day of the PIT count. One strategy that the Riverside CoC stated that it has implemented to improve its number of volunteers on the day of the PIT count is to provide a satisfaction survey after the PIT count that asks volunteers to provide feedback and suggestions for how to improve their experience. The Riverside CoC uses the information it collects to improve the next year's PIT count.

Some CoCs Have Not Taken Steps That Could Improve Their Collaboration and Coordination With Homeless Service Providers

Although the five CoCs we reviewed generally use similar approaches when collaborating with homeless service providers, better aligning those approaches with best practices and federal regulations could improve their efforts to help individuals who are experiencing homelessness. For example, four of the five CoCs do not have a board that is representative of all of the federally defined types of relevant organizations. The Fresno-Madera CoC also charges an annual membership fee, which may deter service providers from becoming members. In addition, the Mendocino CoC does not employ street outreach teams or a dedicated hotline to ensure that individuals can access services without physically visiting designated locations. Finally, most of the CoCs stated that locating individuals who are homeless after the initial contact and assessment can be difficult because of the transient nature of such individuals' lives. However, only one of the five CoCs has completed a review of available data and determined that locating these individuals is a cause of delay in providing services and has created a dedicated team to address this issue.

Some CoCs' Boards Do Not Fully Represent All Required Perspectives, and One CoC Charges a Membership Fee

Federal regulations require every CoC to establish a board to act on its behalf. Although federal regulations do not specify the number of members the board must have, they require that the board must include at least one person who is currently or has been homeless and that, in addition, the board must be representative of 15 types of relevant organizations within the CoC's area, including nonprofit homeless assistance providers, faith-based organizations, and social service providers. Having the interests of these relevant organizations represented helps ensure that a board will take into account these perspectives when making decisions related to critical issues, such as funding priorities, policies, and strategies to address homelessness.

Nonetheless, as Table 3 shows, the boards of four of the five CoCs we reviewed did not always represent the interests of all federally listed relevant organizations and individuals, which may limit these boards' ability to develop effective policies and plans to combat homelessness. For example, various news media have recently reported on the increase of homelessness among college students, a condition that highlights the need to include the interests of college representatives on each CoC board to ensure that they have a voice when it comes to policies and strategies to address homelessness

The boards of four of the five CoCs we reviewed did not always represent the interests of all federally listed relevant organizations and individuals, which may limit these boards' ability to develop effective policies and plans to combat homelessness.

among young adults. However, the Fresno-Madera, Mendocino, Riverside, and Santa Barbara CoCs did not have the interests of colleges represented on their boards during our audit period.

Table 3
Four CoCs Did Not Ensure That the Interests of All Federally Listed Organizations Are Represented on Their Boards

ORGANIZATION/REPRESENTATIVE	FRESNO-MADERA	MENDOCINO	RIVERSIDE	SANTA BARBARA	SANTA CLARA
Nonprofit homeless assistance providers	✓	✓	✓	✓	✓
Victim service providers	✓	✓	✓	✓	✓
Faith-based organizations	✓	✓	✓	✓	✓
Governments	✓	✓	✓	✓	✓
Businesses	✓	X	✓	✓	✓
Homeless advocates	✓	✓	✓	✓	✓
Public housing agencies	✓	✓	✓	✓	✓
School districts	✓	✓	✓	✓	✓
Social service providers	✓	✓	✓	✓	✓
Mental health agencies	✓	✓	✓	✓	✓
Hospitals	✓	✓	✓	✓	✓
Colleges	X	X	X*	X	✓
Affordable housing developers	✓	✓	✓	✓	✓
Law enforcement	X	✓	✓	✓	✓
Organizations that serve veterans	✓	✓	✓	✓	✓
Individuals who are or were formerly homeless	✓	✓	✓	✓	✓

Source: Federal law and documentation provided by each CoC.

* The board representative for colleges was not on the board until November 2020, which was after our audit period.

These CoCs offered different reasons for their boards not having a college representative. The Mendocino CoC indicated that it has tried to include a representative from universities that have satellite locations in the area or from the local community college, but none have accepted its offers. In contrast, the Santa Barbara CoC does

not believe that federal regulations require a college representative on the board, and it further explained that it strives to ensure that organizations not represented on the board can still actively participate in the CoC. However, as we show in Table 3, federal regulations require CoC boards to be representative of colleges in their areas, and having a college representative as a CoC board member would clearly enable the CoC to satisfy this requirement. Similarly, Fresno-Madera CoC believes that although its board does not include a representative from a college, such individuals are able to attend CoC meetings, which are open to the public. Regardless, the approaches of the Santa Barbara and Fresno-Madera CoCs do not comply with federal regulations because they do not ensure that colleges have an adequate voice when the CoCs' boards make decisions—a choice we find even more problematic because these two CoCs have large colleges in their area that serve students experiencing homelessness. The Riverside CoC acknowledged that the college seat on its board was vacant until November 2020, when it filled the position with a representative from the University of California, Riverside.

Additionally, one of the Fresno-Madera CoC's membership requirements may create a barrier for service providers and other interested stakeholders who want to serve as CoC members. Unlike the other four CoCs we reviewed, the Fresno-Madera CoC charges an annual membership fee. According to the Fresno-Madera CoC, the membership fee covered its costs for developing the annual application for CoC Program funds until 2012, when HUD began awarding it funds for planning purposes, including for developing the annual application. The Fresno-Madera CoC indicated that it continues to charge a membership fee because HUD does not guarantee the availability of planning funds, for which the CoC must apply annually. However, the CoC has not conducted an analysis to determine whether its membership fee is still necessary. Currently, the fee ranges from \$100 to \$5,000 annually, depending on the type of organization. For example, a nongovernmental organization with an annual budget of up to \$100,000 would pay an annual fee of \$100, whereas a government agency for a city or county whose population is more than 500,000 would pay an annual fee of \$5,000.

The Fresno-Madera CoC's practice of charging a membership fee may hinder an organization's ability or desire to become a member, which may ultimately limit the number of relevant organizations with which the CoC works. Moreover, it also potentially limits the service providers that are eligible for CoC Program funds because the Fresno-Madera CoC requires service providers to be a member to apply for funding. The CoC does not believe that the fee deters organizations from becoming members because its board may waive the fee. However, although the CoC's bylaws describe the

The membership fee that the Fresno-Madera CoC charges may create a barrier for service providers and other interested stakeholders who want to serve as CoC members.

option of waiving the fee, its membership application does not mention the option; as a result, an interested organization that is completing the application may be discouraged from becoming a member. In fact, the Fresno-Madera CoC stated that it has not received any requests to waive a fee. By charging a fee that it may no longer need because it now receives CoC planning funds from HUD, the Fresno-Madera CoC may create an unnecessary barrier to membership.

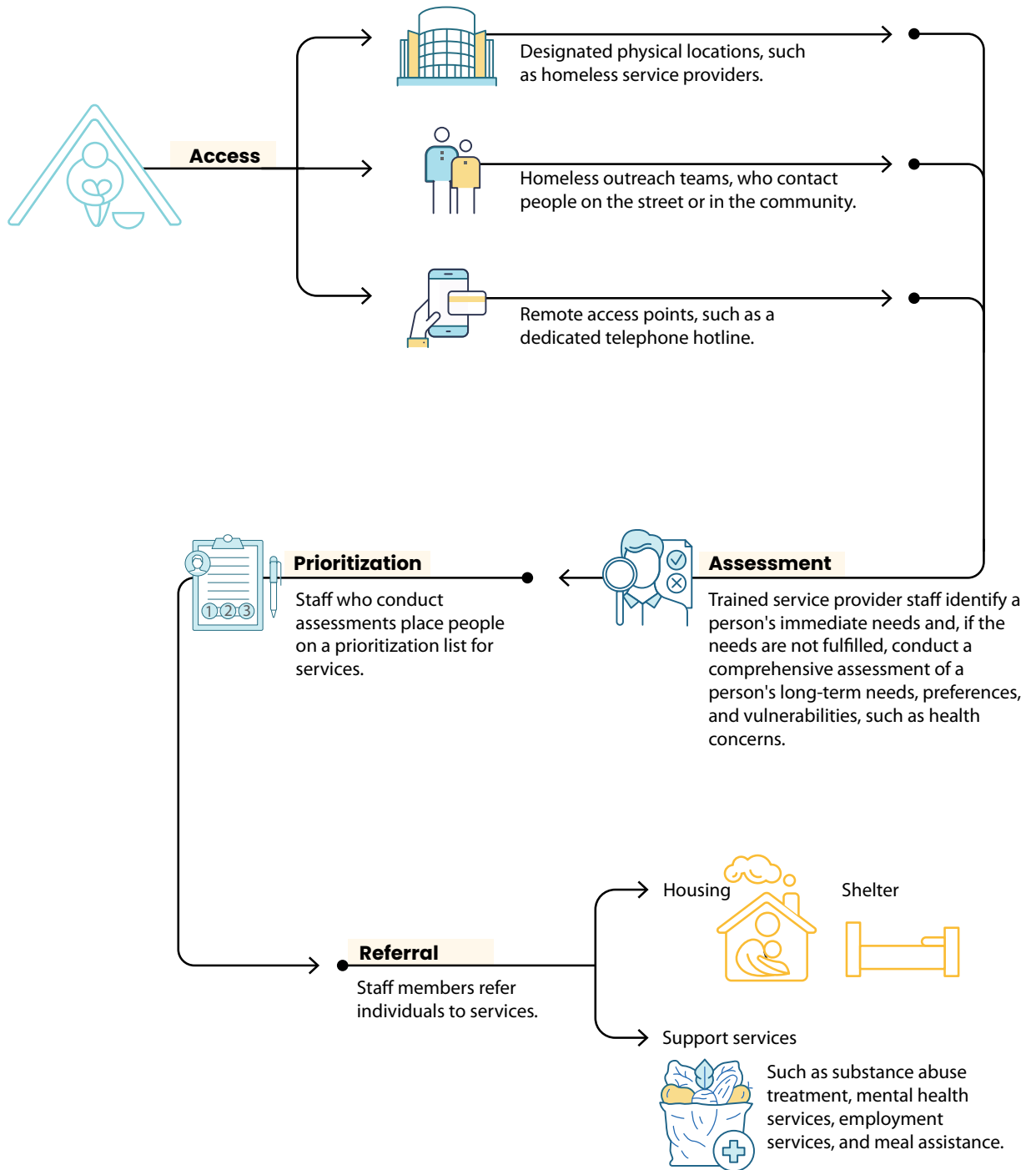
Some Individuals Who Are Experiencing Homelessness May Struggle to Access Services Because of Gaps in CoCs' Coordinated Entry Processes

All five CoCs use a coordinated entry process to assess the needs of people experiencing homelessness or at risk of experiencing homelessness to connect them to the appropriate service providers. As Figure 5 shows, individuals and families needing services can start the coordinated entry process through several means, including at physical locations throughout a CoC's area, through homeless outreach workers on the street, or by calling a hotline. Trained staff will then use a standardized tool to assess their needs and vulnerabilities, including any physical and behavioral health concerns, and—based on that assessment—prioritize their need for services.

HUD requires a CoC to make the coordinated entry process accessible to individuals and families seeking housing or services throughout its entire geographic area. As Table 4 shows, the five CoCs we reviewed have all designated one or more physical locations, such as a county department or a homeless service provider site, to function as the first point of contact where people can seek assistance. However, the Mendocino and Fresno-Madera CoCs do not offer a dedicated hotline that people can call to begin the coordinated entry process and be assessed for their needs. According to HUD guidance, a dedicated hotline can be safer for certain populations, such as domestic violence survivors, because it does not require them to be at a well-known public location. It also provides access in remote communities that do not offer nearby physical access points. During the course of our audit, the Santa Clara CoC made permanent a hotline and processes to allow assessments over the telephone that it set up in response to the pandemic. Further, both the Riverside and Santa Barbara CoCs utilize dedicated telephone hotlines that not only provide information about the coordinated entry process but will also triage and assess callers' needs as part of that process.

According to HUD guidance, a dedicated hotline can be safer for certain populations, such as domestic violence survivors, because it does not require them to be at a well-known public location.

Figure 5
Individuals Experiencing Homelessness Access Services Through a CoC's Coordinated Entry Process



Source: HUD Coordinated Entry Core Elements and documentation from the five CoCs we reviewed.

Table 4
By Better Aligning With Best Practices, CoCs Can Increase Access to Services Through Their Coordinated Entry Process

BEST PRACTICES	FRESNO-MADERA	MENDOCINO	RIVERSIDE	SANTA BARBARA	SANTA CLARA
Access					
Multiple physical access points, such as at CoC service provider locations, where people experiencing homelessness can seek assistance, throughout the geographic area of the CoC.	✓	✓	✓	✓	✓
Homeless outreach teams to contact unsheltered people experiencing homelessness.	✓	X	✓	✓	✓
A dedicated telephone hotline to access homeless services.	X	X	✓	✓	✓
Referral					
Tracked and reviewed length of time it takes to locate people after they are referred to a provider and used this information to determine that it was an area of delay in the referral process.	X	X	X	X	✓

Source: HUD guidance and documentation provided by the five CoCs we reviewed.

CoCs that do not provide a dedicated hotline to provide information and access to the coordinated entry process are likely missing an opportunity to provide services for people who require them. Although the Mendocino CoC told us that it intends to establish a hotline in the future, the Fresno-Madera CoC stated that establishing a dedicated hotline would be resource-intensive. However, the Fresno-Madera CoC has not conducted any analysis to determine the specific resources it would require. The Riverside CoC stated that even though its hotline required a significant investment in staff time and funding, it proved to be valuable and expanded the CoC's reach to all areas of the county. According to the Riverside CoC, many people experiencing homelessness who have phones use the hotline to request support.

The Mendocino CoC could further increase people's access to services and its compliance with HUD requirements by employing outreach teams to contact people experiencing homelessness in rural communities. The other four CoCs employ such outreach teams, which seek out those experiencing homelessness to assess their needs and connect them to services. For example, the Fresno-Madera CoC's outreach teams distribute information about the coordinated entry process at places people who are homeless are known to frequent, such as public parks and shopping centers. The CoC explained that one of its outreach teams travels around its area, including rural areas, to ensure that people are aware of

available services. According to USICH, having outreach teams identify and engage people living in unsheltered locations, such as in cars or parks, plays a critical role in ending homelessness because the teams can connect with people who might not otherwise seek assistance.

Although HUD requires that coordinated entry be accessible to a CoC's entire geographic area, the Mendocino CoC acknowledged that some of its remote rural communities do not have such access. Nonetheless, the Mendocino CoC stated that it currently does not have the resources to send outreach teams to these areas. It intended to establish a homeless street outreach team after receiving additional state funding but stated that it delayed this effort because of the pandemic. Without taking steps to reach people within all communities so that they can access the coordinated entry process, the Mendocino CoC risks leaving some who are experiencing homelessness without adequate access to services.

Four of the Five CoCs Have Struggled to Locate Individuals After Services Become Available for Them

Most of the CoCs we reviewed said they struggle to match people who are experiencing homelessness with housing services because the demand exceeds supply, and once the CoC identifies a person's housing needs, it can take time for the CoC to find the needed services for the person. The amount of time it takes to match a person to an available housing service provider varies among CoCs. The Riverside CoC, for example, estimated that it could take 45 to 60 days from the date of referral to get an individual into permanent housing but that this time was reduced by the influx of CARES Act funds in 2020. The Mendocino CoC reiterated that its limited housing stock and low rental vacancy rates make it difficult for people experiencing homelessness to obtain housing. It said that the time between referral to housing and placement in an available unit has ranged from 60 to 180 days in the last six months. Some CoCs explained that there are individuals who elect not to receive services. The Mendocino CoC stated that it cannot address a person's choice to live a certain lifestyle and not accept services, and the Fresno-Madera CoC similarly explained that even after housing becomes available, some people have declined the option.

That said, four of the five CoCs told us that locating individuals after their initial needs assessment can be difficult because they are transient, which can further lengthen the time before they receive the housing or services that they need. Generally, the CoCs we reviewed locate people based on any contact information they provided and the place of their last enrollment for the services. The CoCs generally do not track how long it takes to locate people after

Locating individuals after their initial needs assessment can be difficult because they are transient, which can further lengthen the time before they receive the housing or services that they need.

Although HUD has not required CoCs to track referral data until recently, doing so can help CoCs identify issues that can slow down the coordinated entry process and help them address those sources of delay.

their initial assessment and referral to a service provider, in part, because until recently HUD did not require them to do so. The Santa Barbara CoC stated that although building close relationships with those requesting services often enables it to locate people after they have been referred, some individuals may be difficult to find if it takes a long time for housing to become available. The Mendocino CoC stated that it struggles to find people in rural communities because they frequently change locations. Further, the Riverside CoC explained that service providers may reject multiple individuals who are higher on the prioritization list because neither the service provider nor the CoC can locate them. Consequently, people the CoC has identified as having more urgent needs for housing or services may not have those needs met. Although HUD has not required CoCs to track referral data until recently, doing so can help CoCs identify issues that can slow down the coordinated entry process and help them address those sources of delay.

After the Santa Clara CoC conducted a review of its referrals, it implemented processes that reduce the time it requires to locate and connect individuals with service providers that can meet their identified needs. In 2017 the Santa Clara CoC stated that it spent several months reviewing its pattern of referrals and identified that one of the primary challenges in matching individuals to available housing and homeless services was its inability to locate the people it had already assessed as needing the services. To address this challenge, the CoC established a dedicated team with expertise in quickly locating and building relationships with those experiencing homelessness. Once services or housing becomes available for individuals, the team immediately mobilizes to locate and contact them directly and assist them in completing any required eligibility paperwork.

According to the Santa Clara CoC, this approach has reduced the average time to locate individuals from 37 days to 13 days. The Santa Clara CoC was able to take steps to address this problem because, according to staff, it actively tracked the length of time between an individual's referral for services and enrollment with a service provider. Since October 2020, HUD has required CoCs to report when referrals occur, the results of those referrals, and information about the referred individuals' locations at each point of contact. By tracking this information, CoCs can gauge whether they are providing the most effective pathways to housing and services and determine whether implementing processes to address sources of delays—such as assigning dedicated teams to locate people, as the Santa Clara CoC does—could ensure that those in need receive services more quickly.

Two CoCs Lack Adequate Processes for Reviewing Projects for Federal Funding

Two of the five CoCs we reviewed lack adequate processes for reviewing and ranking project applications for CoC Program funding. In HUD's federal fiscal year 2019 Notice of Funding Availability for the CoC Program, HUD required each CoC to publicly post written procedures that clearly describe the CoC's process for reviewing, scoring, and ranking each application. Additionally, federal regulations require each CoC to establish priorities for funding projects in its geographic area. Homeless service providers in the area that have current or proposed new homeless assistance projects may submit applications to the CoC, which the CoC must then review and rank. The CoC may also reject applications that do not meet performance requirements it imposes.

As Figure 6 shows, each of the CoCs we reviewed assigns a committee to review the applications. Each CoC requires the committee to use a tool to score various aspects of a project, including its impact, effectiveness, and compliance with certain requirements, as well as the applicant's experience in managing federal funds. The CoC collaborative applicant—which applies for funding from HUD on behalf of the CoC—then compiles all project applications the committee reviewed into a single application that prioritizes those projects it has approved and recommends that HUD fund. For the CoCs we reviewed, we found that HUD generally awarded funds to projects in the order of priority that the CoC identified.

Although each CoC has policies in place for reviewing and ranking project applications, the Mendocino and Riverside CoCs' policies are not adequate to ensure that they consistently prioritize the projects that are likely to be the most effective. Specifically, the Riverside CoC prioritizes awarding funding to projects that HUD has funded in the previous year (renewal projects) over new projects, even if its committee gave the new projects higher scores. According to the Riverside CoC, it believes that it can maximize the use of grant funds by prioritizing renewal projects and then allowing new projects to apply for any remaining funds. In its federal fiscal year 2019 CoC Program application, the Riverside CoC submitted a prioritized list of 22 new and renewal projects to HUD. It included all five of the new projects at the bottom of the list, along with one renewal project, even though the new projects had scores that warranted a higher placement. Projects at the bottom of a CoC's prioritization list are less likely to receive funding from HUD. In fact, HUD did not award funding to two of the five new projects—one of which received a score higher than or equal to

The Mendocino and Riverside CoCs' policies are not adequate to ensure that they consistently prioritize the projects that are likely to be the most effective.

Figure 6
The CoCs We Reviewed Have Established Processes for Reviewing and Ranking Applications for CoC Program Funding



The **CoC** recruits neutral CoC members or local experts to serve on its review-and-rank committee.



Homeless service providers submit an application for funding for a project they will administer.

The **committee** reviews the submitted documentation and develops preliminary scores using specific scoring criteria that the CoC established.

The **committee** meets to discuss the projects and proposes a ranked list.

The **committee** releases the results to the applicants.

- Homeless service provider applicants have an opportunity to appeal.
- If the committee's decision is appealed, a separate panel will hold an appellate hearing, which results in a final determination.

CoC board reviews and approves the final ranked list.

CoC collaborative applicant submits the final ranked list to HUD.

HUD reviews the submitted applications and makes final award determinations.

Source: Documentation provided by each CoC and federal law.

two renewal projects that HUD funded and another that received a score higher than a renewal project that received funding. We disagree with the Riverside CoC's approach and believe that prioritizing applications for projects that receive higher scores, and are potentially more effective, is essential to ensuring that the CoC meets the needs of those experiencing homelessness in the area. The Riverside CoC acknowledges that it needs to assess its review-and-rank policies and scoring tools to ensure that new and renewal projects have an equal opportunity to apply for funding and that it prioritizes the most effective projects for funding.

The Mendocino CoC's scoring tool also does not ensure that new projects have equal opportunity to receive federal funding. Specifically, its scoring tool assigns points based on participation in both its HMIS and its coordinated entry process. Because both of these are requirements for all projects that receive CoC funds, renewal project applicants are more likely to meet these criteria. In contrast, applicants for new projects may not participate in HMIS or the coordinated entry process because they have yet to receive funding. The Fresno-Madera, Riverside, Santa Barbara, and Santa Clara CoCs use separate scoring tools for renewal projects and new projects to allow new projects to submit comparable—but different—information; however, the Mendocino CoC uses the same scoring tool for both types of applications. As a result, the Mendocino CoC may miss an opportunity to ensure that a potentially more effective new project applicant receives funding rather than a less effective renewal project. The Mendocino CoC is aware that the current scoring tool gives an advantage to renewal projects, and it agrees that it needs to make necessary changes to improve its review-and-rank processes.

Recommendations

To help ensure that they have adequate levels of services and service providers in their respective areas to meet the needs of people who are experiencing homelessness, the counties of Mendocino, Riverside, Santa Barbara, and Santa Clara, and the Fresno City Housing Authority should coordinate with their CoCs to ensure that the CoCs annually conduct a comprehensive gaps analysis in accordance with the plans they have developed under federal regulations. To be effective, the gaps analyses should consider whether adequate services are available in the areas where individuals are experiencing homelessness and should contain strategies to address any deficiencies.

To ensure that they adequately identify their long-term strategies to address homelessness, the County of Riverside and the Fresno City Housing Authority should coordinate with their CoCs to

implement a planning process and develop a comprehensive plan that meets all federal requirements by August 2021. The planning process should ensure that the CoCs update their comprehensive plans at least every five years.

To ensure that they use the most effective method of identifying individuals in their counties who are experiencing homelessness, the counties of Mendocino and Santa Clara should, by August 2021, coordinate with their CoCs to conduct an analysis to determine whether the use of a mobile application to conduct their 2022 PIT counts is feasible. By that same date, the county of Mendocino should also coordinate with its CoC to formalize and implement the CoC's process for collecting and responding to volunteer feedback after its PIT count.

To comply with federal regulations and ensure that their CoCs' decisions reflect a variety of perspectives, the counties of Mendocino, Santa Barbara, and the Fresno City Housing Authority should, by August 2021, coordinate with their CoCs to ensure that the CoCs' boards are representative of all relevant organizations.

To reduce barriers to CoC membership and to encourage participation, the Fresno City Housing Authority should coordinate with its CoC to conduct an analysis of whether its membership fee is necessary and, if it is not, to eliminate it by August 2021.

To expand access to the coordinated entry process, the county of Mendocino should, by August 2021, work with its CoC to establish an outreach team to assess the needs of individuals in rural communities who are homeless and to connect them to appropriate service providers.

To ensure that individuals experiencing homelessness have adequate access to the coordinated entry process, the county of Mendocino and the Fresno City Housing Authority should, by August 2021, coordinate with their CoCs to assess the feasibility of establishing a dedicated telephone hotline for providing information about available services, assessing individuals' needs, and referring those individuals to appropriate housing or homeless service providers.

To increase the efficiency of the coordinated entry process, the counties of Mendocino, Riverside, and Santa Barbara, and the Fresno City Housing Authority should coordinate with their CoCs to determine how long it takes to locate individuals after they have been matched with a service provider. Specifically, they should use the referral data that HUD required CoCs to collect as of October 2020 to determine whether locating individuals after they have been matched with a service provider is a cause

of delay in providing them with services. If these entities find that excessive delays exist, they should coordinate with their CoCs to implement processes such as deploying a dedicated team to locate these individuals when appropriate housing and services become available.

To ensure that it identifies the projects that offer the greatest possible benefits when ranking applications for CoC Program funds, the counties of Mendocino and Riverside should, by August 2021, coordinate with their CoCs to update the CoCs' scoring tools and review-and-rank policies and procedures to give new and renewal projects an equal opportunity to receive federal funding.

We conducted this performance audit in accordance with generally accepted government auditing standards and under the authority vested in the California State Auditor by Government Code 8543 et seq. 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 the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Respectfully submitted,



ELAINE M. HOWLE, CPA
California State Auditor

February 11, 2021

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Appendix A

STATE-ADMINISTERED PROGRAMS THAT PROVIDED FUNDING TO ADDRESS HOMELESSNESS, FISCAL YEARS 2018–19 THROUGH 2020–21

As we discuss in Chapter 1, the State lacks a single oversight entity that coordinates the funds that it allocates to local governments and service providers to combat homelessness. According to homeless council staff, the council does not currently have the statutory authority to collect expenditure data from other state agencies and has not been able to track program spending to date. We found that at least nine state agencies have provided funding during fiscal years 2018–19 through 2020–21 through 41 programs to address homelessness in the State. For example, the California Governor’s Office of Emergency Services administers nine programs that provide homelessness funding, while the California Department of Social Services administers six such programs. Table A presents the state agencies that administered the various programs, the purposes of the programs, and the funding amounts available under each program from fiscal years 2018–19 through 2020–21. In each of the three fiscal years, the 41 programs provided \$4 billion or more in total funding.

Table A
State Agencies That Administer Programs Related to Homelessness

ADMINISTERING AGENCY	PROGRAM NAME*	PURPOSE OF PROGRAM	FISCAL YEAR 2018–19	FISCAL YEAR 2019–20	FISCAL YEAR 2020–21
Business, Consumer Services and Housing Agency	COVID-19 Pandemic Emergency Grant Funding Program	To provide assistance related to the impacts of COVID-19. Specifically, to safely get individuals into shelter, to provide immediate housing options, and to help protect the health and safety of people experiencing homelessness during the pandemic.	\$–	\$100,000,000	\$–
	Homeless Emergency Aid Program†	To provide homelessness prevention activities, criminal justice diversion programs for homeless individuals with mental health needs, establishing or expanding services meeting the needs of homeless youth or youth at risk of homelessness, and emergency aid.	500,000,000	–	–
	Homeless Housing, Assistance, and Prevention Program	To provide local jurisdictions with funds to support regional coordination and to expand or develop local capacity to address their immediate homelessness challenges.	–	650,000,000	330,000,000
California Department of Corrections and Rehabilitation	Transitional Housing Program†	To provide housing and support services upon release for those who have been incarcerated for long terms.	15,930,000	16,705,000	18,585,000

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ADMINISTERING AGENCY	PROGRAM NAME*	PURPOSE OF PROGRAM	FISCAL YEAR 2018-19	FISCAL YEAR 2019-20	FISCAL YEAR 2020-21
California Department of Education	Education for Homeless Children and Youth Grant Program	To facilitate the identification, enrollment, attendance, and success in school of children and youth who are experiencing homelessness.	10,564,000	11,328,000	12,204,000
	Homeless Youth Assessment Fee Waiver Program	To fund state costs to implement and report on legislative requirements that a test registration fee not be charged to youth or foster youth experiencing homelessness who are taking either the California High School Proficiency Examination or an approved high school equivalency test.	21,000	21,000	–
Department of Health Care Services	Health Homes Program†	To provide intensive care coordination, as well as housing navigation and tenancy-sustaining case management services for members who are homeless or recently housed as part of the program.	3,638,000	94,637,000	203,895,000
	Homeless Mentally Ill Outreach and Treatment One-Time Funding†	To fund multidisciplinary teams engaged in intensive outreach, treatment, and related services for people who are homeless and have mental illnesses.	50,000,000	–	–
	Mental Health Services Act, Community Services and Support Component†	To acquire, rehabilitate, or construct supportive housing; provide rental assistance, security deposits, utility payments, moving cost assistance; and for project-based housing, including master leasing units; and outreach.	1,664,900,000	1,758,500,000	1,318,500,000
	Whole Person Care Pilot Program	To serve Medi-Cal members with complex medical conditions who are frequent users of multiple health systems, including members who are homeless or at risk of homelessness.	600,000,000	600,000,000	600,000,000
	Whole Person Care Pilots One-Time Housing Funds†	To support housing and housing supportive services for Medi-Cal enrollees who are mentally ill and are experiencing homelessness, or who are at risk of homelessness.	–	100,000,000	–
Department of Housing and Community Development	California Emergency Solutions and Housing Program†	To provide funds for a variety of activities to assist people experiencing or at risk of homelessness through five primary activities: housing relocation and stabilization services, operating subsidies for permanent housing, flexible housing subsidy funds, operating support for emergency housing interventions, and system supports for homeless services and housing delivery systems.	53,000,000	29,000,000	–
	Community Development Block Grant Program	To partner with rural cities and counties to improve the lives of their low- and moderate-income residents through the creation and expansion of community and economic development opportunities in support of livable communities. Eligible activities include public services such as health, nutrition, and homeless services.	–	60,000,000	30,000,000

ADMINISTERING AGENCY	PROGRAM NAME*	PURPOSE OF PROGRAM	FISCAL YEAR 2018-19	FISCAL YEAR 2019-20	FISCAL YEAR 2020-21
	Community Development Block Grant Program - Coronavirus Response	To perform activities related to the pandemic response and recovery. The CARES Act provides extra funds specifically targeted to prevent, prepare for, and respond to the pandemic. This includes facility improvements related to COVID-19 health care and housing needs for homeless individuals.	–	–	139,500,000
	Emergency Solutions Grants Program†	To provide funds to engage individuals and families living on the street, rapidly rehouse individuals and families who are homeless, help operate and provide essential services in emergency shelters, and prevent individuals and families from becoming homeless.	11,000,000	11,000,000	11,000,000
	Emergency Solutions Grants Program - Coronavirus	To prevent, prepare for, and respond to COVID-19 among individuals and families who are experiencing homelessness or are receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by the pandemic.	–	–	295,000,000
	Homekey	To provide grants to local public entities to acquire and rehabilitate a variety of housing types to provide housing for individuals and families experiencing homelessness or at risk of experiencing homelessness who are affected by the pandemic.	–	–	800,000,000
	Housing for a Healthy California Program†	To provide permanent supportive housing for individuals who are chronically homeless or are homeless and have high medical costs.	–	82,400,000	27,300,000
	Local Housing Trust Fund Program	To provide loans to pay for construction or rehabilitation of affordable rental housing projects, emergency shelters, permanent supportive housing, transitional housing, and affordable homebuyer and homeowner projects.	–	–	57,000,000
	No Place Like Home Program - Competitive†	To finance permanent supportive housing for individuals or families with a serious mental illness who are homeless, chronically homeless, or at risk of chronic homelessness.	400,000,000	622,029,000	202,040,000
	No Place Like Home Program - Noncompetitive†	To finance permanent supportive housing for individuals or families with a serious mental illness who are homeless, chronically homeless, or at risk of chronic homelessness.	190,000,000	–	48,070,000
	Permanent Local Housing Allocation Program - Competitive Component	Prioritizes assistance to people experiencing or at risk of homelessness and investments that increase the supply of housing to households with incomes of 60 percent or less of area median income.	–	15,000,000	–
	Supportive Housing Multifamily Housing Program†	To provide low-interest, deferred-payment loans to developers of permanent, affordable rental housing that contain supportive housing units for the target population, which are individuals and families that are homeless.	77,000,000	–	–

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ADMINISTERING AGENCY	PROGRAM NAME*	PURPOSE OF PROGRAM	FISCAL YEAR 2018-19	FISCAL YEAR 2019-20	FISCAL YEAR 2020-21
	Veterans Housing and Homeless Prevention Program ^{†§}	To provide for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families to allow veterans to access and maintain housing stability.	75,000,000	75,000,000	75,000,000
California Department of Social Services	Bringing Families Home Program [†]	To reduce the number of families in the child welfare system experiencing or at risk of homelessness, to increase family reunification, and to prevent foster care placement.	–	25,000,000	–
	CalWORKs Homeless Assistance [†]	To provide payments for temporary shelter and payments to secure or maintain housing for eligible CalWORKs recipients who are homeless or at risk of homelessness.	64,467,000	68,088,000	41,603,000
	CalWORKs Housing Support Program [†]	To provide housing support, including financial assistance, housing stabilization, and relocation services, to CalWORKs recipients who are experiencing homelessness or housing instability.	70,838,000	95,000,000	95,000,000
	Home Safe Program [†]	To support the safety and housing stability of individuals involved in Adult Protective Services by providing housing-related assistance using evidence-based practices for homeless assistance and prevention.	15,000,000	–	–
	Housing and Disability Advocacy Program [†]	To assist disabled individuals who are experiencing homelessness in applying for disability benefit programs while also providing housing assistance.	–	25,000,000	25,000,000
	School Supplies for Homeless Children Fund	To collect contributions that will be used to provide school supplies and health-related products to children experiencing homelessness.	380,000	676,000	590,000
California Governor's Office of Emergency Services	Domestic Violence Assistance Program [†]	To provide shelter, transitional housing, and supportive services for domestic violence victims and their children.	64,000,000	55,000,000	55,000,000
	Domestic Violence Housing First Program [†]	To assist victims of domestic violence in obtaining and retaining safe, permanent housing as modeled after an evidence-based form of rapid rehousing adapted to move and rehouse domestic violence victims, who are homeless, into permanent housing quickly and provide ongoing tailored services.	9,600,000	22,089,000	22,752,000
	Equality in Prevention and Services for Domestic Violence Program [†]	To maintain and expand domestic violence services for the lesbian, gay, bisexual, transgender, or questioning (LGBTQ) communities that will increase access to culturally appropriate domestic violence, education, prevention, outreach, and services for these unserved or underserved communities.	423,000	423,000	423,000

ADMINISTERING AGENCY	PROGRAM NAME*	PURPOSE OF PROGRAM	FISCAL YEAR 2018-19	FISCAL YEAR 2019-20	FISCAL YEAR 2020-21
	Homeless Youth and Exploitation Program [†]	To help homeless youth exit street life by providing outreach services, food, temporary safe shelter, in-person counseling, group counseling, basic health care, long-term stabilization planning, independent living and survival skills, access to or referrals to other services as appropriate, and follow-up services.	1,077,000	1,077,000	1,088,000
	Homeless Youth Emergency Services and Housing Program [†]	To establish or expand access to a range of housing options and provide crisis intervention and stabilization services to homeless youth.	–	6,337,000	–
	Human Trafficking Victim Assistance Program [†]	To provide safety and supportive services to help human-trafficking victims recover from the trauma they have experienced and assist with their reintegration into society. These services include a 24-hour hotline, emergency shelter, temporary housing, emergency food and clothing, counseling, referrals, transportation, and legal services.	10,000,000	10,000,000	10,000,000
	Native American Domestic Violence and Sexual Assault Program [†]	To provide cultural competency trainings to agencies and other regional service providers on issues related to Native American women victims of domestic violence and sexual assault.	813,000	813,000	813,000
	Specialized Emergency Housing [†]	To maintain and expand emergency shelter and emergency housing assistance resources in California and to provide specialized services for victims of crime, with priority given to funding applicants that propose to serve homeless youth, elderly, disabled, and LGBTQ victims of crime.	4,888,000	9,500,000	9,680,000
	Transitional Housing Program [†]	To provide transitional housing, short-term housing assistance, and supportive services that move crime victims into permanent housing.	9,600,000	18,000,000	17,514,000
California Housing Finance Agency	Special Needs Housing Program [†]	To allow local governments to use Mental Health Services Act and other local funds to provide financing for the development of permanent supportive rental housing that includes units dedicated for individuals with serious mental illness and their families who are homeless or at risk of homelessness.	20,467,800	32,860,000	36,764,000
California Tax Credit Allocation Committee	Low-Income Housing Tax Credit Program [†]	To allocate tax credits to encourage private investments in the development of affordable rental housing.	107,000,000	109,000,000	110,600,000
Totals					
9	41		\$4,029,606,000	\$4,704,482,000	\$4,594,922,000

Source: Review of the homeless council's California State Homelessness Funding Programs; the budget acts of 2018, 2019, and 2020; state and federal laws; and agencies' websites and notices of funding available.

* Based on our review, this table presents a list of California programs intended to address various aspects of homelessness.

† The homeless council identified these programs, in September 2018, as programs that provide homelessness funding.

§ State law requires the Department of Housing and Community Development, the California Housing and Finance Agency, and the California Department of Veterans Affairs to work collaboratively pursuant to a memorandum of understanding to carry out the duties associated with this program.

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Appendix B

CoCs' PRIMARY RESPONSIBILITIES UNDER FEDERAL LAW

As we describe in the Introduction, federal law gives CoCs responsibility over four primary functions. CoCs are responsible for conducting a periodic PIT count of the total number and demographics of all sheltered and unsheltered people who reside within their geographic area and are experiencing homelessness. CoCs must also use a single database—known as an HMIS—to record and analyze information, services, and housing data for individuals and families who are homeless or at risk of homelessness within the CoC. In addition, a CoC is required to help its network of service providers assess and prioritize people who are in most need of homelessness assistance through a coordinated entry process. Finally, CoCs must design and operate a process for developing, evaluating, and submitting service providers' applications for CoC Program funds to HUD. Figure B describes the requirements, methodology, and benefits associated with each of these responsibilities.

Figure B
CoCs' Primary Responsibilities Under Federal Law

<p style="text-align: center;">ASSESS AND PRIORITIZE THE NEEDS OF THOSE EXPERIENCING HOMELESSNESS</p> <p>REQUIREMENTS Must work with its service providers to maintain a coordinated entry process. CoCs must ensure that service providers that receive certain federal funds from HUD, including CoC Program grant funds, participate.</p> <p>METHODOLOGY Access: The coordinated entry process must be available throughout a CoC's geographic area and must be easily accessed by individuals seeking housing or homeless services. Assessment and Prioritization: Trained staff must use a standardized tool to assess individuals' situations to determine their housing needs, preferences, and vulnerabilities, and to identify any barriers to obtaining housing. Referral: Staff must refer individuals to available housing resources and services using the CoC's prioritization guidelines and enroll them into housing or services as they become available.</p> <p>BENEFITS OF THE COORDINATED ENTRY PROCESS</p> <ul style="list-style-type: none"> • Enables a CoC to help its network of service providers prioritize people who are in the most need of homelessness assistance. • Fosters coordination and collaboration among service providers. 	<p style="text-align: center;">REVIEW AND RANK APPLICATIONS FOR FEDERAL FUNDING</p> <p>REQUIREMENTS Must design, operate, and follow a collaborative process for the development, approval, and submission of service providers' applications for CoC Program funding to HUD.</p> <p>METHODOLOGY After HUD posts a notice of funding availability for the CoC Program funds, service providers within each CoC submit applications seeking funding for new or existing projects. The CoC prepares a proposed list of projects that it ranks based on its priorities. The CoC's collaborative applicant submits the list to HUD, which awards funds to projects. HUD will then announce the awards and notify selected applicants, who then must submit performance data and information about the clients the projects serve into the CoC's HMIS.</p> <p>BENEFITS OF THE REVIEW-AND-RANK PROCESS Ensures that CoCs communicate their funding priorities to HUD.</p>
<p style="text-align: center;">CONDUCT A POINT-IN-TIME COUNT</p> <p>REQUIREMENTS Unsheltered individuals: Must at least biannually identify the total number and demographics of all unsheltered people who experience homelessness on a specified night in its geographic area. Sheltered individuals: Must annually identify the total number and demographics of all people experiencing homelessness on a specified night who are in emergency shelters, transitional housing, and supportive housing for people with mental illness who are experiencing homelessness.</p> <p>METHODOLOGY CoCs may choose the methodology for conducting their PIT counts as long as that methodology is consistent with HUD standards and guidance.</p> <p>BENEFITS OF PIT COUNTS</p> <ul style="list-style-type: none"> • Inform national priorities and HUD funding decisions. • Allow CoCs to manage and plan for services they provide. • Raise public awareness and bolster efforts to obtain public and private support. 	<p style="text-align: center;">MAINTAIN AN HMIS</p> <p>REQUIREMENTS Use a single database—known as an <i>HMIS</i>—to record and analyze client information, services, and housing data for individuals and families who are homeless or at risk of homelessness in its geographic area.</p> <p>METHODOLOGY CoCs may use third-party software for their HMIS. All service providers that receive certain federal and state funds must report specified data into their CoC's HMIS. HUD recommends that CoCs monitor the quality of the data that service providers enter.</p> <p>BENEFITS OF HMIS DATA</p> <ul style="list-style-type: none"> • Allow CoCs to review performance for their entire geographic area and for individual projects. • Allow CoCs to report annually to HUD on their performance outcomes. • Allow HUD to determine funding awards for the CoCs and to gauge the state of the homeless response system nationally. • Inform homeless policy and decision making at the federal, state, and local levels.

Source: Federal law and documents obtained from HUD and CoCs.

Appendix C

SCOPE AND METHODOLOGY

The Joint Legislative Audit Committee (Audit Committee) directed the California State Auditor to perform an audit of selected CoCs to assess best practices related to the services they provide to those experiencing homelessness. Table C lists the audit objectives and the methods we used to address them.

Table C
Audit Objectives and the Methods Used to Address Them

AUDIT OBJECTIVE	METHOD
<p>1 Review and evaluate the laws, rules, and regulations significant to the audit objectives.</p>	<p>Reviewed relevant federal and state laws, rules, and regulations related to CoCs and their responsibilities.</p>
<p>2 Review the selected CoCs' planning and strategies for administering services to those experiencing homelessness and determine best practices of, and resources necessary for, service coordination with local nonprofits and other homeless service agencies.</p>	<ul style="list-style-type: none"> • Obtained from HUD's website data related to individuals experiencing homelessness and the CoC Program grants provided within each CoC. We also obtained total population data from the California Department of Finance website. Using these data, we judgmentally selected five CoCs covering a large county in Southern California, a county on the Central Coast, a county in the Bay Area, a county in the San Joaquin Valley, and a county in the Northern Coast area. • Interviewed staff and reviewed pertinent documentation at each selected CoC regarding their planning efforts and strategies. • Reviewed information regarding effective planning from national organizations, HUD, and other states to identify best practices.
<p>3 Identify effective strategies for CoCs to conduct accurate annual counts of those experiencing homelessness in coordination with other homeless service agencies.</p>	<ul style="list-style-type: none"> • Interviewed staff and reviewed documentation to understand how and how often each CoC conducts PIT counts of those experiencing homelessness. • Determined whether each CoC's PIT count methodology conforms with HUD's guidance. • Assessed each CoC's coordination with other service providers in planning and conducting PIT counts and identified best practices. • Reviewed available best practices, including best practices identified or employed by HUD and other states for effective strategies to plan and conduct PIT counts.
<p>4 Determine the necessary resources and internal protocols for CoCs to measure the effectiveness of their programs, including collecting, retaining, and analyzing complete and accurate data. Identify any barriers the CoCs have experienced in collecting, retaining, and analyzing such data and best practices or tools the CoCs use to overcome these barriers.</p>	<ul style="list-style-type: none"> • Reviewed each CoC's policies and procedures for completing the annual CoC performance reports and assessing project performance. • Reviewed CoC documentation and procedures, and determined that each CoC has processes in place to assess the accuracy and completeness of data in its HMIS. • Interviewed CoC staff to understand the process for and barriers to collecting and analyzing data from service providers. • Interviewed staff from the homeless council to understand what actions the State is taking to help CoCs gather consistent data from all service providers. • Interviewed staff from the states of Washington, Maryland, and Virginia to determine whether these states have a statewide data-collection system and to identify best practices for ensuring complete data.

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AUDIT OBJECTIVE	METHOD
<p>5 Verify the extent to which each CoC collaborates with nonprofit organizations to increase its outreach and service provided to those experiencing homelessness.</p>	<ul style="list-style-type: none"> • Interviewed staff to determine how and for what purposes the CoCs collaborate with service providers. • Determined the adequacy of any analyses the CoCs have conducted to identify and address lack of services in any geographic areas within their areas. • Reviewed the CoCs' efforts to collaborate to assess the needs of and provide services to those experiencing homelessness. • Interviewed staff and reviewed documentation of the outreach efforts each CoC's coordinated entry system lead has conducted in the past three years to reach, assess, and provide services to those facing homelessness. • Compared and assessed the adequacy and effectiveness of each CoC's coordinated entry system lead's outreach methods to the homeless population to identify any best practices.
<p>6 Identify opportunities or incentives the State could provide CoCs to work collaboratively with nonprofit and other service organizations to secure additional federal funding to assist those experiencing homelessness.</p>	<ul style="list-style-type: none"> • Reviewed federal regulations and interviewed key staff from HUD and the CoCs and determined that little opportunity exists for CoCs to receive additional federal funding. • In light of the increased state funding for homelessness, interviewed the homeless council and reviewed available documents to determine how the State provides funds to CoCs and whether opportunities exist to increase the level of coordination among CoCs and service providers.
<p>7 To the extent possible, determine whether structural changes or resources are needed to ensure the CoCs obtain complete and accurate data at each point of the funding process, including during the evaluation of applications from service providers.</p>	<ul style="list-style-type: none"> • Interviewed staff and reviewed documentation to determine the process and structure each CoC has in place to evaluate and rank service provider applications for CoC Program funding. • Assessed each CoC's policies, procedures, and structure to determine whether they are adequate to ensure appropriate or fair awarding of CoC Program funds. • Compared the policies, procedures, and structure of the five CoCs to identify any best practices. • Interviewed staff and reviewed documentation for a random selection of up to three applications for funding at each CoC to determine whether the CoCs followed their review-and-rank process.
<p>8 Determine methods for CoCs to increase the quality and number of service providers, including methods to do the following:</p> <p>a. Collect and report the number of eligible service providers within the CoC area.</p> <p>b. Isolate reasons that providers do not apply for certain requests for proposals.</p> <p>c. Identify the qualities of service providers to which CoCs award funds.</p> <p>d. Measure the effect that service providers have on homelessness.</p> <p>e. Identify geographic areas within the CoC that have insufficient or no services for those experiencing homelessness and the reasons why these areas have inadequate resources.</p>	<ul style="list-style-type: none"> • Interviewed CoC staff and reviewed relevant documentation to determine the extent to which CoCs identify and track eligible service providers within the area. • Interviewed staff to determine, to the extent possible, why service providers do not apply for certain requests for proposals. • Objective 7 explains our methods related to reviewing and documenting how CoCs evaluate and rank projects for CoC Program awards. • Reviewed the performance reports that each CoC developed and submitted to HUD in the last four years. • Objective 4 describes our methods related to reviewing and documenting whether each CoC has policies and procedures in place to ensure data quality. • Interviewed CoC staff to determine whether each CoC's coordinated entry process is accessible in all parts of its area. • To the extent possible, reviewed any analyses the CoCs conducted to identify geographic areas that lacked services or service providers and the actions the CoCs took to address these inadequacies.

AUDIT OBJECTIVE	METHOD
<p>9 Identify any best practices at the CoCs for improving accountability and the efficiency and effectiveness of services to those experiencing homelessness that other CoCs could use to improve their efforts.</p>	<ul style="list-style-type: none"> • Interviewed HUD staff and conducted research to select states that were likely to have best practices. We interviewed staff in a selection of these states, including the ones listed for Objective 4, to identify best practices that California could implement. • Using results from the work of objectives 2 through 8, identified best practices for improving accountability and the efficiency and effectiveness of services to those experiencing homelessness.
<p>10 Review and assess any other issues that are significant to the audit.</p>	<p>Interviewed homeless council staff to determine the extent to which it provides guidance and best practices to CoCs and coordinates state funding and data.</p>

Source: Audit Committee's audit request number 2020-112, planning documents, and information and documentation identified in the table column titled Method.

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February 2021



1331 Fulton Street
Fresno, California 93721
(559) 443-8400
TTY (800) 735-2929
www.fresnohousing.org

January 20, 2021

Ms. Elaine Howle*
California State Auditor
621 Capitol Mall, Suite 1200
Sacramento, CA 95814

Re: Fresno Madera Continuum of Care Responses to State Auditor Draft Report
Homelessness in California Recommendations

Dear Ms. Howle,

The Fresno Madera Continuum of Care (FMCoC) appreciates the efforts the California State Auditor has made to understand the nature of homelessness and the varying responses to said serious social issue in California. As the Collaborative Applicant, Fresno Housing is advancing the attached response to the report on behalf of the FMCoC.

If you have any questions, please do not hesitate to contact me via email at deley@fresnohousing.org.

Sincerely,

Doreen T. Eley

Digitally signed by Doreen T. Eley
DN: dc=org, dc=fha, ou=USRA, ou=CO,
cn=Doreen T. Eley,
email=deley@fresnohousing.org
Date: 2021.01.20 16:47:14 -0800

Doreen Eley

Senior Manager

Collaborative Applicant, Fresno Madera Continuum of Care

* California State Auditor's comments begin on page 67.

Fresno Madera Continuum of Care Responses to State Auditor Draft Report *Homelessness in California* Recommendations

Recommendations

1. To help ensure that they have adequate levels of services and service providers in [area] to meet the needs of people who are experiencing homelessness, [Redacted] the Fresno Housing Authority* should coordinate with [its] CoC to ensure that the CoC annually conduct[s] a comprehensive gaps analysis in accordance with the plans [it has] developed under federal regulations. To be effective, the gaps analyses should consider whether adequate services are available in the areas where individuals are experiencing homelessness and contain strategies to address any deficiencies.

① Response: Disagree. The Fresno Madera Continuum of Care (FMCoC) utilizes a gaps analysis that employs data and trends that include the comprehensive community planning process via the Street2Home report. The Coordinated Entry System analyzes both HUD priorities and community gaps in the annual HUD Notice of Funding Availability national CoC funding competition. These processes give the FMCoC insight into how the community utilizes current resources and where additional resources are needed. With the information collected and analyzed, the FMCoC plans the types of projects to prioritize in both HUD CoC funding and other funding sources, including those from the State of California. HUD has found no issue with the community process in determining funding decisions in its CoC competition, nor has the State of California in community decisions for Homeless Emergency Aid Program (HEAP) funding.

2. To ensure that [it] adequately [its] long-term strategies to address homelessness, [Redacted] the Fresno Housing Authority should coordinate with [its CoC] to implement a planning process and develop a comprehensive plan that meets all federal requirements by August 2021. The planning process should ensure that the CoC update[s] [its] comprehensive plans at least every five years.

② Response: Agree. While the FMCoC believes it has done an excellent job of informing funding decisions with data, analysis, and a community-wide planning process, it agrees to document them in a comprehensive plan. This comprehensive plan should be reviewed at each funding opportunity and revised as necessary.

3. To comply with federal regulations and ensure that [its CoC's] decisions reflect a variety of perspectives, the Fresno Housing Authority should, by August 2021, coordinate with [its CoC] to ensure that the [CoC's board is] representative of all relevant organizations.

Response: Agree. The FMCoC will review our membership for compliance with federal regulations and recruit members where gaps exist to assist with representation from all relevant organizations.

* For purposes of the report, we refer to this entity as the Fresno City Housing Authority.

4. To reduce barriers to CoC membership and to encourage participation, the Fresno Housing Authority should coordinate with its CoC to conduct an analysis of whether its membership fee is necessary and, if not, to eliminate it by August 2021.

Response: Disagree. The FMCoC does not agree the fee schedule is an impediment to participation and there is no evidence to assume this conclusion. The FMCoC has a process in place to waive fees if requested; this has not happened in the CoC and no not had any organizations and/or individuals who expressed the dues as a reason for lack of participation.

③

5. To ensure that individuals experiencing homelessness have adequate access to the coordinated entry process, the Fresno Housing Authority should, by August 2021, coordinate with [its CoC] to assess the feasibility of establishing a dedicated telephone hotline for providing information about available services, assessing individuals' needs, and referring those individuals to appropriate housing or homeless services providers.

Response: Disagree. The FMCoC has three Triage Centers that are 24-hour operations, their addresses and phone numbers are listed on the FMCoC website. In addition, the FMCoC has hotline numbers for victims of domestic violence, Veterans, persons experiencing homelessness through MAP Point during business hours, with a rollover during evenings and weekends. The FMCoC is embarking on varying ways to better publicize said numbers to answer questions, provide assessment and linkage to appropriate community resources.

④

6. To increase the efficiency of the coordinated entry process, the Fresno Housing Authority should coordinate with its CoCs to determine how long it takes to locate individuals after they have been matched with a service provider. Specifically, it should use the referral data that HUD required CoCs to collect as of October 2020 to determine if locating individuals after they have been matched with a service provider is a cause of delay in providing them with services. If it find that excessive delays exist, the Fresno Housing Authority should coordinate with its CoC to implement processes such as deploying a dedicated team to locate these individuals when appropriate housing and services become available.

Response: Disagree. The FMCoC misunderstood the information the State Auditor was trying to elicit. We have the mechanism to demonstrate the length of time between interactions and progress in our homeless response system, i.e., from the first interaction to housing. Such calculations have been used in the past to inform improvement in the national Built for Zero campaign. In terms of persons experiencing homelessness losing contact with the homeless response system, this occurs at every engagement stage. The FMCoC has dedicated Navigation and Outreach teams to find individuals at whatever interval that connection is lost. The FMCoC will agree that calculations ran more frequently can be analyzed, which will help determine where gaps may exist.

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Comments

CALIFORNIA STATE AUDITOR'S COMMENTS ON THE RESPONSE FROM THE HOUSING AUTHORITY OF THE CITY OF FRESNO

To provide clarity and perspective, we are commenting on the Fresno City Housing Authority response to the audit. The numbers below correspond to the numbers we have placed in the margin of its response.

We disagree with the Fresno City Housing Authority's assertion that it uses a gaps analysis that employs data and trends that include the comprehensive community planning process. As we state on page 31, the Fresno-Madera CoC acknowledged that it does not conduct a formal gaps analysis. Moreover, although the Fresno-Madera CoC does conduct some assessment and prioritization activities, its efforts do not allow it to assess its network of service providers, operations, and homelessness programs in a comprehensive or holistic manner to ensure that it has sufficient types and numbers of service providers to meet the needs of those experiencing homelessness.

①

Although the Fresno City Housing Authority agrees with our recommendation, its stated action does not address the intent of our recommendation. Specifically, the Fresno City Housing Authority indicates that it will document the data, analysis, and community-wide planning process that informs its funding decisions into a comprehensive plan. However, a comprehensive plan should contain strategies to address more than just funding decisions. As we state on page 32, federal regulations require that the plan include strategies for activities such as performing outreach; providing shelter, housing, and supportive services; and preventing homelessness. Further, HUD's best practices suggest that developing a comprehensive plan allows a CoC to assess its capacity, identify gaps, and develop proactive solutions to move those experiencing homelessness toward permanent housing. We look forward to reviewing the outcome of the Fresno City Housing Authority's progress in working with the Fresno-Madera CoC to develop a comprehensive plan that includes all required elements.

②

We disagree with the Fresno City Housing Authority's contention that charging a membership fee is not an impediment to participation in the Fresno-Madera CoC. Although this fee may have been appropriate in the past to cover specific costs, in 2012 HUD began awarding the CoC funds for planning purposes and the membership fee may no longer be necessary. As we state on page 39, although the CoC's bylaws describe the option of

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waiving the fee, its membership application does not mention the option; as a result, an interested organization that is completing the application may be discouraged from becoming a member. Moreover, as we state on page 39, the Fresno-Madera CoC is the only CoC of the five we reviewed that charges a membership fee. Therefore, we stand by our recommendation that the Fresno City Housing Authority should coordinate with the Fresno-Madera CoC to conduct an analysis of whether its membership fee is necessary and, if it is not, to eliminate it by August 2021.

- ④ The intent of our recommendation is for the Fresno-Madera CoC to establish a designated hotline that people can call to begin the coordinated entry process, be assessed for their needs, and referred to appropriate housing or homeless services providers. Although the Fresno City Housing Authority indicates its three triage centers are open 24 hours a day and have dedicated phone lines, it also acknowledges that it is embarking on ways to publicize the phone numbers for these centers and other CoC resources to provide assessment services and link individuals to appropriate community resources. This suggests a single hotline phone number would be more efficient and would streamline access for those needing assistance.
- ⑤ To determine any delays in locating individuals after their initial assessment to connect them with service providers, we reviewed whether the Fresno City Housing Authority assessed the necessary data to conduct such an analysis. During our audit the Fresno City Housing Authority confirmed that the Fresno-Madera CoC has not conducted such an analysis and that the CoC does not track the needed data, which we describe on page 44. Further, although the Fresno City Housing Authority states in its response that the CoC has dedicated navigation and outreach teams to find individuals, it did not provide us with any evidence demonstrating the existence of these teams or an assessment of the teams' impact on reducing delays in locating individuals referred for services. We note that the Fresno City Housing Authority agrees in its response that analyzing time elapsed between initial interaction with an individual and when the CoC connects the individual to a service provider will help it to determine where delays may exist, which is consistent with our recommendation. We look forward to reviewing the outcome of its analysis of whether any delays in locating individuals after their initial assessment exists as part of our regular follow up process.



State of California

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCYGavin Newsom, Governor
Lourdes M. Castro Ramírez, Secretary

January 14, 2021

Elaine M. Howle*
California State Auditor
621 Capitol Mall, Suite 1200
Sacramento, CA 95814

RE: Audit Report 2020-112 – Homeless Services-County Continuum of Care Agencies

Dear Ms. Howle:

The Homeless Coordinating and Financing Council (HCFC) appreciates the California State Auditor's examination of the state's efforts to administer, oversee, and fund programs to address and prevent homelessness in California.

HCFC's mission is to oversee the implementation of Housing First guidelines and regulations, and to identify and coordinate resources, benefits and services to prevent and end the crisis of homelessness for individuals across our state. We do this in partnership and coordination with Continuums of Care (CoCs), city and county governments, non-profits, service providers, and others.

California's homelessness crisis is complex, requiring a systems approach and close coordination across multiple systems, from housing, health, local government, and others in order to effectively address the needs of individuals experiencing or at risk of homelessness. We appreciate the acknowledgment of the work HCFC has done to lay the foundation for strengthening these efforts. Specifically, we are pleased to see the Audit Team's acknowledgement of the vital role HCFC's Action Plan plays in mobilizing the diverse resources California commits in service of shared, coordinated response. And we are eager to launch the Homeless Data Integration System (HDIS) for the reasons stated by the Audit Team: that the state's ability to act with confidence depends on the type of data and information HDIS will, for the first time in California, make available.

①

915 Capitol Mall, Suite 350A, Sacramento, California 95814 (916) 653-4090 www.bcsh.ca.gov

Alcoholic Beverage Control Appeals Board | California Horse Racing Board | California Housing Finance Agency | Cannabis Control Appeals Panel
California Alcoholic Beverage Control | Department of Business Oversight | Department of Consumer Affairs | Department of Fair Employment & Housing
Housing and Community Development | Department of Real Estate | Seismic Safety Commission

* California State Auditor's comment appears on page 71.

RE: Audit Report 2020-112 – Homeless Services-County Continuum of Care Agencies
Page 2

We agree that HCFC and its partners should continue our work to build on these efforts. HCFC will continue to work with our State partners, federal counterparts, California's 44 CoCs, and other stakeholders, in service of our belief that effective coordination entails system-level decision-making and acting with shared responsibility and mutual accountability among agencies, to address this crisis.

We also stand ready to work with the Legislature on opportunities to strengthen existing law to enable more effective efforts to prevent and end homelessness in California.

Sincerely,



Ali Sutton
Deputy Secretary for Homelessness
Business, Consumer Services and Housing Agency/Homeless Coordinating and
Financing Council

cc: Lourdes M. Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency

Comment

CALIFORNIA STATE AUDITOR'S COMMENT ON THE RESPONSE FROM THE HOMELESS COORDINATING AND FINANCING COUNCIL

To provide clarity and perspective, we are commenting on the Homeless Coordinating and Financing Council's (homeless council) response to the audit. The number below corresponds to the number we have placed in the margin of its response.

Contrary to the homeless council's assertion, our report does not indicate that its action plan plays a vital role in mobilizing the diverse resources California commits in service of shared, coordinated response. Rather, as we state on page 18, the homeless council's action plan is not complete. Without a finalized and adopted statewide action plan that includes goals and timelines, addresses efforts to coordinate existing homelessness funding and services, and that is updated regularly, the homeless council is hindered from fulfilling its main purposes.

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CHRISTIAN M. CURTIS
County Counsel

CHARLOTTE E. SCOTT
Assistant County Counsel



Deputies

BRINA A. BLANTON
MATTHEW T. KIEDROWSKI
MICHAEL J. MAKDISI
SHANNON R. COX
JEREMY MELTZER
DANIKA L. MCCLELLAND
FERNANDO A. REYES

OFFICE OF THE COUNTY COUNSEL

January 19, 2021

Elaine M. Howle*
California State Auditor
621 Capitol Mall, Suite 1200
Sacramento, CA 95814

Re: Amended Response to Draft Report 2020-112 of the California State Auditor

Dear Ms. Howle:

On behalf of Mendocino County Health and Human Services (HHSA), which is the collaborative applicant for the Mendocino County Continuum of Care, we submit the enclosed Amended Response to the State Auditor's Draft Report Regarding Continuum of Care Agencies. This Amended Response is due to the additional recommendation provided by the State Auditor to Mendocino County on January 15, 2021.

By way of introduction to this response, Mendocino County HHSA serves as the Lead Entity and the Administrative Entity for the Mendocino County Homeless Services Continuum of Care (CoC). As such, staff within the Mendocino County HHSA are tasked with facilitating CoC Board meetings and activities, preparing and submitting grant applications and reports on behalf of the CoC, and providing general oversight and staff support to the CoC. The Board of the CoC, however, retains ultimate authority on decisions specific to CoC policies, practices, and procedures.

We sincerely appreciate the opportunity to review and respond to the draft Report. As reflected in the enclosed response, Mendocino County HHSA agrees with the formal recommendations, some of which are well under way, and others have been delayed primarily due to competing priorities for homeless services providers and Mendocino County HHSA in its ongoing response to the public health emergency relating to the COVID-19 pandemic. Mendocino County HHSA will endeavor to complete the recommended actions in the timelines provided by the State Auditor. Should you have any questions please contact Megan Van Sant, Senior Program Manager, Mendocino County Health and Human Services at (707) 463-7733.

Sincerely,

CHRISTIAN M. CURTIS
COUNTY COUNSEL

/s/ Charlotte E. Scott
CHARLOTTE E. SCOTT
Assistant County Counsel

Enclosures

501 LOW GAP ROAD, ROOM 1030, UKIAH, CALIFORNIA 95482
Telephone: (707) 234-6885 ~ Facsimile: (707) 463-4592 ~ Email: cocosupport@mendocinocounty.org

* California State Auditor's comment appears on page 77.



Mendocino County Health & Human Services Agency

Healthy People, Healthy Communities



Amended Response of Mendocino County Health and Human Services to the State Auditor's Draft Report 2020-112 Regarding Continuum of Care Agencies

Recommendation No. 1

To help ensure that it has adequate levels of services and service providers in its area to meet the needs of people who are experiencing homelessness, the County of Mendocino should coordinate with its CoC to ensure that the CoC annually conducts comprehensive gaps analysis in accordance with the plan it has developed under federal regulations. To be effective, the gaps analysis should consider whether adequate services are available in the areas where individuals are experiencing homelessness and contain strategies to address any deficiencies.

Response to Recommendation No. 1

Mendocino County HHS agrees that a gaps analysis is needed. Mendocino County HHS has begun collaboratively working with the CoC's Strategic Planning Committee to complete a gaps analysis. Mendocino County HHS staff have also requested the assistance of the designated Department of Housing and Urban Development (HUD) Technical Assistance Provider with completing a gaps analysis as an eligible applicant for the California Homeless Housing, Assistance Prevention (HHAP) Grant, Round 2 Funding Application, due for submission early this year (2021).

Recommendation No. 2

To ensure that they use the most effective method of identifying the individuals in their counties who are experiencing homelessness, the [County of] Mendocino should, by August 2021, coordinate with [its] CoC to conduct an analysis to determine if the use of a mobile application to conduct their 2022 PIT counts is feasible. By that same date, the County of Mendocino should also coordinate with its CoC to formalize and implement the CoC's process for collecting and responding to volunteer feedback after its PIT count.

Response to Recommendation No.2

Mendocino County HHS agrees that an analysis is needed to determine if the use of mobile application is feasible. Mendocino County HHS also agrees with the recommendation to collaborate with the CoC to create and implement a PIT Count volunteer feedback process for implementation following the 2022 PIT Count. The Mendocino CoC 2020 Point in Time Count Committee explored the option of using a mobile application to conduct its sheltered and/or unsheltered Point in Time (PIT) Count. Due to the lack of sufficient and equitable broadband internet access within the jurisdiction, the Committee determined at that time that current technology was not reliable enough to rely on electronic data collection alone and therefore, the Committee deferred to paper application. Mendocino County HHS will endeavor to complete an analysis of the feasibility of mobile application by the recommended timeline of August 2021. In the event that analysis concludes that mobile application is feasible, Mendocino County HHS may require additional time for implementation due to the ongoing response to the local and state public health emergency associated with the COVID-19 pandemic.

Recommendation No. 3

To comply with federal regulations and ensure that [the] CoC's decisions reflect a variety of perspectives, the [County] of Mendocino should, by August 2021, coordinate with [its] CoC to ensure that the CoC's board [is] representative of all relevant organizations.

Response to Recommendation No.3

Mendocino County agrees with this recommendation and the importance that its CoC reflect the perspective of all 16 categories of organizations and individuals required by the federal regulations. Therefore, Mendocino County will coordinate with its CoC on this recommendation to ensure the Board is representative of all required perspectives, including the two additional categories noted to be missing in the report.

Recommendation No. 4

To expand access into the coordinated entry process, the County of Mendocino should by August 2021, work with its CoC to establish an outreach team to assess the needs of individuals in rural communities who are homeless and to connect them to appropriate service providers.

Response to Recommendation No.4

Mendocino County HHSA agrees with this recommendation.

Recommendation No. 5

To ensure that individuals experiencing homelessness have adequate access to the coordinated entry process, the [County] of Mendocino should, by August 2021, coordinate with its CoC to assess the feasibility of establishing a dedicated telephone hotlines for providing information about available services, assessing individuals' needs, and referring those individuals to appropriate housing or homeless services providers.

Response to Recommendation No.5

Mendocino County HHSA agrees with this recommendation. Prior to receipt of this report of the State Auditor, Mendocino County coordinated with the CoC and recommended the CoC direct its Coordinated Entry System (CES) Lead Entity to establish a CES marketing plan which includes a toll-free hotline to provide access to information on available homeless services and CES referrals. The CoC has tasked the CES Lead Entity, which has conducted this feasibility study and is the process of drafting a marketing plan to include a toll-free hotline.

Recommendation No.6

To increase the efficiency of the coordinated entry process, the County of Mendocino should coordinate with its CoC to determine how long it takes to locate individuals after they have been matched with a service provider. Specifically, it should use the referral data that HUD required CoCs to collect as of October 2020 to determine if locating individuals after they have been matched with a service provider is a cause of delay in providing them with services. If it find[s] that excessive delays exist, the County of Mendocino should coordinate with its CoC to implement processes such as deploying a dedicated team to locate these individuals when appropriate housing and services become available.

Response to Recommendation No.6

Mendocino County HHSA agrees with this recommendation and, as the CoC's Homeless Management Information System (HMIS) Lead Entity, has requested the Mendocino CES Lead Entity complete locally defined CES HMIS Data Elements including to address whether there are delays in locating individuals after matching with a service provider, as required by the October 2020 HMIS Data Standards. Mendocino County HHSA is in communication with HUD regarding the delayed implementation of the 2020 CES Data Elements. Once the Data Elements are implemented, HMIS Data will allow the County and CoC to calculate this Data Element in future gaps analyses. In addition, if Mendocino County HHSA discovers that locating an individual is the cause of excessive delay, it will coordinate with its CoC to implement processes such as deploying a dedicated team to locate these individuals when appropriate housing and services become available.

Recommendation No.7

To ensure that it identifies the projects that offer the greatest possible benefits when ranking applications for CoC Program funds, the [County] of Mendocino should, by August 2021, coordinate with [its] CoCs to update the CoC's scoring tools and review-and-rank policies and procedures to give new and renewal projects an equal opportunity to receive federal funding.

Response to Recommendation No.7

- ① Mendocino County HHSA agrees with this recommendation. Prior to receipt of this report of the State Auditor, Mendocino County HHSA implemented these changes to the CoC scoring tools. The revised scoring tools were used during the review-and-rank process for the recent 2021 ESG CARES Act funding allocation process.

Comment

CALIFORNIA STATE AUDITOR'S COMMENT ON THE RESPONSE FROM THE COUNTY OF MENDOCINO

To provide clarity and perspective, we are commenting on the County of Mendocino's (Mendocino) response to the audit. The number below corresponds to the number we placed in the margin of its response.

Mendocino describes actions that it has taken. However, it has not shared specific information regarding those actions, so we could not validate their assertion. We look forward to reviewing its progress as part of our regular follow up process.

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OFFICE OF COUNTY COUNSEL
COUNTY OF RIVERSIDE

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January 14, 2021

VIA EMAIL ONLY

Elaine M. Howle, State Auditor*
621 Capitol Mall, Suite 1200
Sacramento, California 95814

RE: *Homelessness in California: Continuum of Care Agencies
Report 2020-112, February 11, 2021*

Dear Ms. Howle:

The County of Riverside, as the Collaborative Applicant, and the Riverside County Continuum of Care (Riverside CoC) appreciate the opportunity to provide comments and address the recommendations outlined in the California State Auditor's (CSA) Audit Report entitled "Homelessness in California" regarding Continuum of Care agencies. As counsel for both the County of Riverside and the Riverside CoC, I have been asked to respond on behalf of my clients. The responses below were prepared by Collaborative Applicant staff in consultation with the Riverside CoC Board of Governance.

Recommendation 1:

To help ensure that they have adequate levels of services and service providers in [its] area to meet the needs of people who are experiencing homelessness, the [County] of Riverside should coordinate with [its] CoC to ensure that the CoC annually conduct[s] a comprehensive gaps analysis in accordance with the plan [it has] developed under federal regulations. To be effective, the gaps analyses should consider whether adequate services are available in the areas where individuals are experiencing homelessness and contain strategies to address any deficiencies.

Riverside CoC Response to Recommendation 1:

Concur. As recognized in the Audit Report, HUD has not yet provided detailed guidance on conducting a comprehensive gaps analysis. In May 2020, prior to the Audit Report, the Riverside CoC began work to conduct a comprehensive gaps analysis in accordance with federal regulations on an annual basis. The Riverside CoC has contracted with Lesar Development Consultants as part of its Strategic Planning Process and plans to complete a gaps analysis as early as July 2021.

Recommendation 2:

To ensure that [it] adequately identif[ies] [its] long-term strategies to address homelessness, the [County] of Riverside should coordinate with [its] CoC to implement a planning process and develop a comprehensive plan that meets all federal requirements by August 2021. The planning

* California State Auditor's comment appears on page 83.

Elaine M. Howle, State Auditor
January 14, 2021
Page 2

process should ensure that the CoC update[s] [its] comprehensive plans at least every five years.

Riverside CoC Response to Recommendation 2:

Partially Concur. While the Riverside CoC has been using the County of Riverside's 2018 Action Plan to address homelessness as a guide for its strategies regarding homelessness, the Riverside CoC is developing its own Homeless Action Plan that it intends to complete as early as July 2021 which it will then review and update on a regular cycle though HUD does not specify how frequently a CoC should update its plans. In the interim, as recognized in the Audit Report, the County of Riverside's 2018 Action Plan contains most of the required strategies in federal regulations. During the Homeless Action Plan development process, the CoC plans to comply with all required federal strategies.

Recommendation 3:

To increase the efficiency of the coordinated entry process, the County of Riverside should coordinate with its CoC to determine how long it takes to locate individuals after they have been matched with a service provider. Specifically, it should use the referral data that HUD required CoCs to collect as of October 2020 to determine if locating individuals after they have been matched with a service provider is a cause of delay in providing them with services. If it finds that excessive delays exist, the County of Riverside should coordinate with its CoC to implement processes such as deploying a dedicated team to locate these individuals when appropriate housing and services become available.

Riverside CoC Response to Recommendation 3:

Concur. The Riverside CoC intends to use its Homeless Management Information System (HMIS) system and Coordinated Entry System (CES) to measure this indicator and implement processes, as needed, to improve housing connections.

Recommendation 4:

To ensure that it identifies the projects that offer the greatest possible benefits when ranking applications for CoC Program funds, the [County] of Riverside should, by August 2021, coordinate with [its] CoC to update the CoC's scoring tools and review-and-rank policies and procedures to give new and renewal projects an equal opportunity to receive federal funding.

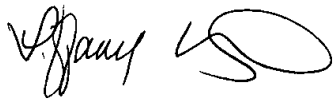
Riverside CoC Response to Recommendation 4:

① Partially disagree and concur. The Riverside CoC disagrees with the Audit Report's statement that Riverside CoC's lacks adequate processes for reviewing and ranking project applications for CoC Program funding. The Riverside CoC further disagrees that its policies are not adequate to ensure that it consistently prioritizes the projects that are likely to be the most effective. There is value to funding established, effective renewal projects. As recognized in the Audit Report, the Riverside CoC partially agrees that it needs to assess its review and rank policies and scoring tools to evaluate new and renewal projects in the same manner in accordance with HUD guidance and regulations.

Elaine M. Howle, State Auditor
January 14, 2021
Page 3

If you have any questions about the responses in this letter, please do not hesitate to contact Tanya Torno at (951) 955-7728 or ttorno@rivco.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Tiffany N. North", followed by a large, stylized circular flourish.

TIFFANY N. NORTH
Assistant County Counsel

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Comment

CALIFORNIA STATE AUDITOR'S COMMENT ON THE RESPONSE FROM THE COUNTY OF RIVERSIDE

To provide clarity and perspective, we are commenting on the County of Riverside's (Riverside) response to the audit. The number below corresponds to the number we have placed in the margin of its response.

We disagree with Riverside's contention that the Riverside CoC has adequate processes and policies for reviewing and ranking project applications for CoC Program funding. As we state on page 45, the Riverside CoC prioritizes awarding funding to renewal projects over new projects, even if the new projects receive higher scores. Therefore, we stand by our recommendation that Riverside should coordinate with the Riverside CoC to update its scoring tools and review-and-rank policies and procedures to give new and renewal projects an equal opportunity to receive federal funding.

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February 2021

COUNTY OF SANTA BARBARA

Michael C. Ghizzoni
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COUNTY COUNSEL

January 14, 2021

Via Encrypted Electronic Mail

Elaine M. Howle*
California State Auditor
C/O Kris Patel
Krisp@auditor.ca.gov

Re: Santa Maria/Santa Barbara County Continuum of Care Draft Report

Dear Ms. Howle:

Thank you for the opportunity to review and comment on the draft report regarding the Santa Maria/Santa Barbara Continuum of Care (CoC).

We believe that the CoC is in substantial compliance with all applicable statutory, regulatory and programmatic requirements for the Continuum of Care Program. The County appreciates and intends to implement the report's recommendations, however, as best practices.

County staff authorized to view the draft report have indicated that the following actions are planned or already have taken place:

- The Collaborative Applicant and Coordinated Entry System Lead will implement comprehensive tracking of the time from coordinated assessment to referral and housing to measure progress in expediting placement.
- The Homeless Management Information System Lead Agency will continue to work diligently to increase bed coverage and already has added homeless service agencies this year with beds.
- The Collaborative Applicant is requesting templates from other communities whose gaps analysis quantifies service gaps in order to include in the 2021 analysis.
- The Collaborative Applicant will propose a revision to the Governance Charter to add a university representative to the CoC Governing Board set roster.

* California State Auditor's comments begin on page 87.

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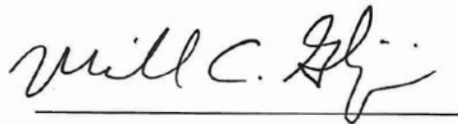
- The CoC has outreach teams that reach the full CoC service area and, in February 2021, the County BOS will consider approving contracts that will increase funding for “street outreach.”

As a response to the Draft Report, the County asks that you note the following in the Final Report:

- ① • HUD regulations do not specifically require a representative from a university to serve on the CoC Board. HUD regulations only designate one specific required seat (a homeless or formerly homeless individual) and otherwise requires only that the Board be “representative of the relevant organizations” and selected in accordance with approved procedures. (24 CFR 578.5 & 578.7.)
- ① • Seats on the Santa Maria/Santa Barbara Continuum of Care Board are designated in the Governance Charter and include many of the HUD-suggested representative organizations. Board members are elected by the Continuum of Care’s general membership. The Collaborative Applicant submits the governance charter and roster as part of the annual HUD CoC Competition and no deficiencies have been noted.
- ② • While HUD does not specifically provide guidance on how to complete the gaps analysis, the County of Santa Barbara, as the designated Collaborative Applicant, uses recommended tools and a HUD Technical Assistance provider to assist with completing the gaps analysis.

Please let me know if you have any questions or comments.

Sincerely,
MICHAEL C. GHIZZONI
COUNTY COUNSEL



Michael C. Ghizzoni

Comments

CALIFORNIA STATE AUDITOR'S COMMENTS ON THE RESPONSE FROM THE COUNTY OF SANTA BARBARA

To provide clarity and perspective, we are commenting on the County of Santa Barbara's (Santa Barbara) response to the audit. The numbers below correspond to the numbers we have placed in the margin of its response.

Santa Barbara has misinterpreted federal regulations regarding the CoC's board representation. Beginning on page 37, we describe that federal regulations require CoC boards to be representative of 15 types of relevant organizations, including colleges, within the CoC's area. As shown in Table 3 on page 38, we found that the Santa Barbara CoC's board lacks this college representative. Notwithstanding the county's assertion that HUD has not noted any deficiencies in the CoC's board membership, this does not absolve the CoC from complying with federal regulations. In fact, Santa Barbara's response indicates that it agrees with our recommendation and will propose a revision to the CoC's charter to add a university representative to the CoC's board.

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We evaluated the gaps analysis of the five CoCs, including Santa Barbara, against best practices because federal regulations do not have specific requirements. As we describe on page 31, Santa Barbara's gaps analysis did not adequately address whether it has a sufficient number and appropriate types of service providers to meet the needs of people experiencing homelessness, which is contrary to best practices. Therefore, we stand by our recommendation that Santa Barbara coordinate with the Santa Barbara CoC to ensure that it annually conducts a comprehensive gaps analysis.

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VIA EMAIL

Elaine Howle*
California State Auditor
621 Capitol Mall
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January 21, 2021

Re: California State Auditor report regarding Santa Clara County Continuum of Care

Dear Ms. Howle:

Attached please find the County of Santa Clara's responses to the portions of the California State Auditor's report relating to the Santa Clara County Continuum of Care. The responses are based both on the draft report provided to the County of Santa Clara on January 8, 2021 and subsequent correspondence between the County of Santa Clara and the California State Auditor. In that verbal and written correspondence, the State Auditor's office agreed to modify certain statements in the report for accuracy, and the attached responses reflect those agreed-upon modifications.

Very truly yours,

JAMES R. WILLIAMS
County Counsel

A handwritten signature in cursive script that reads "Zoë E. Friedland".

ZOE E. FRIEDLAND
Deputy County Counsel

* California State Auditor's comments begin on page 93.

Santa Clara County Continuum of Care Responses to California State Auditor Report**January 21, 2021****Recommendation from the State Audit Report (Page 33)**

“To help ensure that [it has] adequate levels of services and service providers in [its] area to meet the needs of people who are experiencing homelessness, the [County] of Santa Clara should coordinate with [its] CoC to ensure that the CoC annually conducts a comprehensive gaps analysis in accordance with the plan [it has] developed under federal regulations. To be effective, the gaps analyses should consider whether adequate services are available in the areas where individuals are experiencing homelessness and contain strategies to address any deficiencies.”

Santa Clara County Continuum of Care Response

- ① The Santa Clara County CoC conducts an annual gaps analysis in compliance with its regulatory obligations. The Continuum of Care Program regulations state that the “Continuum must develop a plan that includes” “[c]onducting an annual gaps analysis of the homeless needs and services available within the geographic area.” 24 CFR § 578.7(c). The regulation is silent on the details of how the gap analysis should be conducted, leaving the scope, method, and format of the gaps analysis to the discretion of the Continuum of Care Program.

The Santa Clara County CoC complies fully with the relevant regulation. The CoC’s gaps analysis plan provides that the gaps analysis is conducted through workgroups and annual reporting functions. This process includes:

- Annual Coordinated Assessment System Evaluation
- Annual System Performance Benchmark Setting Process
- Annual State of Supportive Housing System Report
- Monthly Supportive Housing System Dashboard Reports

These reports and processes consist of analyses of the homelessness needs, including, but not limited to, the number of people experiencing homelessness, estimates of the level of housing intervention needed for individuals experiencing homelessness, the living situation of households experiencing homelessness, and the demographic characteristics of the homeless population. The reports also include an analysis of the services available, including, but not limited to, the capacity and utilization of programs and the population served by programs across the County. These reports also include recommendations on how to address any identified gaps as well as strategies to improve programming and services.

Additionally, the planning and implementation of the Community Plan to End Homelessness includes regular assessment of gaps and strategies to address those gaps. The CoC’s process of continually reviewing gaps, as well as system and program outcomes across workgroups and the Board, ensures that leadership and program staff fully understand the effectiveness and breadth of its homeless programs, empowering the CoC to make real time changes to improve services and outcomes instead of making decisions on stale data and findings that may no longer be applicable or relevant to the population being served. The Santa Clara County CoC designed this

approach to the gaps analysis to ensure that the practice of addressing identified gaps is a regular part of strategic planning and integrated into ongoing system improvement efforts.

Recommendation from the State Audit Report (Page 33)

“To ensure that [it] use[s] the most effective method of identifying individuals in [its county] who are experiencing homelessness, the [County] of Santa Clara should, by August 2021, coordinate with [its] CoC to conduct an analysis to determine if the use of a mobile application to conduct [its] 2022 PIT count is feasible.”

Santa Clara County Continuum of Care Response

As communicated previously, the Santa Clara County CoC will be offering a mobile application for its next PIT Count, after conducting a thorough planning process for the rollout of the mobile application. After conducting the next count using a mobile application, the CoC will assess the efficiency, accuracy, and efficacy of the modified process as compared to the current workflow to determine the best approach going forward. It is currently unknown whether the use of a mobile application will serve as the most effective means for conducting a PIT count with the population being served due to limited access to and discomfort with the technology.

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Comments

CALIFORNIA STATE AUDITOR'S COMMENTS ON THE RESPONSE FROM THE COUNTY OF SANTA CLARA

To provide clarity and perspective, we are commenting on the County of Santa Clara's (Santa Clara) response to the audit. The numbers below corresponds to the numbers we have placed in the margin of its response.

We evaluated the gaps analysis of the five CoCs, including Santa Clara CoC, against best practices because federal regulations do not have specific requirements. Based on these best practices, we determined that Santa Clara CoC does not take a comprehensive approach to performing a gaps analysis, as we state on page 30. For example, we found that its coordinated assessment work group's analysis focuses solely on the CoC's coordinated entry process. However, this group's analysis does not comprehensively identify services that are needed but not available within the CoC's area. Therefore, we stand by our recommendation that Santa Clara work with its CoC to annually conduct a comprehensive gaps analysis that aligns with the best practice to consider whether adequate services are available in the areas where individuals are experiencing homelessness and that contains strategies to address any deficiencies.

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We look forward, as part of our regular follow up process, to reviewing Santa Clara's assessment of the use of a mobile application to conduct PIT counts compared to its current process to determine the best approach going forward.

②