Mayor's Office of Homeless Services

**Biennial Performance Audit
Follow-up for Fiscal Years Ended
June 30, 2022 and 2021**

City Auditor, Josh Pasch

July 18, 2023

CONTENTS

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Honorable Bill Henry, Comptroller

and Other Members

of the Board of Estimates

City of Baltimore

EXECUTIVE SUMMARY

We conducted a *Biennial Performance Audit Follow-up of the Mayor's Office of Homeless Services* report dated December 30, 2021, which covered Fiscal Years Ended June 30, 2020 and June 30, 2019. The objective of our performance audit follow-up was to determine the implementation status of management action plans for the prior recommendations. The one prior finding that we followed up on pertaining to Permanent Housing contained five recommendations (See Section I on page 4). Of the five prior recommendations, three recommendations, or 60 percent, were partially implemented and two recommendations, or 40 percent, were not implemented.

Also, the Department of Audits followed up on a finding related to a data security concern. The implementation status of a security-related recommendation was communicated to the appropriate Mayor's Office of Homeless Services (MOHS) and City personnel in the *Confidential Management Comment Limited Use Letter: Department of Homeless Services Biennial Audit for Fiscal years 2020 and 2019 Follow-up*. The implementation status of the security related recommendation was omitted from this public report. The decision to exclude this information was based on *Government Auditing Standards, 2018 Revision Technical Updated April 2021, Sections 9.64 9.66, Reporting Confidential or Sensitive Information*.

We wish to acknowledge MOHS's cooperation extended to us during our audit follow-up.

Respectfully,

Josh Pasch

Josh Pasch, CPA
City Auditor, City of Baltimore
July 18, 2023

BACKGROUND INFORMATION

The mission of the MOHS is to prevent homelessness and provide outreach services to individuals and families. The MOHS became a stand-alone agency in Fiscal Year 2020 when the Mayor's Office of Human Service was separated into the Mayor's Office of Homeless Services and the Mayor's Office of Children and Family Success (MOCFS). Additionally, out of the five largest Continuum of Care (CoC) jurisdictions in the State, the City has served nearly five times the number of clients as the next most active CoC. Montgomery County, which is the largest CoC jurisdiction in the State, has a population that exceeds the City by more than 400,000 people. However, it serves a homeless population that is 9,310 less than the City's homeless population.

Approximately $15 million in funding for homeless services programs is provided by the Department of Housing and Urban Development (HUD) annually. As such, the City's CoC must follow guidelines and criteria established by HUD in the development, administration, and operation of services provided to the City's homeless population.

The focus of this audit is to follow up on the prior year action plan noted in our report dated December 30, 2021 which addressed FY2020 and FY2019 activity. The objective of the prior audit was to determine whether MOHS had effective and efficient policies, procedures, and processes in delivering MOHS's permanent housing program to meet MOHS's primary goals and strategic plan to reduce homelessness. According to MOHS, permanent supportive housing is permanent housing with indefinite leasing or rental assistance paired with supportive services to assist homeless persons with disability or families with an adult or child member with a disability achieve housing stability.

OBJECTIVES, SCOPE, AND METHODOLOGY

We conducted our follow-up audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives. The objective of our audit was to follow up on prior finding and recommendations included in the previous Biennial Performance Audit Report dated December 30, 2021.

To accomplish our objectives, we:

- Reviewed the agency provided supporting documentation and performed testing as necessary to determine if the management reported implementation status was supported;

- Conducted meetings and walkthroughs with MOHS leadership and the Identity Access Project;

- Documented the understanding of MOHS's Case Conference process; and

- Reviewed the following documents:

  o Various documents related to the HOME ARP[1] plan;

  o Various documents related to landlord engagement;

  o MOHS new employee data; and

  o Ranking and Scoring of subrecipient housing providers for FY2022 and FY2021 data.

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[1] Home-America Rescue Plan – Grant funding allocated by HUD to jurisdictions to address homelessness and housing instability.

SECTION I: IMPLEMENTATION STATUS OF PRIOR AUDIT FINDING AND RECOMMENDATIONS

Table I

Summary of Implementation Status of Audit Finding and Recommendations from the Performance Audit Report for Fiscal Years Ending 2021 and 2020

No	Finding	Prior Recommendations	Management's self-reported Implementation Status	Auditor's Assessment
1.	The current process takes 158 median days or 248 average days to transition individuals into permanent housing. The absence of adequate and available housing inventory, time it takes to obtain necessary personal documentation, and lack of monitoring contributed to delays in the process. Lack of review of financial and housing utilization data throughout the year did not allow MOHS to service the homeless community efficiently or effectively. Detailed ad hoc reports of the time required to complete key activities / milestones are not produced and utilized. There are no processes and controls to validate client	Form a work group with the Journey Home, Department of Housing and Community Development (DHCD), and other stakeholders to obtain a listing of City landlords and initiate an outreach program to develop an inventory of permanent housing.	Partial Implementation: 1. Although this data is still under review the FY22 System Performance Measures submitted to HUD in Feb 2023 indicates the system-wide average length of stay is 208 (10/1/2021- 9/30/2022). The data sent to HUD is a standardized report using HUD's measure, average length of time (in days) that clients are continuously enrolled between Emergency Shelter, Safe Haven and Transitional Housing programs. 2. MOHS used CARES Act Funding to increase rapid rehousing opportunities and hired a housing identification specialist to increase landlord engagement and match households effectively. 3. MOHS is using American Rescue Plan Act (ARPA) funding to support the demobilization of shelters. MOHS has sub granted funds to seven nonprofit providers to operate new rapid rehousing programs that target shelter residents. MOHS is in the process of launching a Landlord Engagement and Housing Navigation Project using ARPA funding. This will increase the number of landlords that partner with the City and nonprofit providers to house	**Partially Implemented** MOHS created two housing identification specialist positions to cultivate relationships with landlords, property owners, and management companies to help increase the supply of affordable housing. Additionally, meetings were conducted with relevant parties, which led to the identification of 2,500 affordable housing properties. However, an inventory of permanent housing directly allocated to MOHS was not established.

submitted information for permanent housing services		individuals and families that are experiencing homelessness. 4. In November 2022, the CoC Board approved Rapid Rehousing Standards, which incorporates standard operating procedures, project requirements, and performance standards. All Rapid Rehousing projects are required to adhere to the new standards. 5. See link to how Baltimore City plans to tackle Housing Insecurity: https://homeless.baltimorecity.gov/tackling-housing-insecurity-%E2%80%93-baltimore%E2%80%99s-homelessness-and-housing-initiative 6. See links to House America Goals - Baltimore housing over 1000 families experiencing homelessness: https://dhcd.baltimorecity.gov/news/news/2022-05-18-mayor-scott-joins-hud%E2%80%99s-house-america-initiative-address-homelessness-baltimore https://conduitstreet.mdcounties.org/2023/02/21/baltimore-city-exceeded-goals-to-combat-homelessness/ https://www.cbsnews.com/baltimore/news/proud-moment-baltimore-mayor-touts-progress-in-combatting-homelessness-through-federal-partnerships/ https://www.wbaltv.com/article/tackling-homelessness-top-priority-baltimore-city/42892515	

Table I (Continued)

Summary of Implementation Status of Audit Finding and Recommendations from the Performance Audit Report for Fiscal Years Ending 2021 and 2020

No	Finding	Prior Recommendations	Management's self-reported Implementation Status	Auditor's Assessment
2	See No.1 above.	Analyze: 1. Affordable housing projects and developments for including the inventory; and 2. Subrecipient permanent housing performance, throughout the year, to determine underperforming projects (high decline rate and administrative cost without providing full capacity housing) and reallocate those funds to new projects.	Partial Implementation: 1. MOHS is working in Collaboration with DHCD and the CoC's Affordable Housing Committee. 2. DHCD with the support of MOHS submitted the HOME-ARP Allocation Plan to HUD. Eligible activities under HOME-ARP include: (1) development and preservation of affordable rental housing, (2) tenant-based rental assistance (TBRA), (3) provision of supportive services; and (4) acquisition and development of non-congregate shelter units (NCS). Recipients of HOME-ARP funds, known as Participating Jurisdictions (PJs), may use up to 10 percent of the award for Nonprofit Operating and Capacity Building Assistance and 15 percent of the award for Administration and Planning. The plan can be found on the DHCD website: https://dhcd.baltimorecity.gov/nd/home-investment-partnerships-program 3. MOHS has hired additional staff that includes the Director of Programs (DOP) and a new Housing Manager. The DOP supervises the Program Compliance Supervisor and a new Housing Manager. Additional staff capacity has made it possible to develop stronger processes that will allow MOHS to focus on performance outcomes.	**Partially Implemented** 1. MOHS provided evidence of the submission of the HOME ARP plan in conjunction with DHCD, which is intended to be used to increase the supply of affordable housing. Affordable housing is addressed above in number one. 2. The ranking and scoring process used to evaluate administrative costs, utilization / occupancy rates and the performance of subrecipients is applied by the Resource Allocation Committee to all housing projects excluding single room occupancy (SRO) units, which have low utilization and high decline rates. Discussions are under way to determine the future of the SRO units within the permanent housing program.

			4. MOHS is working with HUD-funded technical assistance provider the Technical Assistance Collaborative (TAC) on revising existing and developing updated standard operating procedures for MOHS that will be in full compliance with the McKinney-Vento Act. While focusing first on the Fiscal, Program Compliance, and grants management areas, these revisions will be rolled out across all operations and programmatic areas at MOHS.	

Table I (Continued)

Summary of Implementation Status of Audit Finding and Recommendations from the Performance Audit Report for Fiscal Years Ending 2021 and 2020

No	Finding	Prior Recommendations	Management's self-reported Implementation Status	Auditor's Assessment
3	See No.1 above.	Continue to work with Maryland Department of Health and Social Security Administration to improve current process of client information validation and obtaining necessary documentation in a timely manner. Consider the following: 1. An automated process (confirmation submissions) to validate client reported name, date of birth, social security number, and a process to obtain the corresponding documents in a timely manner. 2. Periodic coordinated subrecipient meetings with clients and representatives from SSA and MDH, or fund SSA and MDH positions to meet clients at shelters and subrecipient locations for validation of clients.	Partial Implementation: 1. All subrecipients are required to operate using Housing First Principles. Although participants may require vital records to move into housing, it does not exclude a person from getting matched to housing. Subrecipients are encouraged to work with SSA, MVA, and other systems that will assist clients in obtaining the necessary vital records. 2. MOHS has developed a formal partnership with Identity Access Project (IAP). IAP works directly with individuals experiencing homelessness to procure all vital documents that includes State of Maryland Issued ID Cards, and birth certificates from any US State or Territory.	**Partially Implemented** MOHS has formed a partnership with IAP to assist in obtaining birth certificates and photo ID. However, IAP does not assist in obtaining Social Security documentation. In addition, MOHS has not formed a partnership, or secured an alternative method, to expedite the process of obtaining clients' Social Security information.

Table I (Continued)

Summary of Implementation Status of Audit Finding and Recommendations from the Performance Audit Report for Fiscal Years Ending 2021 and 2020

No	Finding	Prior Recommendations	Management's self-reported Implementation Status	Auditor's Assessment
4	See No.1 above.	Develop ad hoc reporting of client activities from application through housing that included specific dates and the number of days for key activities / milestones in the administration of permanent housing that includes, but is not limited to, application collection of personally identifiable information and protected health information documents, date offered, date housing accepted, and date of move in.	Partial Implementation: 1. MOHS continues to work with Built for Zero on systems improvements. Through this work, MOHS has implemented a new case conferencing model to ensure all clients enrolled and actively participating in services through Coordinated Access. The formal case conferencing structure provides a coordinated, integrated and holistic approach to support households as they resolve their housing crisis. The goal is to implement these standards to all subpopulation groups that meet to review the byname list and ensure that all households are engaged and provided assistance on their housing journey. Guiding principles for case conferencing: 1. Engage all clients to assist in connecting to housing and support services; 2. Ensure activities are client centered and aligned with housing-first; 3. Assist in actively addressing barriers to housing; and 4. Utilize strength-based, solution focused strategies in all discussions about the client During each case conference detailed case managers review the By-Name list and track each client and provide action planning steps to ensure case managers have solutions or next steps to support their clients.	**Not Implemented** There is no report currently in place to report and analyze identified key milestones for client activity.

Table I (Continued)

Summary of Implementation Status of Audit Finding and Recommendations from the Performance Audit Report for Fiscal Years Ending 2021 and 2020

No	Finding	Prior Recommendations	Management's self-reported Implementation Status	Auditor's Assessment
5	See No.1 above.	Monitor those specific dates addressed in the bullet above to: 1. Identify time lags and performance gaps in the housing placement process; 2. Resolve the issues; and 3. Revise performance base lines.	Partial Implementation: 1. MOHS has been working with the CoC's Homeless Response Committee to restructure the committee to ensure it can better monitor the Coordinated Access System. The committee is planning on rolling out the new structure by June 2023. A flow chart of the new restructured committee is available to review per request. 2. MOHS is incorporating a monthly performance report in all new contracts in 2023 that will ensure project level performance is evaluated monthly.	**Not Implemented** See No.4 above