



Homelessness in California

The State Must Do More to Assess
the Cost-Effectiveness of Its
Homelessness Programs

April 2024

REPORT 2023-102.1





CALIFORNIA STATE AUDITOR

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April 9, 2024

2023-102.1

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

Dear Governor and Legislative Leaders:

The Joint Legislative Audit Committee requested an audit of the State’s homelessness funding, including an evaluation of the efforts undertaken by the State and two cities to monitor the cost-effectiveness of such spending. The following report (2023-102.1) focuses primarily on the State’s activities, in particular the California Interagency Council on Homelessness (Cal ICH)—while a separate report (2023-102.2) details our findings and conclusions for the two cities we reviewed—San José and San Diego. In general, this report concludes that the State must do more to assess the cost-effectiveness of its homelessness programs.

The State lacks current information on the ongoing costs and outcomes of its homelessness programs, because Cal ICH has not consistently tracked and evaluated the State’s efforts to prevent and end homelessness. Although Cal ICH reported in 2023 financial information covering fiscal years 2018–19 through 2020–21 related to all state-funded homelessness programs, it has not continued to track and report this data since that time, despite the significant amount of additional funding the State awarded to these efforts in the past two years. Cal ICH has also not aligned its action plan to end homelessness with its statutory goals to collect financial information and ensure accountability and results. Thus, it lacks assurance that the actions it takes will effectively enable it to achieve those goals. Another significant gap in the State’s ability to assess programs’ effectiveness is that it does not have a consistent method for gathering information on the costs and outcomes for individual programs.

We also reviewed five state-funded homelessness programs to assess their cost-effectiveness. After comparing reported costs and outcomes to alternative possible courses of action, we determined that the Department of Housing and Community Development’s Homekey program and the California Department of Social Services’ CalWORKs Housing Support Program appear to be cost-effective. However, we were unable to assess the cost-effectiveness of three other programs we reviewed because the State has not collected sufficient data on the outcomes of these programs. Among the recommendations we make is that the Legislature mandate reporting by state agencies on the costs and outcomes of their homelessness programs and that it require Cal ICH to compile and publicly report this information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Grant Parks', is written over a white background.

GRANT PARKS
California State Auditor

Selected Abbreviations Used in This Report

Cal ICH	California Interagency Council on Homelessness
CoC	Continuum of Care
CDSS	California Department of Social Services
ERF	Encampment Resolution Funding
HCD	California Department of Housing and Community Development
HHAP	Homeless Housing, Assistance and Prevention
HMIS	Homeless Management Information System
HUD	U.S. Department of Housing and Urban Development
PIT count	point-in-time count
SRAP	State Rental Assistance Program

Contents

Summary	1
Introduction	3
Cal ICH Has Not Consistently Tracked and Evaluated the State's Efforts to End Homelessness	11
Two of the Five State-Funded Programs We Reviewed Are Likely Cost-Effective, but the State Lacks Clear Outcome Data for the Other Three	17
Recommendations	23
Other Areas Reviewed	25
Appendix A	
Statewide Homelessness Assessment: Programs and Funding	31
Appendix B	
Placements Into Interim and Permanent Housing	35
Appendix C	
Scope and Methodology	37
Responses to the Audit	
California Department of Social Services	39
California Interagency Council on Homelessness	41
California State Auditor's Comment on the Response From the California Interagency Council on Homelessness	47

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Summary

The Joint Legislative Audit Committee requested an audit of the State’s homelessness funding, including an evaluation of the efforts undertaken by the State and two cities to monitor the cost-effectiveness of such spending. This report (2023-102.1) focuses primarily on the State’s activities—in particular, the California Interagency Council on Homelessness (Cal ICH)—and a separate report (2023-102.2) details our findings and conclusions about homelessness spending by the cities of San José and San Diego.

More than 180,000 Californians experienced homelessness in 2023—a 53 percent increase from 2013. To address this ongoing crisis, nine state agencies have collectively spent billions of dollars in state funding over the past five years administering at least 30 programs dedicated to preventing and ending homelessness. Cal ICH is responsible for coordinating, developing, and evaluating the efforts of these nine agencies. In this audit, we reviewed the State’s efforts to track and evaluate the effectiveness of the homelessness programs that it funds, and we drew the following conclusions:

Cal ICH Has Not Consistently Tracked and Evaluated the State’s Efforts to End Homelessness

Page 11

In February 2021, we reported that the lack of coordination among the State’s homelessness programs had hampered the effectiveness of the State’s efforts to end homelessness.¹ Subsequently, the Legislature required Cal ICH to evaluate and report financial information related to all state-funded homelessness programs. Cal ICH published this assessment in 2023 and it covered fiscal years 2018–19 through 2020–21; however, it has not continued to track and report on this information since that time. Further, it has not aligned its action plan for addressing homelessness with its statutory goals, nor has it ensured that it collects accurate, complete, and comparable financial and outcome information from homelessness programs. Until Cal ICH takes these critical steps, the State will lack up-to-date information that it can use to make data-driven policy decisions on how to effectively reduce homelessness.

Two of the Five State-Funded Programs We Reviewed Are Likely Cost-Effective, but the State Lacks Clear Outcome Data for the Other Three

Page 17

When we selected five of the State’s homelessness programs to review, we found that two were likely cost-effective: Homekey and the CalWORKs Housing Support Program (housing support program). Specifically, Homekey refurbishes existing buildings to provide housing units to

¹ *Homelessness in California: The State’s Uncoordinated Approach to Addressing Homelessness Has Hampered the Effectiveness of Its Efforts*, Report 2020-112, February 2021.

individuals experiencing homelessness for hundreds of thousands of dollars less than the cost of newly built units. Similarly, the Housing Support Program's provision of financial support to families who were at risk of or experiencing homelessness has cost the State less than it would have spent had these families remained or become homeless. However, we were unable to fully assess the other three programs we reviewed—the State Rental Assistance Program, the Encampment Resolution Funding Program, and the Homeless Housing, Assistance and prevention grant program—because the State has not collected sufficient data on the programs' outcomes. In the absence of this information, the State cannot determine whether these programs represent the best use of its funds.

Agency Comments

Cal ICH agreed with our recommendations and identified actions it plans to take to implement them.

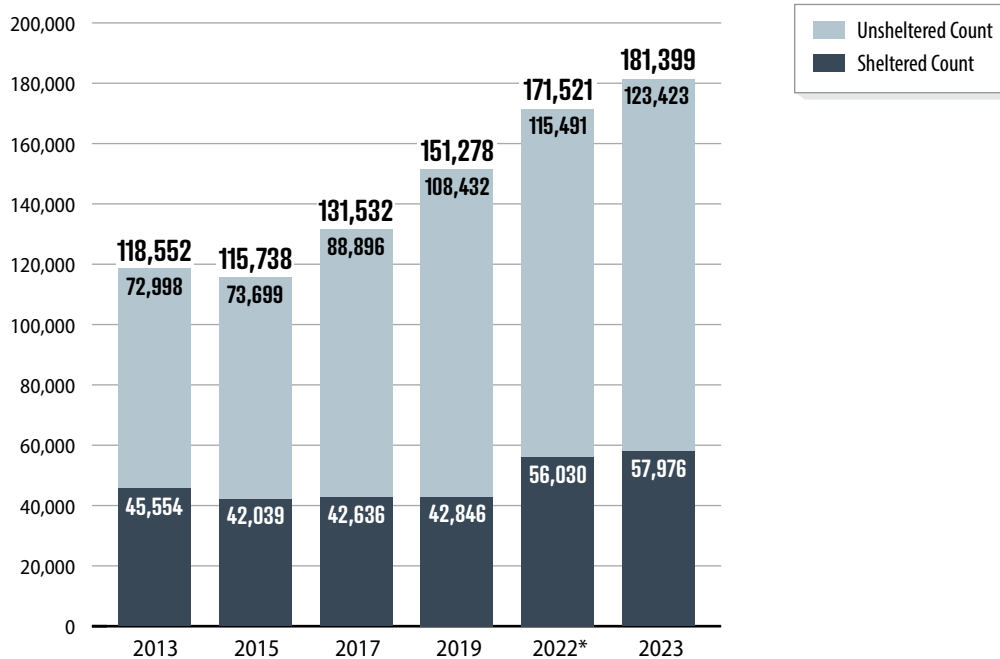
Although we did not make recommendations to the California Department of Social Services (CDSS), it indicated that it reviewed the draft report for factual inaccuracies and found none.

Introduction

Background

The number of people experiencing homelessness in the State has increased significantly during the last 10 years. According to federal regulations, any individual or family who lacks a fixed, regular, and adequate nighttime residence is *experiencing homelessness*. When people primarily spend their nights in public or private locations not normally used for sleeping, it is considered *unsheltered homelessness*. When people stay in emergency shelters, transitional housing programs, or safe havens, it is considered *sheltered homelessness*. People experiencing homelessness face devastating challenges to their health and well-being. For example, a study by the University of California, San Francisco from June 2023 found that two-thirds of participants reported current mental health symptoms and that homelessness worsened participants’ mental health symptoms.² Figure 1 shows that although the number of people experiencing homelessness in California decreased slightly from 2013 through 2015 to fewer than 116,000 individuals, it had increased to more than 181,000 individuals as of 2023.

Figure 1
 California’s Population of People Experiencing Homelessness Has Increased Since 2013



Source: The U.S. Department of Housing and Urban Development (HUD) point-in-time (PIT) counts, Annual Homeless Assessment Report, and HUD memorandum.

Note: HUD requires Continuums of Care (CoCs) to conduct a PIT count of people experiencing sheltered homelessness annually and a count of people experiencing unsheltered homelessness at least biennially. To present the total number of people experiencing homelessness, we therefore used the year in which both categories of PIT counts were conducted.

* HUD waived the PIT count requirement for unsheltered homelessness in 2021 because of the COVID-19 pandemic, but it required the count again in 2022.

² *Toward a New Understanding: The California Statewide Study of People Experiencing Homelessness*, a study published by the UCSF Benioff Homelessness and Housing Initiative in June 2023.

Figure 2 shows the three main phases of homelessness: *entering homelessness*, *experiencing homelessness*, and *exiting homelessness*. The University of California, San Francisco's June 2023 study of people experiencing homelessness describes economic, social, and health factors that can lead to homelessness. The study found that high housing costs and low incomes had left participants vulnerable to homelessness and that the most frequently reported economic reason for entering

homelessness was loss of income. Resolutions to this situation include preventing people from entering homelessness and helping people exit homelessness to live in permanent housing. Factors such as scarcity of housing, high cost of housing, lack of rental subsidies, and lack of assistance in identifying housing, create barriers to accessing housing.

Description of the Five Programs We Reviewed

Homekey: Created as an opportunity for local public agencies to purchase motels and other housing types to increase their communities' capacity to respond to the COVID-19 pandemic. The target population was individuals and families who are experiencing homelessness or at risk of homelessness.

Homeless Housing, Assistance and Prevention (HHAP): Provides local jurisdictions with funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges.

State Rental Assistance Program (SRAP): Provides funds for rental arrears, prospective rental payments, utility and home energy cost arrears, utility and home energy costs, and other expenses related to housing incurred during or due, directly or indirectly, to the COVID-19 pandemic. Eligible households must demonstrate a risk of homelessness or housing instability.

Encampment Resolution Funding (ERF): Provides competitive grants to assist local jurisdictions in ensuring the wellness and safety of people experiencing homelessness in encampments by providing services and supports that address their immediate physical and mental wellness and result in meaningful paths to safe and stable housing.

CalWORKs Housing Support Program (housing support program): Offers financial assistance and housing-related wraparound supportive services, including rental assistance and case management. The program serves families with children enrolled in CalWORKs who are at risk of or experiencing homelessness.

Source: State law and program documentation.

Numerous Entities Have Roles in Funding Homelessness Services in California

Numerous entities are involved in funding homelessness prevention and support services, and permanent housing in California. Federal, state, and local governments all issue funding that flows through other entities before reaching people experiencing or at risk of homelessness. Most notably, the State recently increased its financial role in addressing housing affordability and homelessness. According to the Legislative Analyst's Office, the State allocated nearly \$24 billion for homelessness and housing during the last five fiscal years, or from 2018–19 through 2022–23.

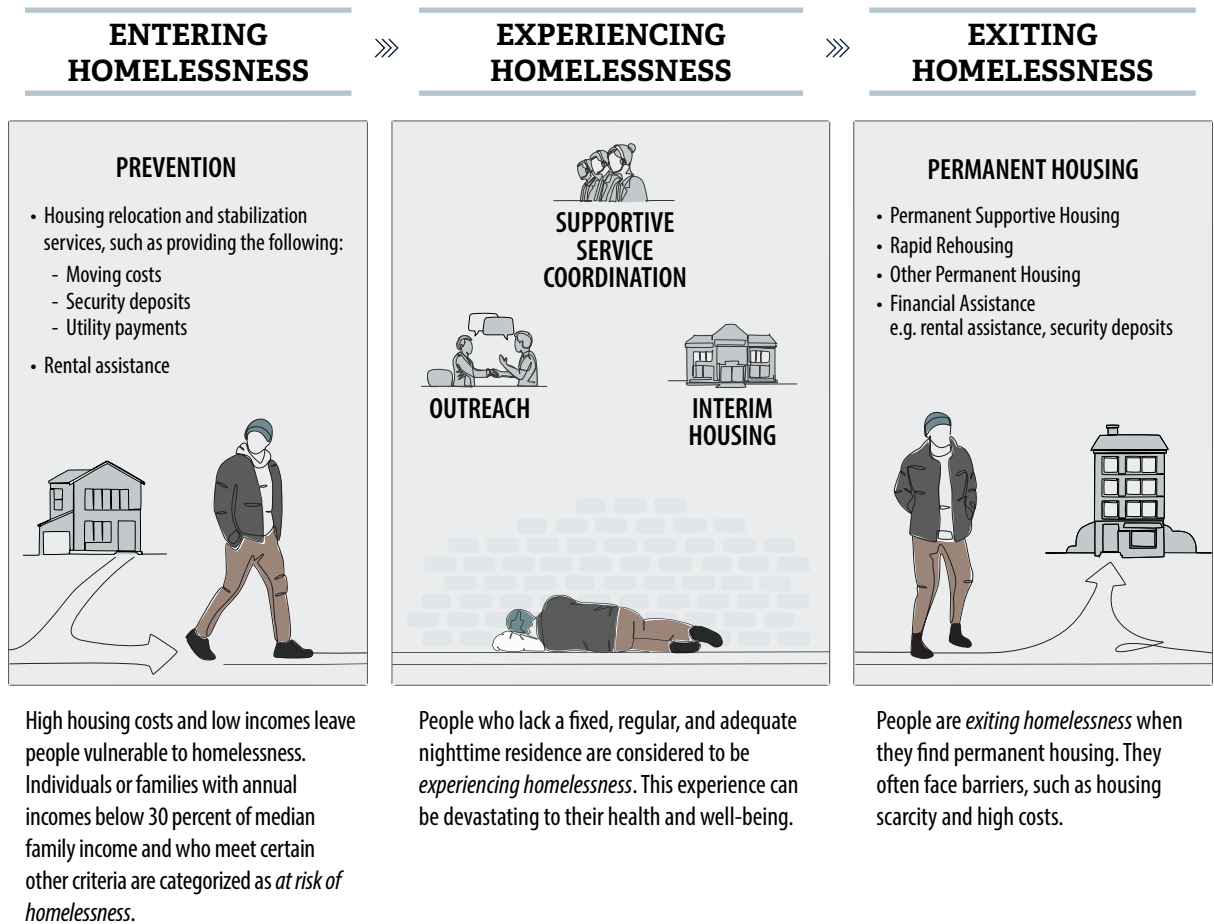
Nine different state agencies funded and administered over 30 programs geared toward preventing and ending homelessness.³ These programs deliver a wide range of services, including creating temporary shelters, providing mental health treatment, and addressing encampments of those experiencing homelessness.⁴ As part of this audit, we reviewed the five state programs that the text box describes. We selected these programs

³ This information comes from the State's 2023 landscape assessment covering fiscal years 2018–19 through 2020–21. It is the best information available at this time because, as we describe in this report, the State does not centrally track this information for all existing programs.

⁴ *Encampments* are places where a group of individuals experiencing homelessness reside, which are not intended for occupancy. Encampments can consist of tents, pallets, or shacks, and can also be a collection of individuals who reside in cars near each other.

based on multiple factors, including program funding amounts and services offered. Some of these programs initially received one-time funding. If the Legislature provided a program with subsequent appropriations of one-time funding, then this is referred to as a *round*. For example, the Legislature originally appropriated \$650 million in one-time funding in 2019 for the HHAP program, which was called *HHAP Round 1*. The Legislature has since approved more than \$3 billion in additional funds through four subsequent rounds.

Figure 2
The Three Phases of Homelessness Each Have Mitigating Solutions



Source: Federal regulations, Federal Strategic Plan, Business, Consumer Services, and Housing Agency documentation, and *Toward a New Understanding: The California Statewide Study of People Experiencing Homelessness*, a study published by the UCSF Benioff Homelessness and Housing Initiative in June 2023.

CoCs Are Central to California's Provision of Homelessness Services

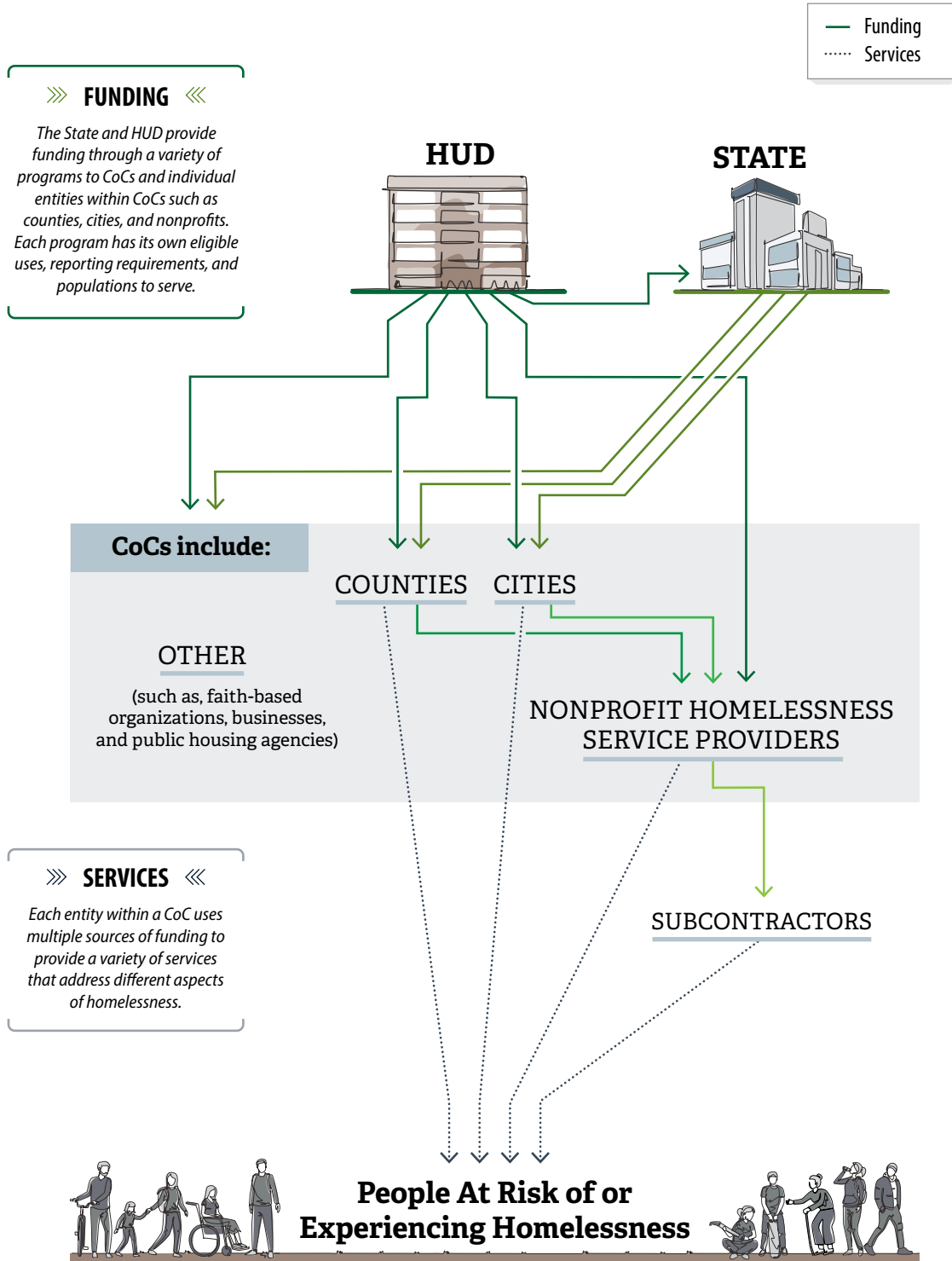
As Figure 3 shows, CoCs are central to the provision of homelessness services in California. In 1993 HUD established the CoC system. A CoC is a group composed of individuals and organizations, such as homeless service providers, cities, and counties, formed pursuant to federal regulations and recognized by the federal government to achieve the goal of ending homelessness within a geographic area. Congress codified the CoC system into law to promote communitywide commitment to the goal of ending homelessness by providing funding for the efforts of states, local governments, and nonprofit service providers to quickly re-house people experiencing homelessness. The 44 CoCs that cover California's 58 counties provide regional collaboration among member entities, including cities, but do not direct the actions of those member entities. The State and HUD provide funding through a variety of programs to CoCs and to the entities within CoCs, such as counties, cities, and nonprofits. Those entities are responsible for following the eligible uses and reporting requirements of the funding they receive.

Local jurisdictions and nonprofit service providers deliver various services that include identifying the needs of people experiencing homelessness, placing them into temporary shelters, providing them with supportive services, and funding housing for them. Data show that nearly 316,000 individuals experiencing homelessness accessed housing and services in California's 44 CoCs in 2022.⁵ The COVID-19 pandemic, which occurred during the period we reviewed, had significant effects on homelessness and resulted in substantial funding being made available to address the crisis.

The CoCs are also responsible for counting individuals who are experiencing homelessness. Specifically, to identify the number of people experiencing homelessness, HUD requires annual PIT counts of those experiencing sheltered homelessness and biennial counts of those experiencing unsheltered homelessness. On a single night in January, CoCs attempt to count the number of people, sheltered and unsheltered, experiencing homelessness. The information collected during the PIT count is critical. Specifically, it is the main source of data used by the federal government to track the number of people experiencing homelessness and to determine federal funding allocations to address homelessness. Additionally, states and local jurisdictions rely on PIT count data to inform their strategic planning efforts, funding allocations, and the effectiveness of homeless programs.

⁵ Because the PIT count of people experiencing homelessness is on a single night in a given year, the amount of people experiencing homelessness derived from that count may be less than the total number of people experiencing homelessness at any point during an entire year.

Figure 3
 There Are Many Layers to Homelessness Funding and Services



Source: State law; grant agreements; documentation from Cal ICH, HUD, CDSS, HCD, cities, and counties; and a service provider's website.

Cal ICH Includes Leaders or Representatives From 18 State Entities and Two Appointed Members

- Business, Consumer Services and Housing Agency
- California Health and Human Services Agency
- California Department of Transportation
- California Department of Housing and Community Development
- California Department of Social Services
- California Housing Finance Agency (CalHFA)
- Department of Health Care Services (DHCS)
- California Department of Veterans Affairs
- California Department of Corrections and Rehabilitation (CDCR)
- California Tax Credit Allocation Committee (TCAC)
- California Department of Public Health
- California Department of Aging
- Department of Rehabilitation
- Department of State Hospitals
- California Workforce Development Board
- California Governor's Office of Emergency Services (CalOES)
- California Department of Education
- California Community Colleges (CCCCO), University of California, or California State University
- Two appointments from stakeholder organizations

Source: State law.

Action Plan's Five Action Areas

1. Strengthening our systems to better prevent and end homelessness in California.
2. Equitably addressing the health, safety, and service needs of Californians experiencing unsheltered homelessness.
3. Expanding communities' capacity to provide safe and effective shelter and temporary housing.
4. Expanding and ensuring equitable access to permanent housing in our communities.
5. Preventing Californians from experiencing the crisis of homelessness.

Source: Cal ICH's 2021 action plan and 2022 and 2023 updates.

Cal ICH Coordinates, Evaluates, and Develops the State's Efforts to Prevent and End Homelessness

The Legislature created Cal ICH by statute in 2017 to coordinate the State's efforts to prevent and end homelessness. As the top text box describes, Cal ICH (originally named the Homeless Coordinating and Financing Council) is composed of representatives from 18 different state entities as well as two members appointed by the Legislature from stakeholder organizations. Cal ICH's responsibilities are in the 19 statutory goals that the Legislature has established. Some of these statutory goals include making policy and procedural recommendations to the Legislature, and collecting, compiling, and making available to the public financial data provided to Cal ICH from all state funded homelessness programs. Cal ICH is led by an executive officer and staffed by more than 40 employees.

In 2021 Cal ICH adopted an Action Plan for Preventing and Ending Homelessness in California (action plan) to orient the State's efforts and updated it in 2022 and again in 2023. The action plan details five action areas, which the text box lists. These action areas are divided into objectives, which are further divided into activities. Cal ICH also published a Statewide Homelessness Assessment (homelessness assessment) in 2023 for the Legislature. The Legislature's intent in requesting this assessment was to obtain trustworthy information to connect funding allocated to prevent and end homelessness with established sheltering and housing resources, and to provide state agencies with accurate information for more precise forecasting to target future investments. The homelessness assessment covered fiscal years 2018–19 through 2020–21 and reported how State funds were used to provide housing and services to people experiencing homelessness, demographic information about the population served by these programs, the types of services provided, and the outcomes of the programs. The report found that the State has expanded its role in addressing homelessness by investing in new programs—increasing its investment in

homelessness-focused programs by more than \$1.5 billion, from \$2.3 billion in fiscal year 2018–19 to \$3.8 billion in 2020–21. Appendix A presents information about the programs and funding identified in the homelessness assessment.

In addition, Cal ICH administers several grant programs intended to prevent and end homelessness, such as HHAP and the ERF program. However, the Legislature intends to transfer all grant programs administered by Cal ICH to the California Department of Housing and Community Development (HCD) by July 2024. This transfer is intended to allow Cal ICH to better focus its efforts on providing statewide policy development and coordination.

CoCs Collect Data About Homelessness in Local Information Systems

Federal regulations require each CoC to use a Homeless Management Information System (HMIS)—a local information technology system in which recipients and subrecipients of federal funding record and analyze client, service, and housing data for individuals and families at risk of or experiencing homelessness. The CoCs must designate a lead agency to operate the HMIS, and that lead agency must comply with HUD’s requirements for data collection, management, and reporting. In alignment with HUD’s requirements, the text box shows that CoCs collect certain data from entities that provide services to people experiencing homelessness. These services include the project types of homelessness prevention, street outreach, emergency shelter, and rapid re-housing. The CoCs also collect demographic data about the people who access these services.

Examples of Data Collected

- Project Type
- Participant Demographics
- Participant Living Situation
- Project Funding Source
- Project Start and Exit Date
- Project Location

Source: 2024 HMIS Data Standards Manual.

In 2021 Cal ICH launched the State’s Homeless Data Integration System (state data system). This Cal ICH data system securely collects data from each local HMIS. Cal ICH intended to provide the State with data that it can analyze to make data-driven policy decisions to prevent and end homelessness in California. Individual CoCs send data from their local HMIS to the state data system quarterly. Cal ICH’s data system aggregates data from HMISs, including client-level data.

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Cal ICH Has Not Consistently Tracked and Evaluated the State's Efforts to End Homelessness

Key Points

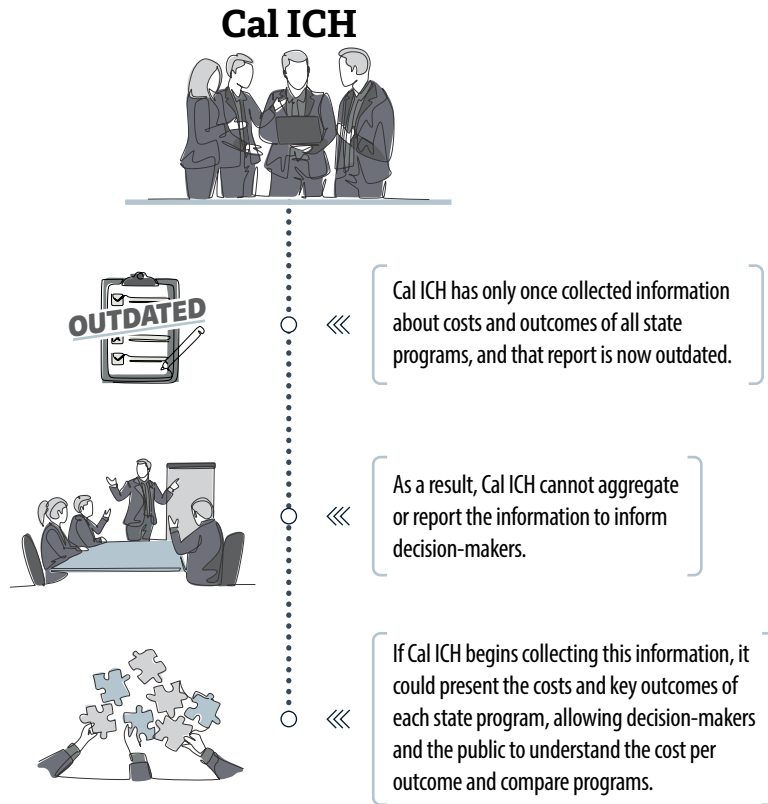
- Cal ICH has not tracked and reported on the State's funding for homelessness programs statewide since its 2023 assessment covering fiscal years 2018–19 through 2020–21. Currently, it has no plans to perform a similar assessment in the future. In the absence of an up-to-date assessment, the State and its policymakers are likely to struggle to understand homelessness programs' ongoing costs and achieved outcomes.
- Cal ICH has not aligned its action plan with its statutory goals. Consequently, it lacks assurance that the actions it takes will effectively enable it to reach those goals.
- Cal ICH has not established a consistent method for gathering information on homelessness programs' costs and outcomes. As a result, the State lacks information that would allow it to make data-driven policy decisions and identify gaps in services.
- Cal ICH has neither ensured the accuracy of the information in the state data system, nor has it used this information to evaluate homelessness programs' success.

Cal ICH Has Not Regularly Tracked Statewide Homelessness Funding

From July 2018 through June 2021, the State allocated billions of dollars in public funds to address homelessness. Given the financial resources the State has dedicated to reducing homelessness, transparency and accountability regarding its efforts are crucial. Nonetheless, in February 2021, we reported that the lack of coordination among the State's homelessness programs had hampered the effectiveness of the State's efforts to end homelessness.⁶ We recommended at that time that Cal ICH collect and track funding data on all state homelessness programs. Subsequently, the Legislature set a goal in September 2021 for Cal ICH to report to the public the financial information of the State's homelessness programs. Cal ICH's goal to collect, compile, and make available to the public financial data from all state-funded homelessness programs is the most recent of 19 statutory goals that the Legislature has established for Cal ICH since it was created in 2017.

Collecting and reporting all state homelessness programs' financial data allows for more complete and timely information about the State's overall spending on homelessness. It also makes possible greater coordination of homelessness programs' funding and may enable cost-effectiveness comparisons. However, the law does not specify when or how often Cal ICH should report these data. In the absence of such requirements, Cal ICH has only done so once, as Figure 4 shows. Specifically, in response to separate legislation, Cal ICH conducted a one-time statewide assessment of state-administered programs and funding (homelessness assessment), covering the period of July 2018 through June 2021.

⁶ *Homelessness in California: The State's Uncoordinated Approach to Addressing Homelessness Has Hampered the Effectiveness of Its Efforts*, Report 2020-112, February 2021.

Figure 4**Cal ICH Does Not Regularly Collect Cost and Outcome Information, Limiting Its Evaluation of Effectiveness**

Source: Analysis of state law and Cal ICH documentation.

Cal ICH believes the homelessness assessment fulfills the statutory goal. However, those results are now nearly three years old and out of date. Since the homelessness assessment, the State has awarded a significant amount of additional funding and created new homelessness programs that the assessment does not address.

If Cal ICH does not conduct these types of assessments on a periodic basis, the State will continue to lack complete and timely information about the ongoing costs and associated outcomes of its homelessness programs. We believe that the State's policymakers and the public need up-to-date information to evaluate the efficacy and effectiveness of billions of dollars in state spending. Appendix A lists the State's programs and funding amounts in the homelessness assessment.

Cal ICH Did Not Address Certain Statutory Goals in Its Action Plan

Cal ICH adopted an action plan in 2021 for achieving its statutory goals, and it updated that plan in 2022. Cal ICH's plan outlines five action areas—shown previously in the text box on page 8—and presents objectives and specific activities for preventing and

ending homelessness. However, the action plan does not define the efforts Cal ICH will take toward specific statutory goals, including those involving funding and outcomes. For example, none of the action plan's listed objectives addresses Cal ICH's statutory goals to collect financial information or ensure accountability and results. As a result of this misalignment, Cal ICH may achieve the plan's objectives yet still not consistently deliver on the Legislature's goals.

The action plan's key performance measures—which the text box lists—are similarly misaligned. Although these performance measures could be useful, they do not provide insight on specific program outcomes. Without such insight, Cal ICH again cannot fully achieve its statutory goal of ensuring accountability and results. **Measuring program-specific outcomes would allow Cal ICH to identify successful programs worthy of replicating and help policymakers prioritize investment.**

Cal ICH's executive officer explained that the council recognizes that it needs to be led by its statutory goals. However, she also explained that its next updated plan may not include the statutory goals. Until Cal ICH aligns its action plan with its statutory goals, it may struggle to ensure that it meets those goals. To improve transparency and accountability for state spending, we recommend that the Legislature direct Cal ICH to require state agencies to report to it annually about homelessness spending and associated outcomes.

Cal ICH Has Not Established a Consistent Methodology for Gathering Information on Programs' Costs and Outcomes

Cal ICH has not established a central reporting method that is consistent across all of the State's homelessness programs and provides uniform specifications for the data they report. The law that established Cal ICH does not require state agencies to report to it the funding and outcome information on all state homelessness programs they administer. Consequently, state agencies report their program costs and outcomes using a variety of methods that cannot be readily compared, including online dashboards and written reports to the Legislature.

Programs also collect different types of data. For example, Homekey is a program that is focused on building housing for people experiencing homelessness. The program required Homekey Round 1 grantees to report on the number of properties they

Key Performance Measures From Cal ICH's Action Plan

- The number of Californians experiencing sheltered and unsheltered homelessness at a point in time, including veterans, people experiencing chronic homelessness, families with children, adults, and unaccompanied youth.
- The number of Continuums of Care in California reporting increases versus decreases in the number of people experiencing sheltered and unsheltered homelessness within annual PIT counts.
- The number of people spending time in emergency shelter and transitional housing in California annually, including veterans, people experiencing chronic homelessness, families with children, adults, and unaccompanied youth.
- The number of Californians experiencing homelessness for the first time each year.
- The number of Californians successfully exiting homelessness each year.
- The number of Californians returning to homelessness each year.
- The number of children and youth experiencing homelessness at some point during the school year in California, including students in families and unaccompanied students.
- Comparison of California's performance across these measures and data points to national and regional trends.

Source: Cal ICH's Action Plan update 2022.

produced and the location of these properties. HHAP—a different program than Homekey—also provides funding to grantees that could be used to develop housing, but the law that established that program did not require Round 1 grantees to report on the location of properties built with HHAP funds.

State law requires state agencies to provide any relevant information about state homelessness programs upon request of Cal ICH, positioning Cal ICH to collect these data. To more usefully gather and report program costs and outcomes and to better facilitate policy discussions, Cal ICH could develop a scorecard similar to the one we present in Figure 5. Agencies could use it to report their program funding and performance outcome information to Cal ICH. For example, a program that provides interim housing could report the number of people experiencing homelessness whom the program placed in housing and the number who received case management services.

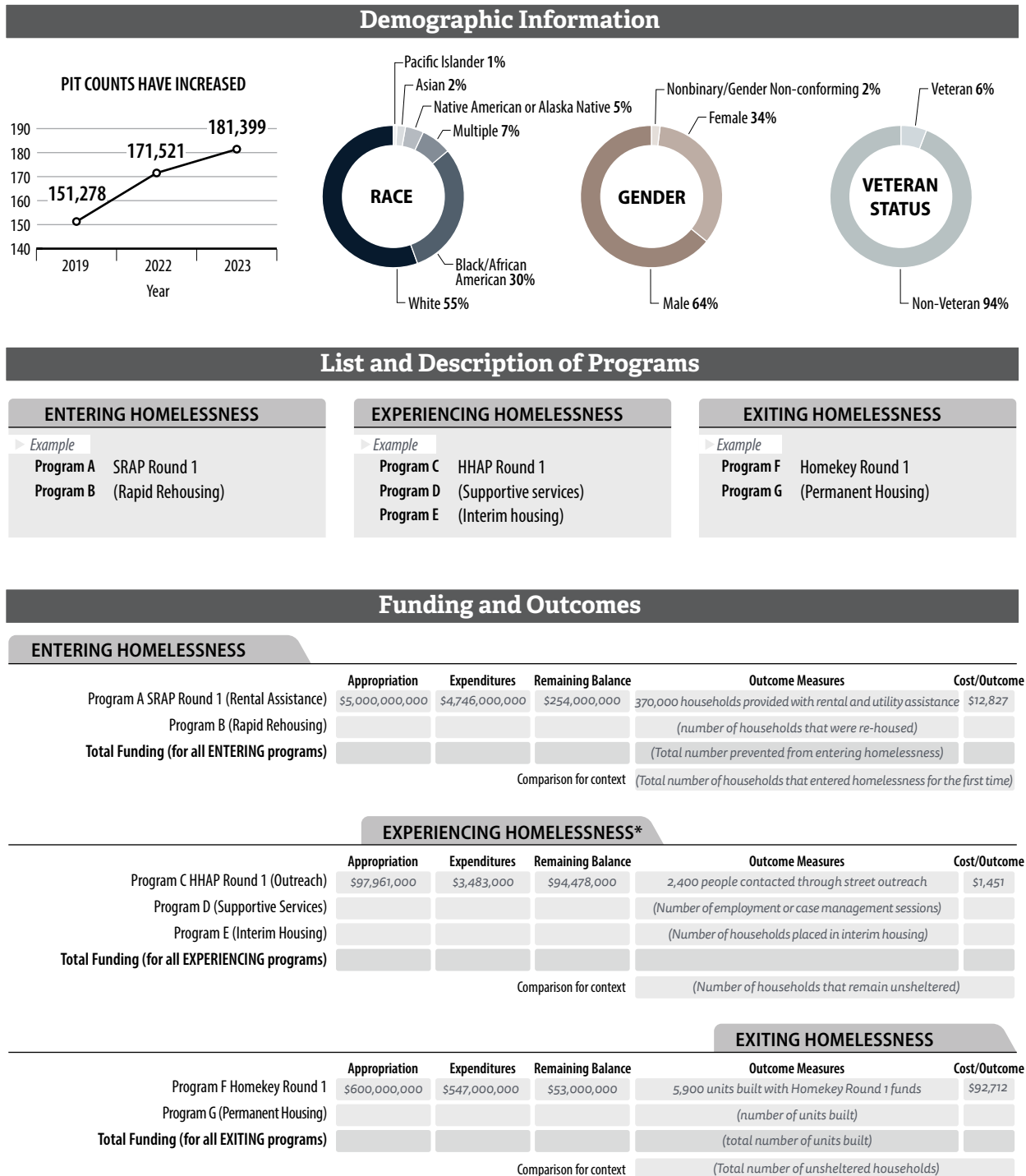
To enable comparisons among similar types of programs, Cal ICH could categorize programs according to the phase of homelessness that the programs address: entering, experiencing, or exiting homelessness. This categorization would allow the State to identify gaps in its efforts or funding to address these three phases. The Legislature could then use the scorecard to make data-driven policy decisions and to more easily make inquiries about why funding appropriated for certain programs is not fully spent and the anticipated timing of such spending.

Cal ICH Has Not Ensured the Accuracy of the Data in the State Data System

As we previously discuss, Cal ICH has not established a statewide methodology for state-funded homelessness programs to report their outcomes. However, Cal ICH has access to some program data through the state data system, which collects records from local CoC's HMIS. State law requires that, beginning in January 2023, grantees or entities operating any of 10 specific homelessness programs existing as of 2021 to report to HMIS information about the services individuals receive, such as start dates, end dates, and exit destinations—grantees are not required to report cost information to HMIS. The 10 programs include Homekey, HHAP, and the CalWORKs Housing Support Program—three of the five programs we reviewed and describe in the next section of this report. All programs that began after July 1, 2021, are also required to report this information; thus, Cal ICH now generally collects some data related to several homelessness programs using the state data system.

Nonetheless, Cal ICH has not used the reporting programs' data to evaluate the programs' success in reducing homelessness. Although it has performed some research about the types of services received by various populations among those experiencing homelessness, it has not used the data to determine the effectiveness of any particular program. Instead, Cal ICH uses the data to populate a public-facing dashboard. The dashboard displays the number of people experiencing homelessness that each CoC served, provides information about services provided, and displays the age, race and ethnicity, gender, and veteran status of those who received the services.

Figure 5
Cal ICH Could Use This Hypothetical Example of a State Homelessness Program Scorecard



Source: Analysis of Cal ICH data and HCD data.

Note: Data in the example scorecard is included only for illustrative purposes and does not represent actual program data.

* In this category, the services are more distinct and could be totaled individually: if there are four programs for interim housing there could be a different total specific to interim housing.

Because Cal ICH does not analyze the available data to determine program effectiveness, it cannot provide critical information that state policymakers could use when prioritizing funding decisions for the myriad state homelessness programs. The executive officer of Cal ICH explained that the council intends to assess the effectiveness of state homelessness programs, but she did not provide us with any tangible plans or evidence of efforts to initiate such an assessment.

If Cal ICH begins using the available data in more meaningful ways, it will need to take steps to ensure those data are reliable. In fact, we identified a number of problems with the data in the state data system. For example, the CoC for Santa Clara County, which includes San José, provided all records from its HMIS to Cal ICH, including those that the CoC had marked as deleted. The CoC explained that some records were deleted because they were created in error. However, Cal ICH asserted that it treated at least some of the deleted records as valid and included them in publicly reported information. Similarly, in multiple CoCs statewide we found a small number of likely fictitious clients. For example, we identified more than 100 enrollment records with client names such as “Mickey Mouse,” “Super Woman,” or a name indicating it was a test client, such as “Test Participant.” While this is a small number of entries that are likely system test entries or erroneous records that were never removed, the true magnitude of such records is unknown because a CoC could enter similar records using any name. Nonetheless, Cal ICH was unaware of any test records in the data.

We also identified questionable entries in the state data system’s bed inventory and enrollment data, with some shelters showing enrollment numbers significantly over their bed capacity. In one example, a shelter reported nearly 1,100 people enrolled in fewer than 300 beds. When we asked about these entries, Cal ICH staff explained that enrollment records do not always show when individuals stopped receiving services. As a result of these errors, some of the enrollment numbers we present in this report may be overstated.

Although Cal ICH takes steps to adjust the data to improve the data quality when reporting certain metrics, such as excluding records with known illogical values, and these steps result in what Cal ICH believes is the correct data, the corrections do not necessarily result in a reflection of what actually occurred. In fact, Cal ICH did not correct for all of the errors we identified. Cal ICH staff recognize that the accuracy and completeness of the data depends on the information that each CoC records and submits to Cal ICH. Therefore, Cal ICH should work with the CoCs to ensure that they submit appropriate data.

Cal ICH’s statutory goals give it specific responsibilities as the State’s primary resource for homelessness policy coordination and accountability. However, it has also been directly managing multiple large grant programs as mandated by statute, including the multibillion-dollar HHAP program and the more-than-\$700 million ERF program. The Legislature appeared to recognize this focus in 2023 when it passed legislation transferring responsibility for the grant programs from Cal ICH to HCD, effective July 2024, which will likely allow Cal ICH to focus its efforts on meeting its statutory goals. Cal ICH’s executive officer acknowledged that changes in key leadership roles and in programmatic statutory language have hindered the council’s ability to meet its statutory goals.

Two of the Five State-Funded Programs We Reviewed Are Likely Cost-Effective, but the State Lacks Clear Outcome Data for the Other Three

Key Points

- Data indicate that two of the five programs we reviewed—Homekey and the Housing Support Program—are likely cost-effective. Homekey allows the State to provide individuals with housing that is less expensive than newly built units. The Housing Support Program helps house families who are experiencing or at risk of homelessness and costs less than the State would spend if these families were homeless.
- The State has not collected adequate outcome data to assess the cost-effectiveness of the remaining three programs. Without such data, it will lack assurance that these programs represent the best use of state funding.

Both Homekey and the Housing Support Program Are Likely Cost-Effective Approaches to Addressing Homelessness

When considering how best to spend the public’s money, the State’s policymakers should have the information necessary to compare program costs and outcomes. To determine the cost-effectiveness of the state-funded efforts to address homelessness, we reviewed the five programs we described in the Introduction. We selected these programs by considering the amount of funding provided, and the types of assistance the programs offered. We found that two of the five—Homekey and the Housing Support Program—were likely cost-effective.

We reached this conclusion by reviewing the reported outcomes and costs of a selection of projects and services funded by each program. We then identified alternative possible courses of action to compare for cost-effectiveness. As we discuss in the next section, we did not have the data necessary to fully assess the other three, either because the programs were recently implemented or because program staff had not collected sufficient information on program outcomes.

Homekey

Department: California Department of Housing and Community Development

Year established: 2020

Funding: Round 1—\$846 million; Round 2—\$1.95 billion; Round 3—\$817.3 million

Number of Recipients: Round 1—94; Round 2—116

Eligible uses: To convert existing buildings into housing for people experiencing homelessness.

1. Acquisition or rehabilitation of motels, hotels, or hostels.
2. Master leasing of properties.
3. Acquisition of other sites and assets with existing residential uses, such as care facilities.
4. Conversion of units from nonresidential to residential.
5. Purchase of affordability covenants and restrictions for units.
6. Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.
7. Capitalized operating subsidies.

Source: State law and Homekey funding notices.

As we previously explain, Homekey—which focuses on converting existing buildings into housing units for people at risk of or experiencing homelessness—appears cost-effective when compared to the cost of building new affordable housing units. This saves time and money and allows Homekey to create more units and house more people. Table 1 shows the cost-effectiveness comparison for Homekey.

Table 1
Assessment of the Cost-Effectiveness of Homekey Round 1

AVERAGE COST PER UNIT FUNDED BY HOMEKEY ROUND 1	AVERAGE COST PER UNIT FOR NEW AFFORDABLE HOUSING CONSTRUCTION IN CALIFORNIA IN 2019	LIKELY COST-EFFECTIVE?
\$144,000	\$380,000—\$570,000	✓

Source: Analysis of program documentation and *Making It Pencil: The Math Behind Housing Development*, published by the Turner Center for Housing Innovation cited in HCD's 2021 report to the Legislature on Homekey Round 1.

We reviewed eight Homekey projects that received funding from Round 1 of the program. To calculate the average cost to produce a Homekey unit, we divided the amount of funds spent by the number of units the project was expected to produce. The average cost per unit for the eight projects we reviewed was about \$144,000. A project in San Francisco had the highest per-unit cost of about \$200,000, whereas a project in Fresno had the lowest per-unit cost of about \$90,000 per unit.

These costs are significantly lower than the costs of building other affordable housing in the State. HCD compared the cost of Homekey housing to other affordable housing, reporting to the Legislature in 2021 that the average cost of one unit of newly built affordable housing in California in 2019 ranged from about \$380,000 to \$570,000, while the average cost of a Homekey unit in HCD's analysis was \$129,000. This information aligns with the average we calculated for the eight projects we reviewed. In some parts of the State, such as the Bay Area, a newly built affordable housing unit can reportedly cost up to \$1 million.

HCD's assistant deputy director explained that the program was more cost-effective and faster than building new construction units, and that data from Round 1 Homekey projects informed HCD's decisions in the program's subsequent funding rounds. For example, the State increased the time it allowed Round 2 projects to rehabilitate acquired units and ensure they were substantially occupied from three months to 15 months.

Although Homekey Rounds 2 and 3 have the potential to be as cost-effective as Round 1, those rounds are still in progress. Until the data are available on units built and people housed, we cannot fully determine the cost-effectiveness of these rounds.

The Housing Support Program, which provides financial assistance to families at risk of or experiencing homelessness, is also likely cost-effective. Table 2 shows our cost-effectiveness comparison for the Housing Support Program. When we reviewed expenditure and outcome data for 10 counties in the Housing Support Program during the past four fiscal years, we found that those counties spent an average of \$12,000 to \$22,000 per fiscal year on families that received housing support through the program during this period. The U.S. Interagency Council on Homelessness noted that studies have found that a single chronically homeless person costs taxpayers as much as \$30,000 to \$50,000 per year. The National Alliance to End Homelessness reported a per-person cost to taxpayers of \$35,578 per year, and in the legislation creating Cal ICH, the Legislature cited a cost of \$2,897 per month—or approximately \$35,000 annually—in crisis response services for a person experiencing homelessness in Los Angeles County. Thus, the Housing Support Program spent less to house or keep housed a family than taxpayers might otherwise expect to pay for an individual to be homeless. During the past four fiscal years, the 10 counties housed nearly 6,000 families. According to California Department of Social Services (CDSS) staff, comparing the cost of the Housing Support Program to the cost of a person’s homelessness is a reasonable method of assessing the program’s cost-effectiveness.

**CalWORKs Housing Support Program
(housing support program)**

Department: California Department of Social Services

Year Established: 2014

Funding: FY 2019–20: \$95 million; FY 2020–21: \$95 million; FY 2021–22: \$285 million; FY 2022–23: \$285 million

Recipients: As of fiscal year 2021–22, 55 counties operated the Housing Support Program.

Eligible uses: The program offers financial assistance and housing-related wraparound supportive services, including rental assistance, housing navigation, case management, security deposits, utility payments, moving costs, interim shelter assistance, legal services, and credit repair. The program serves families with children enrolled in CalWORKs who are experiencing homelessness or at risk of homelessness.

Source: State law and CDSS Website.

Table 2
Assessment of the Cost-Effectiveness of the CalWORKs Housing Support Program

AVERAGE ANNUAL COST PER FAMILY PERMANENTLY HOUSED BY THE PROGRAM	ESTIMATED COST TO TAXPAYERS OF ONE PERSON EXPERIENCING CHRONIC HOMELESSNESS	LIKELY COST-EFFECTIVE?
\$12,000–\$22,000 per household	\$30,000–\$50,000 per year	✓

Source: Analysis of program documentation and homelessness cost estimates cited by the U.S. Interagency Council on Homelessness, the National Alliance to End Homelessness, and the Legislature.

The data that CDSS collected from the counties related to the Housing Support Program contained sufficient outcome and expenditure information for us to assess cost-effectiveness. To track program performance and outcomes throughout the year, the department uses targets set by the counties for the number of families they intend to house. It also tracks monthly how many families continue to receive housing. We saw evidence it evaluated and monitored counties’ activities to ensure that the counties adhered to evidence-based interventions, such as Housing First and Rapid Rehousing best practices, including not making housing contingent on

participation in services. Cal ICH could consider CDSS's example when it creates its own approach to collecting and reporting data on state-funded homelessness programs, as we previously discuss.

The State Has Not Collected Sufficient Data to Assess the Cost-Effectiveness of the Other Three Programs We Reviewed

We were unable to fully assess the cost-effectiveness of three of the programs we reviewed—SRAP, HHAP, and ERF—because of limitations with the data the State has collected. Collectively, these programs received more than \$9.4 billion in funding since 2020.

State Rental Assistance Program (SRAP)

Department: California Department of Housing and Community Development

Year Established: 2021

Funding: The federal government provided \$4.8 billion to cities and counties in California.

Recipients: 67 cities and counties.

Eligible uses:

1. Rental arrears.
2. Prospective rent payments.
3. Utilities, including arrears and prospective payments.
4. Any other expenses related to housing.
5. Any additional use authorized by federal law.

Source: Federal and state law, SRAP funding notices.

For example, we could not determine the long-term cost-effectiveness of SRAP, which provided financial assistance in response to the COVID-19 pandemic to help renters facing eviction, because HCD did not collect clear eviction outcome data. According to the online dashboard for the program as of January 2024, SRAP has served more than 370,000 households since its inception, averaging nearly \$12,000 per household. HCD staff asserted that SRAP was effective because the program awarded the funding within statutory deadlines and assisted nearly 400,000 households, which staff believe prevented them from becoming homeless. According to state law, it was the Legislature's intent that the state monitor the usage of funding to ensure that the program stabilized households and prevented evictions; however, the law did not specifically require HCD to track evictions for those receiving SRAP funding. Although it is likely that the rental assistance provided by the program helped some avoid evictions, HCD did not collect eviction data that would enable it

to determine whether and how many SRAP beneficiaries might have fallen back into homelessness. The program has now essentially ended because it is no longer accepting applications, and the State is left without an understanding of what percentage of SRAP recipients were unable to avoid eviction, or whether the amounts provided to households were sufficient.

We were similarly unable to determine the cost-effectiveness of HHAP Round 1 because of the lack of clear data about outcomes for people who received HHAP-funded services. The HHAP program provides funding for a variety of services that address multiple aspects of homelessness, including providing interim housing. Cal ICH tracks the spending of HHAP funds by individual eligible use categories. Such tracking shows that, as of December 2022, about half of the HHAP Round 1 funding had been used for emergency shelters and operating subsidies. The amount used for each other eligible use was less than 15 percent.

Determining HHAP’s cost-effectiveness would require data on the outcomes of each of the HHAP-funded services and a comparison for each service. Although Cal ICH collects some data when a person exits an HHAP-funded service, those data are insufficient for evaluating the program’s cost-effectiveness. For example, CoCs’ exit survey data for people served by HHAP Round 1 funds document people’s intended destinations following their participation in a program. The survey options include permanent housing, a return to homelessness, or an unknown destination. The data we analyzed from four CoCs (Los Angeles, San Diego, San José/Santa Clara, and San Francisco) showed that nearly one-third of the exits from HHAP Round 1-funded services left those services for unknown destinations. Because an *unknown destination* can indicate that the person did not know the destination, that the person refused to answer, that the data was not collected, or that the exit interview was not conducted, we cannot determine whether these people actually exited homelessness. These ambiguous data for nearly one-third of the exits inhibits any comparison of program costs and outcomes, demonstrating the need for Cal ICH to establish more specific parameters for the data that programs are required to collect and report.

Homeless Housing, Assistance and Prevention Program (HHAP)

Department: California Interagency Council on Homelessness

Year Established: 2019

Funding: Round 1—\$650 million; Round 2—\$300 million; Round 3—\$1 billion; Round 4—\$1 billion; Round 5—\$1 billion

Recipients: CoCs, counties, large cities.

Eligible Uses:

1. Rental assistance and rapid re-housing.
2. Operating subsidies in new and existing units.
3. Landlord incentives.
4. Outreach and coordination.
5. Support for homelessness services and housing delivery systems.
6. Delivery of permanent housing and innovative housing solutions.
7. Prevention and shelter diversion to permanent housing.
8. New navigation centers and emergency shelters.

Source: [State law and HHAP funding notices.](#)

Despite not conducting an analysis of the cost-effectiveness of HHAP Round 1, the State authorized billions of dollars in funding for four additional rounds. The Legislature made significant changes to the program that began with Round 3, requiring that applicants establish measureable outcome goals, such as reducing the number of people experiencing homelessness and reducing the length of time that people remain homeless. To the extent CoCs establish meaningful outcome goals, the goals should provide better benchmarks against which the State can measure spending and evaluate cost-effectiveness.

Grantees have until June 2026 to spend the funds from HHAP Rounds 2 and 3, and until June 2027 for Round 4. Consequently, the State will likely be unable to fully assess the effects of that \$2.3 billion in funding for years. The HHAP Round 5 application period opened in September 2023; however, the State has not yet awarded \$1 billion of funding. The Legislature intends to transfer all grant programs that Cal ICH administers to HCD on or before July 1, 2024, so HCD will likely be the entity that can perform future assessments of HHAP cost-effectiveness.

Encampment Resolution Funding (ERF)

Department: California Interagency Council on Homelessness

Year Established: 2021

Funding: \$750 million (\$50 million for round one; \$300 million for round two, and \$400 million for round 3).

Recipients: Cities, Counties, CoCs.

Round 1 Eligible Uses:

1. Direct Services and Housing Options.
2. Capacity Building.
3. Sustainable Outcomes.
4. Administration.

Source: State law, State Budget, and Cal ICH Funding Notice.

We also could not determine the cost-effectiveness of the ERF program—which transitions people from encampments into safe and stable housing. Cal ICH has not collected complete outcome data for this program, and the expenditure data it has collected may be unreliable. As a condition of its grant agreement, Cal ICH requires that grantees use a template that it created to submit program outcome data about the people the grantees served. Despite this requirement, four of the 10 grantees we reviewed had submitted incomplete or unusable outcome data as of July 2023. Moreover, two of the four grantees did not use the required template. For the template fields for gathering information about people served, including those necessary to determine the number of people permanently housed, multiple grantees entered the words “data not collected” or simply left the fields blank. Cal ICH relies on self-certified data from grantees and does not

attempt to verify the completeness or accuracy of the data submitted. Therefore, the number of people reported as permanently housed through the program is likely incomplete or inaccurate.

Further, Cal ICH does not appear to enforce the reporting requirement. Cal ICH staff explained that the agency started with a small staff. They indicated that as the programs it administered grew in funding and new programs were added, it attempted to hire additional staff to monitor grantee reports. When we asked Cal ICH how it responded to incomplete or unusable outcome data, staff asserted that they contacted grantees to ensure that the outcome data was complete and in the required format. However, when we asked for documentation, staff could provide only emails they sent to three grantees after we brought the issue to Cal ICH’s attention. In these emails, they requested the grantees to use the required template.

State law requires ERF Round 1 grantees to spend 50 percent of grant funds by June 30, 2023, and Cal ICH provided documentation of its efforts to ensure that grantees met the expenditure deadline. It sent multiple emails to grantees reminding them of the deadline, held support meetings with grantees to determine how they would meet the deadline, and provided technical assistance. All 10 grantees we reviewed appear to have met the 50 percent expenditure deadline. However, Cal ICH relies on grantees’ self-certifying the accuracy of the expenditure amounts.

The State awarded ERF Rounds 2 and 3 to grantees beginning in June 2023, and at the time of our review, the grantees were not yet required to spend the funds. The earliest deadline requires Round 2 grantees to spend half of their allocation by June 30, 2024. As a result, there were not enough data available at the time of our review to assess the cost-effectiveness of these grants.

Recommendations

The following are the recommendations we made as a result of our audit. Descriptions of the findings and conclusions that led to these recommendations can be found in the sections of this report.

Legislature

To promote transparency, accountability, and effective decision-making related to the State's efforts to address homelessness, the Legislature should amend state law to require Cal ICH, by March 2025, to mandate reporting by state agencies of costs and outcomes of state homelessness programs. To implement such reporting, the Legislature should require Cal ICH to develop guidance establishing specifics on uniformity of data to be collected and how it is to be presented. The Legislature should require Cal ICH to annually compile and report this cost and outcome information publicly beginning in September 2025 and should provide resources for this effort, as necessary.

Cal ICH

To ensure that its 2024 update to its action plan aligns with the statutory goals that the Legislature has established, Cal ICH should clearly identify in that update the statutory goal or goals that each of the action plan's objectives addresses.

To promote transparency, accountability, and effective decision-making related to the State's efforts to address homelessness, Cal ICH should request that state agencies responsible for administering state-funded homelessness programs provide spending- and outcome-related information for people entering, experiencing, and exiting homelessness. By March 2025, Cal ICH should develop and publish on its website a scorecard—or similar instrument—on the homelessness programs that would enable the Legislature and other policymakers to better understand each program's specific costs and outcomes. Cal ICH should determine and request from the Legislature any necessary resources required for this effort.

To ensure that the State has consistent, accurate, and comparable data for all state-funded homelessness programs, by March 2025, Cal ICH should work with CoCs to implement standardized data requirements that programs must follow when entering information into HMIS. The requirements should establish expectations defining CoCs' responsibilities for ensuring data accuracy and reliability.

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Other Areas We Reviewed

To address the audit objectives approved by the Joint Legislative Audit Committee (Audit Committee), we also reviewed housing placements and the sharing of homelessness data.

Most Placements of Unsheltered People Into Interim Housing Do Not End Up in Permanent Housing

The vast majority of housing placements for Californians experiencing unsheltered homelessness involve interim housing. The text box describes the types of interim and permanent housing. Interim housing is a critical service that protects people from many of the impacts of unsheltered homelessness, including health and safety risks. Using information in the state data system, we identified placements of unsheltered people into housing from July 2019 through March 2023. As Figure 6 shows, 86 percent of placements statewide moved people into interim housing rather than into permanent housing. Appendix B shows additional details about placements. The placement of individuals into interim housing likely occurs in part because of the lack of available permanent housing in the State.

Nonetheless, the final phase of homelessness—exiting homelessness—should ideally culminate with individuals living in permanent housing. People experiencing unsheltered homelessness who were placed into interim housing had worse outcomes when exiting the placement than those placed into permanent housing. Specifically, the data show that only 13 percent of the exits from interim housing placements reported individuals moving into permanent housing. In contrast, the data show that 84 percent of exits from permanent housing placements reported individuals moving into other permanent housing.⁷ The data further show that 44 percent of the exits from interim housing reported individuals returning to homelessness, as opposed to 4 percent of exits from permanent housing placements.

Types of Interim Housing

Emergency Shelter: Any facility with the primary purpose of providing a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements.

Transitional Housing: Housing that facilitates the movement of homeless individuals and families into permanent housing within 24 months or longer, as determined necessary.

Safe Haven: Supportive housing that serves hard-to-reach homeless persons with severe mental illness who came from the streets and have been unwilling or unable to participate in supportive services.

Types of Permanent Housing

Rapid Rehousing: Housing relocation and stabilization services and short-term and medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.

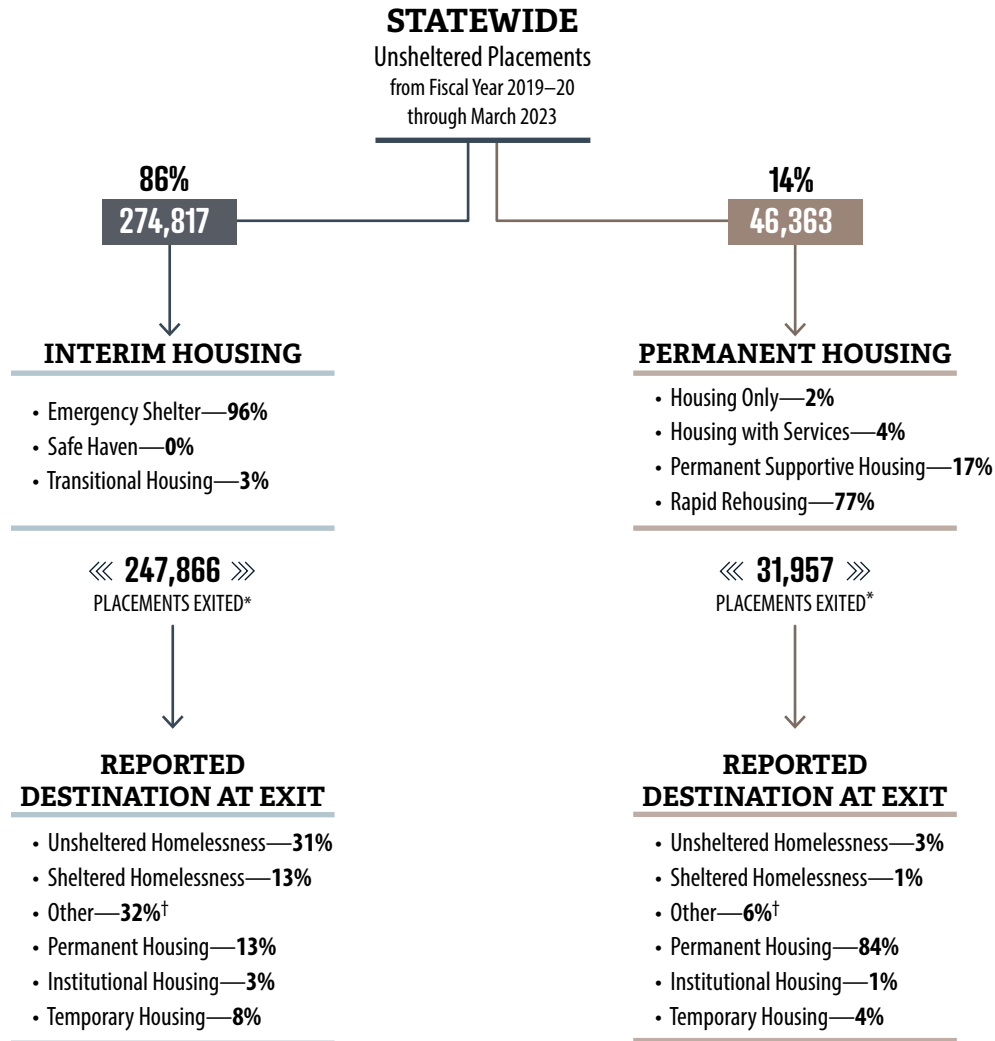
Permanent Supportive Housing: Permanent housing in which supportive services are provided to assist homeless persons with a disability to live independently.

Other Permanent Housing: This includes permanent housing with supportive services for persons experiencing homelessness who do not have a disability and long-term housing without supportive services.

Source: Federal Law.

⁷ People can “exit” from permanent housing placements and at that time they report their next living situation. For example, when someone receives short- or medium-term rapid rehousing services, which HUD defines as a permanent housing placement, they “exit” after they stop receiving rental assistance or supportive services. At that time, their next living situation could be another permanent housing location, such as an apartment they rent, or could be a return to homelessness.

Figure 6
Unsheltered Placements and Outcomes



Source: Homeless Data Integration System.

Note: Rounding of numbers may prevent percentages from totaling 100.

* Some placements of individuals showed that the person had not yet exited the program and was still enrolled and receiving shelter or housing services as of the date we obtained the data; therefore, the number of placements is higher than the number of those who exited the program.

† Category *Other* can include the following: *worker unable to determine, client doesn't know, client prefers not to answer, data not collected, or other.*

Permanent housing outcomes for people in federally-funded programs are shown in the text box at right and generally align with the outcomes of programs that were not federally-funded. However, we were unable to separate out the permanent housing outcomes for the subcategory of state-funded programs from the overall permanent housing outcomes because of inconsistent data. Each federal program has a code that a service provider selects when entering information about projects into HMIS. Using this code, we could determine the outcomes for federally funded programs. Until July 2023, state programs did not have similar program codes; instead, the service provider who entered the data typed the program name into a text field. This practice led to inconsistent entries for state programs, because each service provider might type something different for the same program. For example, the HHAP program has been entered as “CA-HCFC-HHAP 1,” “HHAP,” “State HHAP,” “County HHAP-1,” as well as other variations. These inconsistencies make the data unreliable for identifying programs to determine permanent housing outcomes.

Since July 2023, providers that receive state funding are required to provide state funding information according to Cal ICH instructions that include state-specific codes. Thus, going forward, the state data should have more complete funding source information. This will allow the State to better determine the outcomes associated with state programs such as HHAP.

Cal ICH Has Recently Begun Facilitating the Sharing of Certain Data Related to Homelessness Programs

Several federal and state laws and regulations may impede the ability of the State or local jurisdictions to accurately assess and track certain information about people who are experiencing homelessness. The text box lists some of these laws. Generally, the laws and regulations protect the confidentiality of personal information. However, in doing so, they also could limit the collecting and sharing of data to evaluate homelessness efforts and may also affect access to supportive services.

Outcomes for People Exiting Placements in Permanent Housing Funded by Federal Programs

STATEWIDE

- 82 percent left to some type of permanent housing
- 4 percent left to homelessness

Source: State data system data for placements from July 2019 through March 2023.

Federal and state laws limit the data that can be shared without consent.

FEDERAL

Health Insurance Portability and Accountability Act: Applies to health plans and certain health care providers. Some protected health information data may be disclosed without consent if the data will only be used for limited purposes.

Family Educational Rights and Privacy Act: Applies to educational agencies or institutions that receive federal funding. Personally identifiable information from educational records can be disclosed without consent as long as it is used for purposes related to that person’s education.

Violence Against Women Act: Applies to covered housing providers who serve victims of domestic or dating violence, sexual assault, or stalking. The providers cannot share a victim’s information without consent of the victim.

HMIS Standards: Client consent is required to share data, but not to enter data into HMIS.

Substance Abuse Records: Some records can be disclosed without consent in case of medical emergency, research, or audit purposes. Consent form must outline exactly what can be disclosed; can be revoked at any time.

STATE

Confidentiality of Medical Information Act: Individual must consent to disclosure of medical information by a healthcare plan or provider unless there is a court order, search warrant, death investigation, or need for diagnosis or treatment.

Information Privacy Act of 1977: Individual must consent to disclosure of personal information by a State agency unless there is a legal requirement or a medical necessity.

Juvenile Case Records: Files may only be accessed by someone who is related to, works with, or represents the child.

Source: Federal and state law.

The main source of data about people experiencing homelessness is local HMISs. As we previously discuss, the CoCs are responsible for collecting data in an HMIS from entities that provide services to people experiencing homelessness. When doing so, they must ensure compliance with federal privacy and security standards. These standards allow for certain uses of people's protected personal information (protected information), including for the provision and coordination of services, service payment and reimbursement, administrative functions such as audits, and the removal of duplicate data. CoCs use signed consent forms to allow them to share the data provided by people who access homelessness services.

Although local governments generally have access to the data they input into their HMIS, they might not have access to personal information added by other entities. However, effective January 2018, state law began allowing agencies that provide services to people experiencing homelessness, including cities, to establish multidisciplinary teams to share information that is confidential under state law with one another under certain circumstances. Each county that establishes a multidisciplinary team must have protocols for sharing data within these teams. Further, they must provide these protocols to CDSS, which is a member agency of Cal ICH. However, we recognize that federal law might still present barriers to sharing data.

In addition, Cal ICH has begun to facilitate some data-sharing with CoCs by making available a dashboard with anonymized aggregate data—such as the number of people accessing particular services—that it receives from each of the CoCs. Doing so may enable local jurisdictions to analyze the data and to better identify and understand the services that are being provided and outcomes of those services.

We conducted this performance audit in accordance with generally accepted government auditing standards and under the authority vested in the California State Auditor by section 8543 et seq. of the California Government Code. 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,



GRANT PARKS
California State Auditor

April 9, 2024

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Appendix A

Statewide Homelessness Assessment: Programs and Funding

Fiscal Years 2018–19 Through 2020–21

Cal ICH published a Statewide Homelessness Assessment (homelessness assessment) in 2023 for the Legislature. The Legislature’s intent in requesting the assessment was to obtain trustworthy information to connect funding allocated to prevent and end homelessness with established sheltering and housing resources and to provide state agencies with accurate information for more accurate forecasting to target future investments. The homelessness assessment covered fiscal years 2018–19 through 2020–21. Table A shows the list of state programs and funding that Cal ICH identified in the homelessness assessment. Because the State has awarded a significant amount of additional funding and created new homelessness programs, we believe that the State’s policymakers and the public need regular updates of this information to evaluate the effectiveness of state spending to prevent and end homelessness.

Table A
Statewide Homelessness Assessment Programs and Funding

LEAD AGENCY	PROGRAM NAME	DESCRIPTION	FUNDING FISCAL YEAR 2018–19 TO 2020–21	FUNDING MECHANISM	FUNDING SOURCE
TCAC	Low-Income Housing Tax Credit	Corporations provide equity to build affordable housing in exchange for tax credits (either 9% or 4%).	\$2,026,040,165	Tax Credit	State and Federal
HCD	No Place Like Home	Funds the development of permanent supportive housing for people who are who are experiencing homelessness or at risk of chronic homelessness and in need of mental health services.	1,345,074,418	Grant	Proposition
DHCS	Whole Person Care Pilot Program	Coordinates health, behavioral health, and social services.	1,038,734,950	Grant	Federal
Cal ICH	Homeless Housing, Assistance and Prevention Program Rounds 1 and 2	Provides local jurisdictions with funds to support regional coordination and expand or develop local capacity to address immediate homelessness challenges and develop a unified regional response.	950,000,000	Grant	State
HCD	Homekey	Sustains and rapidly expands housing for people experiencing homelessness by, for example, rehabilitating motels or hotels.	797,000,000	Grant	State and Federal
HCD	Multifamily Housing Program	Provides low-interest, long-term deferred payment loans for new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households.	778,576,713	Grant	Proposition
Cal ICH	Homeless Emergency Aid Program	Provides direct assistance to CoCs and large cities to address the homelessness crisis.	500,000,000	Grant	State
HCD	Emergency Solutions Grants Coronavirus Funds	Funding to help prevent, prepare for, and respond to COVID-19 among people experiencing homelessness and support assistance and prevention activities to mitigate impacts of COVID-19.	310,905,362	Grant	Federal

continued on next page ...

LEAD AGENCY	PROGRAM NAME	DESCRIPTION	FUNDING FISCAL YEAR 2018-19 TO 2020-21	FUNDING MECHANISM	FUNDING SOURCE
HCD	Veterans Housing and Homelessness Prevention Program	Provides long-term loans for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families.	\$285,002,114	Grant	State
CDSS	CalWORKs Housing Support Program	Provides families enrolled in CalWORKs with rapid rehousing, rental assistance, and wraparound case management.	259,158,940	Grant	State and Federal
CDSS	CalWORKs Homeless Assistance	Helps families enrolled in CalWORKs secure or maintain permanent housing or provides temporary shelter.	167,719,302	Grant	State and Federal
HCD	Housing for a Healthy California (Articles I and II)	Creates supportive housing for individuals who are either recipients of or are eligible to receive services from Medi-Cal.	126,173,838	Grants and Loans	State and Federal
HCD	Supportive Housing Multifamily Program	Provides low-interest loans to developers of permanent affordable rental housing that contain supportive housing units.	125,950,630	Loan	Proposition
CDSS	Project Roomkey	Provided temporary non-congregate shelter options during the COVID-19 pandemic.	109,000,000	Grant	State
Cal ICH	COVID-19 Emergency Grant Fund	Provided emergency funding to prevent people from experiencing homelessness by getting them into shelters and providing immediate housing options.	100,000,000	Grant	State
HCD	Community Development Block Grant Program	Provides funding for creating and expanding community and economic development opportunities for low- and moderate-income residents.	98,249,135	Grant	State and Federal
CalOES	Domestic Violence Housing First Program	Helps victims of domestic violence by providing permanent housing and ongoing supportive services.	90,496,129	Grant	State and Federal
HCD	California Emergency Solutions and Housing Program	Provides funds for housing relocation and stabilization, subsidies for permanent housing, flexible housing subsidy funds, emergency housing interventions, and systems support to assist people at risk of or experiencing homelessness.	83,202,726	Grant	State
CalHFA	Special Needs Housing Program	Allows governments to use Mental Health Services Act funds to develop permanent supportive rental housing for individuals with serious mental illness and their families.	79,188,656	Subsidy Loan	State
CDSS	Housing and Disability Advocacy Program	Funds outreach, case management, disability advocacy, and housing-related support to individuals who are likely eligible for disability benefits.	49,995,700	Grant	State
DHCS	Homeless Mentally Ill Outreach and Treatment Program	Provided funds for activities focused on the needs of individuals with serious mental illness who are experiencing homelessness or at risk of homelessness.	49,800,000	Grant	State
CalOES	Transitional Housing Program	Provides victims of crimes with transitional/ short-term housing with services and has the goal of moving them into permanent housing.	43,124,504	Grant	Federal
HCD	Emergency Solutions Grants Program	Provides funds to support a variety of activities to address homelessness.	36,330,535	Grant	Federal
DHCS	Projects for Assistance in Transition from Homelessness	Funds community-based outreach, mental health and substance abuse referral/treatment, case management, and other support services.	26,440,696	Grant	Federal

LEAD AGENCY	PROGRAM NAME	DESCRIPTION	FUNDING FISCAL YEAR 2018-19 TO 2020-21	FUNDING MECHANISM	FUNDING SOURCE
CDSS	Bringing Families Home Program	Provides financial assistance and housing-related wraparound services to families involved with the child welfare system who are at risk of or experiencing homelessness.	\$24,384,559	Grant	State
CalOES	Specialized Emergency Housing Program	Expands emergency shelter, emergency housing assistance, and supportive services for people who are victims of crimes with specialized needs.	23,626,451	Grant	Federal
CCCCO	College Homeless and Housing Insecure Pilot Program	Recipient colleges were required to partner with community organizations that provide wraparound services and rental subsidies for students experiencing homelessness or housing insecurity.	18,000,000	Grant	State
HCD	Transitional Housing Program	Provides funding to help young adults find and maintain housing, with priority for those formerly in foster care or probation systems.	15,264,800	Grant	State
CDSS	Home Safe Program	Provides various housing stability services, such as financial assistance, case management, and eviction prevention, for individuals in Adult Protective Services.	14,500,000	Grant	State
CalOES	Homeless Youth Emergency Services and Housing Program	Provides access to housing, crisis intervention services, and stabilization services.	6,336,500	Grant	State
CDCR	Long Term Offender Reentry Recovery Program	Establishes contracts with provider organizations for services such as transitional housing.	5,222,660	Grant	State
HCD	Housing Navigators Program	Helps young adults experiencing homelessness find housing, provides case management and various services, and pays deposits.	5,000,000	Grant	State
HCD	Pet Assistance and Support Program	Provides food, shelter, and basic veterinary care for the pets of people experiencing homelessness.	5,000,000	Grant	State
CalOES	Homeless Youth and Exploitation Program	Helps youth experiencing homelessness through access to food, shelter, counseling, basic health provisions, and other services.	3,242,310	Grant	State and Federal
CalOES	Homeless Youth Innovative Services Program	Provided one-time funding to organizations to develop projects to help youth experiencing homelessness exit street life.	1,000,000	Grant	State
Total			\$9,597,741,793		

Source: Statewide Homelessness Assessment.

Note: Since the period covered by the statewide homelessness assessment, the State has implemented additional homelessness programs and awarded additional funding.

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Appendix B

Placements Into Interim and Permanent Housing

From Fiscal Year 2019–20 through March 2023

We used the state data system to identify the number of times a reporting entity placed people into different types of housing. Table B below shows the number of placements into both permanent and interim housing. Statewide, the table shows how many placements of people were in each category of housing, with the majority placed into interim housing—emergency shelter, in particular.

Table B
Interim and Permanent Housing Placements

STATEWIDE*	FISCAL YEAR				TOTAL
	2019–20	2020–21	2021–22	2022– MARCH 2023	
Permanent Housing (PH)					
PH-Housing Only	64	78	328	549	1,019
PH-Housing With Services (no disability required for entry)	286	334	547	491	1,658
PH-Permanent Supportive Housing (disability required for entry)	2,571	1,893	1,961	1,550	7,975
PH-Rapid Re-Housing	10,975	8,161	9,142	7,433	35,711
Subtotal	13,896	10,466	11,978	10,023	46,363
Interim Housing					
Emergency Shelter	73,730	60,961	70,007	59,943	264,641
Safe Haven	201	125	149	170	645
Transitional Housing	2,518	2,221	2,536	2,256	9,531
Subtotal	76,449	63,307	72,692	62,369	274,817
Total	90,345	73,773	84,670	72,392	321,180

Source: State data system.

* This table counts an individual once for each housing placement; therefore, a person can be counted more than once.

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Appendix C

Scope and Methodology

The Audit Committee directed the California State Auditor to conduct an audit to assess the effectiveness of the State’s spending on homelessness. Specifically, the Audit Committee asked us to review the State’s structure and efforts for funding and addressing homelessness and the cost-effectiveness of a selection of five state homelessness programs. Table C below lists the objectives that the Audit Committee approved and the methods we used to address them. The Audit Committee also requested that we review the outcomes that the city of San José and another city achieved with federal, state, and local homelessness funding. The results of our review of these two cities is included in a separate report (2023-102.2). Unless otherwise stated in the table or elsewhere in the report, statements and conclusions about items selected for review should not be projected to the population.

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 and evaluated state and federal laws and regulations applicable to the state departments and state programs we reviewed.</p>
<p>2 Review and evaluate the State’s structure and efforts for funding and addressing homelessness, including the role of Cal ICH.</p> <p>a. Identify measures used by the State to calculate the cost-effectiveness of its programs, and determine how many individuals received shelter and services annually in fiscal years 2020–21 through 2022–23. For a selection of up to five programs, assess the cost-effectiveness of these programs.</p> <p>b. Determine whether state or federal laws or regulations impede the ability of the State or local jurisdictions to accurately assess and track the population experiencing homelessness.</p> <p>c. Identify any impediments to State and local jurisdictions’ sharing of data and meaningful collaboration.</p>	<ul style="list-style-type: none"> • Reviewed laws and regulations that outline the establishment and role of Cal ICH. • Identified the state agencies that are members of Cal ICH. • Identified state agencies that administer programs for addressing and preventing homelessness and the amount of funding the State allocated to its homelessness programs by reviewing the Statewide Homelessness Assessment. • Interviewed Cal ICH staff to understand its role in coordinating the State’s approach to addressing homelessness. • Identified state and federal funding sources for homelessness programs. • Identified the State’s homelessness programs and selected five for review. • Reviewed expenditures, people served, and outcome data for the selected programs in order to assess their cost-effectiveness. • Analyzed data about the State’s population of those experiencing homelessness to determine the number of unsheltered individuals placed in shelter or housing, the outcomes faced by people experiencing homelessness, and the services they receive. • Interviewed Cal ICH staff about how it collects and uses data from CoCs. • Reviewed state and federal laws and regulations related to data collection, privacy, and sharing. • Interviewed state staff to understand any impediments they face in sharing data and in collaborating with one another.
<p>3 Review and assess any other issues that are significant to the audit.</p>	<p>None identified.</p>

Source: Audit workpapers.

Assessment of Data Reliability

The U.S. Government Accountability Office, whose standards we are statutorily obligated to follow, requires us to assess the sufficiency and appropriateness of any computer-processed information we use to support our findings, conclusions, and recommendations. In performing this audit, we relied on electronic data obtained from Cal ICH's state data system for the period July 1, 2019, through March 31, 2023. To evaluate the data, we reviewed existing information, interviewed people knowledgeable about the data, and performed electronic testing of key elements of the data. We identified problems with the state data system data, such as the inclusion of deleted records, test entries, and illogical entries, such as some enrollment numbers that exceeded the bed capacity of the corresponding shelters. Consequently, we found the data to be of undetermined reliability for the purposes of analyzing the number and duration of those enrolled in homelessness services. Although the data may contain errors that affect the precision of the numbers we presented, we concluded that there is sufficient evidence in total to support our findings, conclusions, and recommendations.



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



GAVIN NEWSOM
GOVERNOR

February 16, 2024

Grant Parks
California State Auditor
621 Capitol Mall, Suite 1200
Sacramento, CA 95814

SUBJECT: CALIFORNIA STATE AUDITOR REPORT 2023-102

Dear Mr. Parks:

The California Department of Social Services (CDSS) submits below the responses to the California State Auditor's (CSA) 2023-12 draft report.

CSA DRAFT REPORT:

CSA found that the CalWORKs Housing Support Program was likely cost-effective and did not have any recommendations for CDSS to address. CDSS further reviewed the draft report for factual inaccuracies and found none.

Questions or requests for clarification regarding the information in this letter should be directed to Marta Galan, Branch Manager of the Housing and Homelessness Division, Operations, Data, and Integration Branch at Marta.Galan@dss.ca.gov and copied to Debbie Richardson at Debbie.Richardson@dss.ca.gov.

In partnership,

A handwritten signature in black ink that reads "Hanna Azemati".

Hanna Azemati
Deputy Director Housing and Homelessness Division

cc Nicolas Kolitsos, CSA
 Jordan Wright, CSA
 Claire Ramsey, Chief Deputy Director, CDSS
 Julianna Vignalats, Chief Operating Officer (Acting), CDSS
 Keri Tippins, Senior Assistant Chief Counsel, Legal Division, CDSS
 Maria Hudson, Deputy Director, Administration Division, CDSS
 Debbie Richardson, Chief, Office of Audit Services Branch, CDSS

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California Interagency Council on Homelessness

Gavin Newsom, Governor
Tomiquia Moss, Secretary, Business Consumer Services and Housing Agency

February 21, 2024

Grant Parks, State Auditor*
California State Auditor
621 Capitol Mall, Suite 1200
Sacramento, CA 95814

Re: 2023-102.1 State and Local Homelessness Audit

Dear Mr. Parks,

The California Interagency Council on Homelessness (Cal ICH) hereby submits the enclosed response to the California State Auditor (CSA) draft report number 2023-102.1 titled, “The State Must Do More to Assess the Cost-Effectiveness of Homelessness Programs.”

Cal ICH, formerly known as the Homeless Coordinating and Financing Council, was established in 2016 and tasked with the mission of providing state level policy coordination, overseeing the implementation of Housing First, and identifying resources and services with the end goal to prevent and end homelessness in California.¹ Starting in 2018, Cal ICH was tasked with administering state grant programs. Cal ICH takes seriously its responsibility to effectively administer these programs and safeguard public funds.

As CSA mentions in the report, AB 129 (Chapter 40, Statutes of 2023) was enacted last year and expressly states legislative intent to transition grants administration from Cal ICH to the Department of Housing and Community Development commencing in Fiscal Year 2024-25.² This administrative transition is intended to serve the dual purpose of streamlining the administration of the State’s housing and homelessness programs, and support Cal ICH in providing statewide policy coordination and development.³ As Cal ICH continues its efforts to effectuate this administrative transition, it is critically important to adopt measures to improve program administration, including recommendations identified by the CSA that are either already being implemented or planned to be implemented in the near future. Based on the foregoing, Cal ICH generally agrees with the recommendations provided by CSA and will take appropriate measures to implement where possible.

¹ Senate Bill 1380 (Chapter 847, Statutes of 2016)

² Health and Safety Code § 50231.

³ *Id.*

Responses to Cal ICH specific recommendations are as follows:

Recommendation 1: “To ensure that its 2024 update to its action plan aligns with its statutory goals, the homelessness council should clearly identify in that update the statutory goal or goals that each of the action plan’s objectives addresses.”

Cal ICH agrees with this recommendation.

The purpose of the Action Plan was to orient the State’s efforts to drive purposeful, meaningful, and measurable progress toward preventing and ending homelessness in California. While Councilmember agencies and departments do report on specific program outcomes in the Action Plan Implementation Report, Cal ICH agrees the Action Plan should be a vehicle to more directly track progress towards its 19 statutory goals. The most recent Action Plan Implementation Progress Report can be found [here](#).[†]

①

Recommendation 2: “To promote transparency, accountability, and effective decision-making related to the State’s efforts to address homelessness, the homelessness council should request that state agencies responsible for administering state-funded homelessness programs provide spending- and outcome-related information for people entering, experiencing, and exiting homelessness. By March 2025, the council should develop and publish on its website a scorecard—or similar instrument—on the homelessness programs that would enable the Legislature and other policy-makers to better understand each program’s specific costs and outcomes.”

Cal ICH generally agrees with the intent of the recommendation but notes that limited existing resources and authorities limit its ability to implement this recommendation.

AB 140 (Chapter 111, Statutes of 2021) required Cal ICH to complete a one-time assessment of homelessness funding and outcomes. This assessment directly supported the nineteenth statutory goal “to collect, compile, and make available to the public financial data provided to the council from all state-funded homelessness programs.” Due to the lack of existing resources to conduct this assessment internally, Cal ICH was provided with one-time funding of \$5.6 million to complete this [report](#).[‡] Additional resources would be needed to conduct and update the same or similar analysis on an ongoing basis.

①

Cal ICH agrees with CSA that it has a goal “to collect, compile, and make available to the public financial data provided to the council from all state-funded homelessness programs,” and that Cal ICH has legal authority to request departments and agencies to provide internal, financial data on specific programs. However, without additional resources on an ongoing basis, Cal ICH will not have the capacity to effectively use all of the financial data that it has authority to request. Cal ICH requests CSA expand their recommendation to include ongoing funding to support the effective implementation of this request.

Additionally, Cal ICH notes that significant additional data requests from Cal ICH to relevant departments imposes workload on those departments—as such, resource levels at those departments may also impact the ability to implement this recommendation.

801 Capitol Mall, Suite 601 | Sacramento, CA 95814 | (916) 651-2820
<http://www.bcsch.ca.gov/calich>

[†] Action Plan Implementation Progress Report: https://www.bcsch.ca.gov/calich/documents/action_plan_2022-2023.pdf
[‡] assessment report: https://www.bcsch.ca.gov/calich/documents/homelessness_assessment.pdf

Recommendation 3: “To ensure that the State has consistent, accurate, and comparable data for all state-funded homelessness programs, by March 2025 the homelessness council should work with CoCs to implement standardized data requirements that programs must follow when entering information into HMIS. The requirements should establish expectations defining CoC’s responsibilities for ensuring data accuracy and reliability.”

Cal ICH agrees with this recommendation and notes that the existing Homeless Data Integration System (HDIS) already serves to standardize much of the data reporting from the 44 CoCs across the state and Cal ICH remains committed to continuously improving data quality and consistency.

Cal ICH created HDIS in 2021 to improve statewide data collection and coordination on homelessness. HDIS compiles and processes data collected from all 44 CoCs into a statewide data warehouse. HDIS was the first state-level system of its kind in California, providing the most comprehensive and accurate data system available to measure the provision of homelessness services and associated outcomes. Cal ICH would like to respond to CSA findings related to data quality and consistency.

1. Cal ICH Uses a Multi-Layer Verification System to Ensure Data Quality

Cal ICH uses a multi-layer process to ensure data quality. First, CoCs are responsible for ensuring the accuracy of the information submitted to HDIS. Cal ICH has agreements with each CoC (referred to as Data Use Agreements) that outline the terms of data sharing between the State and the respective CoC. These agreements outlined that the “CoC shall have responsibility for the accuracy and quality of the Data” provided to BCSH.

Second, to further support data accuracy, Cal ICH reviews the data provided by CoCs to ensure the data is complete, in the correct format, and that changes in the record counts are consistent with local and statewide trends. In the event of data issues or data outliers, Cal ICH connects with the CoC in question to resolve errors. Cal ICH *cannot* make corrections to the underlying data and relies on the CoC to correct any errors through their local Homeless Management Information System (HMIS). To support CoCs in this effort, the fifth round of Homelessness Housing and Assistance Program (HHAP) added HMIS as an eligible use under System Improvements, thereby providing additional state resources to support CoCs in improving data accuracy and quality.

Cal ICH performs data quality checks at multiple stages in the process of loading the data. The errors in the underlying data that CSA highlighted are not due to the state's data loading process or analytics. Despite this multi-layer verification system, Cal ICH agrees with CSA that improving data quality from external parties is a priority. To that end, Cal ICH is in the process of implementing multiple processes to increase data quality. These include expanding data quality checks performed by state staff, including developing more automated data error reporting. Cal ICH is also developing tools and technical assistance to support CoCs with improving data quality.

2. AB 977 and HDIS Provide a Consistent Method of Tracking and Analyzing Data Across State Programs

Cal ICH has established a consistent method for gathering information on homelessness program's outcomes for the programs required to report data as part of AB 977 (Chapter 397, Statutes of 2021), which became operative on January 1, 2023. Using HDIS for tracking outcomes allows for consistent comparisons across state programs and tracking longer term outcomes for program participants.

Reporting applies to the following state entities and programs:

- Cal ICH: HHAP, ERF, Family Homeless Challenge Grants
- HCD: Homekey, Housing for a Healthy California, No Place Like Home, Multifamily Housing Program, Veterans Housing and Homelessness Program
- CDSS: Bringing Families Home Program, CalWORKs Housing Support Program, Housing and Disability Income Advocacy Program
- CCCC: Homeless and Housing Insecure Pilot Project
- CalVet: Veterans Support to Self-Reliance Program
- DHCS: Behavioral Health Bridge Housing Program
- New State funded homelessness programs that commence on or after July 1, 2021.

The draft report states that Cal ICH has not yet used the data received from these state programs to evaluate the programs' success in reducing homelessness. As part of a previously determined project timeline, informed by the operative date of the statute, Cal ICH had not begun receiving data project codes for these projects until after the State and Local Homelessness audit commenced. During interviews with CSA staff, Cal ICH shared its plan to use data to evaluate program outcomes and appreciates that CSA is supportive of this approach. Cal ICH will be providing administering departments with dashboards of outcomes data for their programs beginning in Spring 2024 and will continue to explore opportunities to report publicly on outcomes for these programs beginning in 2025.

Cal ICH appreciates the CSA's efforts to support and further our collective interest in providing oversight and accountability over homelessness funding. My staff and I thank the audit team for its professionalism, and we look forward to providing future updates on our efforts to implement the report's recommendations. If you have any further questions regarding this response, please feel free to contact BCSH Assistant Deputy General Counsel, Laurance Lee.

Sincerely,



Meghan Marshall
Executive Officer
Cal ICH

CC:

Tomiquia Moss, Secretary
Melinda Grant, Undersecretary
Tad Egawa, General Counsel
Dhakshike Wickrema, Deputy Secretary of Homelessness
Business, Consumer Services, and Housing Agency
500 Capitol Mall
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Comment

CALIFORNIA STATE AUDITOR'S COMMENT ON THE RESPONSE FROM THE CALIFORNIA INTERAGENCY COUNCIL ON HOMELESSNESS

To provide clarity, we are commenting on the response to our audit report from the California Interagency Council on Homelessness (Cal ICH). The number below corresponds with the number we have placed in the margin of Cal ICH's response.

As is our standard practice, we communicated with Cal ICH while it was reviewing our draft report to discuss any concerns it may have about the report. After these conversations, we informed Cal ICH that we would make changes to the recommendation that Cal ICH develop and publish a scorecard of the cost and outcomes of the State's homelessness programs. The recommendation is on page 23.

①