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STATE COMPTROLLER



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STATE OF NEW YORK  
**OFFICE OF THE STATE COMPTROLLER**

November 30, 2000

Mr. Brian J. Wing  
Commissioner  
Office of Temporary and Disability Assistance  
40 North Pearl Street  
Albany, NY 12246

Re: Report 2000-F-31

Dear Mr. Wing:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of the Office of Temporary and Disability Assistance (OTDA), as of November 8, 2000, to address the recommendations contained in our audit report, *Homeless Housing Assistance Program* (Report 98-S-54). Our report, which was issued August 23, 1999, examined the effectiveness and management of that program.

**Background**

OTDA's mission is to promote greater self-sufficiency among the State's residents through the efficient delivery of both temporary and disability assistance, and the collection of child support. In 1990, the New York State Legislature established a public benefit corporation, the Homeless Housing Assistance Corporation, to oversee the State's Homeless Housing Assistance Program (HHAP or Program). OTDA's Bureau of Supported Housing Development (Bureau) administers HHAP, which provides capital grants and loans to not-for-profit corporations, charitable and religious organizations, municipalities, and public corporations so they can acquire, construct, or rehabilitate housing for homeless persons. The statute governing the Program defines a homeless person as an undomiciled person who is unable to secure permanent and stable housing without special assistance.

From the Program's inception in fiscal year 1983 through 2001, the State Legislature has appropriated \$452 million to HHAP, which, in turn, funded 435 projects throughout the State. These projects generated 8,400 housing units that provided homes for more than 16,000 homeless persons.

**Summary Conclusions**

In our original report we concluded that HHAP was generally serving the homeless population by acquiring, constructing, and rehabilitating housing for the homeless. However, we identified several ways in which the effectiveness of the Program could be improved.

In our follow-up review, we found that OTDA officials have made substantial progress in implementing the recommendations contained in our prior report. OTDA has participated in a needs assessment and developed an information system to collect data related to various HHAP projects. We also note that the Bureau has improved its monitoring procedures as a means to determine whether projects are meeting program requirements.

### **Status of Prior Audit Recommendations**

OTDA officials have implemented nine of the ten recommendations contained in our prior report and partially implemented the remaining recommendation.

### **Follow-up Observations**

#### **Recommendation 1**

*Exhaust all efforts to acquire necessary documentation. Fund only those project applications that include adequate documentation of need.*

#### **Recommendation 2**

*Give need more priority in the evaluation of project applications for funding.*

#### **Recommendation 3**

*Compile and use data from the project proposal evaluation process to help identify and validate the housing needs of the homeless population in various localities throughout the State.*

Status - Implemented

Agency Action – The Bureau revised the HHAP Request for Proposal to strengthen the section related to the identification of need. Specifically, the Request for Proposal now states that priority will be given to those projects that meet a documented need identified by local social services districts. The documentation must be recent and quantifiable. In addition to completing field visits to confirm the documentation, the Bureau established a reference library of data from project proposals. Bureau staff consider this data in deciding which projects to fund. The library includes documents and information from agencies with expertise in homelessness and homeless housing development.

#### **Recommendation 4**

*Develop monitoring procedures for HHAP projects. Take the necessary steps to ensure that project managers follow these procedures.*

Status - Implemented

Agency Action – The Bureau’s Asset Management unit has developed monitoring procedures for HHAP projects. These procedures include scheduled visits to projects and necessary follow-up visits. All projects currently under contract with the Homeless Housing Assistance Corporation will be visited by December 31, 2000. Also, Bureau project managers monitor annual fiscal and operating reports submitted to the Bureau by the project sponsors. Additionally, the Bureau has strengthened its physical site report requirements. Bureau management plans to verify that HHAP project managers follow monitoring procedures.

**Recommendation 5**

*Enforce the requirement that projects submit all necessary reports.*

**Recommendation 6**

*Use the submitted project reports to identify financial and operating conditions that require corrective action. Take the necessary steps to address those conditions.*

Status – Implemented

Agency Action – The Bureau has implemented steps to enforce the requirement that all project sponsors submit the required annual reports. In addition, the Bureau uses information in these reports to identify any financial or operating difficulties encountered by the sponsors and to initiate technical assistance to those sponsors.

**Recommendation 7**

*Develop a strategic plan that includes long-term goals and objectives for HHAP. Establish measurable performance indicators and desired outcomes for HHAP.*

Status – Partially Implemented

Agency Action – The Bureau has taken steps toward developing a strategic plan for HHAP that includes timelines for the completion of HHAP projects. The Bureau uses bi-weekly meetings and monthly reports to review the status of individual projects. In addition, Bureau management developed a policy and procedures manual that includes goals, outcomes and procedures related to HHAP.

**Recommendation 8**

*Improve performance-measurement capability by establishing enhanced information systems that capture complete outcome data on project operations.*

**Recommendation 9**

*Verify that information in the HHAP database is accurate.*

Status - Implemented

Agency Action - The Bureau has completed a data entry, retrieval, and reporting system to capture HHAP project-related information. The Bureau verified the accuracy of HHAP data before completing the system.

**Recommendation 10**

*Conduct a Statewide assessment of homeless housing needs*

Status - Implemented

Agency Action - In response to a Federal Housing and Urban Development consolidated plan requirement, a needs assessment was recently completed by an independent firm for the Bureau.

Richard Sturm was the major contributor to this report.

We would appreciate your response to this report within 30 days, indicating any action planned or taken to address any unresolved matters discussed in this report. We also thank OTDA management and staff for the courtesies and cooperation extended to our auditor during this review.

Very truly yours,

William P. Challice  
Audit Director

cc: Charles Conaway  
David Dorpfeld