

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 cities we reviewed. Reviewed and evaluated relevant city municipal code and ordinances.</p>
<p>2 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 state and federal laws and regulations related to data collection, privacy, and sharing. • Interviewed state and city staff to understand any impediments they face in sharing data and in collaborating with one another.
<p>3 Evaluate the extent to which San José and San Diego are meeting the goals they have established in their policies and plans for ending homelessness.</p>	<ul style="list-style-type: none"> • Interviewed staff in the cities of San José and San Diego to identify each city’s plans and goals for ending homelessness. • For San José, reviewed the county-level community action plan to end homelessness and the city’s homelessness planning documents to identify the city’s goals to end homelessness. We determined that the city did not have city-specific goals to implement the county-level plan until it adopted an implementation plan in January 2024. • For San José, reviewed progress reports and city council memorandums from fiscal years 2020–21 through 2022–23 to evaluate whether the city met certain goals, such as its goal to have 1,300 interim housing units. • For San Diego, reviewed the city-specific community action plan on homelessness to identify the city’s goals to end homelessness. • For San Diego, reviewed the progress reports and dashboard on the city’s action plan implementation to evaluate whether the city met the goals in the city action plan.
<p>4 Identify, for the past three fiscal years, how much San José and San Diego have received in noncity funding for homelessness programs, including but not limited to Project Roomkey, Homekey, and federal stimulus funds.</p> <p>a. Determine how the cities have allocated and spent these funds and identify whether there is any amount remaining.</p> <p>b. Evaluate whether the cities have appropriately and effectively used these funds, including whether funding allocated for city staff and contractors aligns with the intent of the programs.</p> <p>c. Identify whether any allocations, and the amounts, were made to pay for city administration or any other overhead or nonprogrammatic functions, such as city hall or other city facilities or allocations to the city manager, city council, and mayor and their staff.</p>	<ul style="list-style-type: none"> • Reviewed grant award letters, city budgets, single audits, Annual Comprehensive Financial Reports, and appropriation ordinances. • Coordinated with each city’s relevant department contacts to identify in the cities’ financial systems the state and federal homelessness-related funding, expenditures, and remaining balances for the past three fiscal years. Neither San José nor San Diego received funding for Project Roomkey. • Evaluated the cities’ appropriate and effective use of funding by reviewing the outcomes of agreements the cities made to award funds from a variety of nonlocal funding sources to service providers. The cities provided their homelessness-related agreements for each of the past three fiscal years. For San José, we selected eight agreements based on program type, grantee, and agreement amount from the list of more than 100 agreements that the city provided. For San Diego, we selected eight agreements from the list of 46 that the city provided. However, some entries in San José’s list did not have complete information, and we identified agreements that each city had entered but not did not include in its list. Consequently, we determined that the lists of agreements the cities provided were incomplete. • For each city, tested the agreements to determine whether funding for city staff and service providers aligned with the intent of programs. • Reviewed appropriations to identify allocations for nonprogrammatic overhead functions such as City Hall or other city facilities, city manager, mayor, or staff. • Determined whether program outcomes were clearly defined, measured, reported on, publicly available, and compared to those of similar programs.

continued on next page ...

AUDIT OBJECTIVE	METHOD
<p>5 Identify the outcomes San José and San Diego have achieved from their use of noncity funding to reduce homelessness, and determine the following for each city:</p> <ul style="list-style-type: none"> a. The number of unsheltered individuals the city has placed in shelter or housing during each of the past three fiscal years, including the type of shelter or housing. b. The rate of placing individuals in shelter or housing compared to the growth rate of its unsheltered homeless population. c. The amount of time it takes to fill vacant beds and facilities for those facilities controlled by the city or its contractors. d. The amount of time between the city receiving noncity funds and disbursing them to service delivery organizations and the efficiency and effectiveness of this process. e. The length of time it took the city to place individuals in shelter or housing and how much the city spent on services for these individuals while they were unsheltered compared to after they were placed. f. The permanent housing outcomes associated with the programs and services funded through noncity funding. 	<ul style="list-style-type: none"> • Analyzed data about the State’s homeless population to determine the number of individuals experiencing unsheltered homelessness who were placed in shelter or housing, the outcomes of individuals experiencing homelessness, and services individuals experiencing homelessness received. • Interviewed Cal ICH about how it collects and uses data from CoCs. • Compared the increase in each cities’ unsheltered population with the number of placements into interim or permanent housing. • Because the state data system does not include data that would enable us to calculate the amount of time to fill vacant beds, reviewed utilization data from each city to determine the utilization rate at the city-controlled facilities. Additionally, for San Diego, we reviewed data that allowed us to calculate the rate at which referrals to shelters were completed. • Reviewed agreements and other documentation between the cities and their homelessness program service providers to determine the amount of time it took for cities to award state funds to providers. Because cities draw down federal funds as a reimbursement, we reviewed state funding sources. • Interviewed city employees to understand the funds disbursement processes. • Determined that the state data system does not include information that would enable us to calculate the amount of time to place individuals in shelter or housing. It also does not track how much a city spent on services before or after placement. The cities also do not collect this type of information. Therefore, we were unable to address Objective 5e. • As discussed in Report 2023-102.1, used the state data system to identify and calculate the outcomes associated with federally funded and non-federally funded programs and services. Within the non-federally funded outcome information, we were unable to separate out the permanent housing outcomes for state-funded programs from the overall permanent housing outcomes because of inconsistent data.
<p>6 To the extent possible, review available demographic data on San José’s and San Diego’s unsheltered population and identify whether there are segments of each city’s unsheltered population that are underserved. To the extent possible, determine the reasons for those instances and identify whether there are additional funding opportunities or homeless programs that each city could pursue to better serve these segments of the population.</p>	<ul style="list-style-type: none"> • For each city, obtained and reviewed demographic data from the HMIS managed by its CoC. • For each city, reviewed demographic data from fiscal years 2020–21 through 2022–23 on the number of people experiencing unsheltered homelessness and identified groups that were overrepresented in this population. • For each city, reviewed demographic data from fiscal years 2020–21 through 2022–23 on homelessness services and housing solutions that people experiencing homelessness received to identify any disparities in accessing services. • Identified the actions each city took to address demographic disparities.

AUDIT OBJECTIVE	METHOD
<p>7 Identify any funding sources San José and San Diego used during the three most recent fiscal years to ensure the health and safety of the unsheltered population and the outcomes each city has achieved from its use of this funding. Determine the following:</p> <ul style="list-style-type: none"> a. Whether each city has made an effort to identify public safety and health issues at homeless encampments, including the encampments at Columbus Park in San José. b. Whether the services each city has provided to address public safety and health issues adequately mitigated the impact of these issues on the population of encampments and surrounding areas. c. Whether each city has worked with its respective county and its public health department to provide services to address and mitigate these public safety and health issues. 	<ul style="list-style-type: none"> • Interviewed staff in San José and San Diego to identify the programs each city established and actions each city took to ensure the health and safety of people experiencing unsheltered homelessness. • For fiscal years 2020–21 through 2022–23, reviewed agreements, budgets, and financial system data from the cities to identify the funding sources and amounts for programs intended to ensure the health and safety of people experiencing unsheltered homelessness. • Reviewed the outcome information of each city’s programs intended to ensure the health and safety of people experiencing unsheltered homelessness. • Reviewed and assessed each city’s policies and processes for evaluating health and safety risks around encampments. • Reviewed progress reports and data to evaluate whether each city mitigated health and safety risks around encampments. • For San José, reviewed the Columbus Park encampment work plan and progress updates to determine whether the city took actions to identify and mitigate the health and safety risks. • For San José, interviewed staff and determined that the city does not have a contract with the county health department. • For San Diego, reviewed the city’s agreement with the county health department and evaluated the use of that agreement in mitigating public health risks at encampments and surrounding areas.
<p>8 Identify other public and local funds, including San José’s Measure E Funds, that San José and San Diego have used during the three most recent fiscal years to address homelessness.</p> <ul style="list-style-type: none"> a. Evaluate the effectiveness of each city’s use of these funds. b. Identify how many full-time equivalent city staff are engaged in work abating homeless encampments, including management and clean up through San José’s BeautifySJ initiative, and how many staff in each city’s housing department are focused on solutions to homelessness through efforts such as homelessness prevention, rapid rehousing, temporary housing, and permanent supportive housing. c. Quantify the annual operational costs of administering each city’s programs during the three most recent fiscal years to abate, manage, and clean up homeless encampments and of its efforts to provide solutions to homelessness through housing strategies and homelessness prevention. 	<ul style="list-style-type: none"> • Reviewed city budgets, Single Audits, Annual Comprehensive Financial Reports, appropriation ordinances, and Measure E reports. • Coordinated with each city’s relevant department contacts to identify local homelessness-related funding and expenditures for the past three fiscal years. • Evaluated the effectiveness of San José’s use of local funds by testing a selection of six agreements using local funding from a list of more than 100 agreements we sourced by combining a list that the city provided with additional agreements we identified from city records. • Evaluated the effectiveness of San Diego’s use of local funds by testing a selection of six agreements using local funding from a list of 46 agreements that the city provided. • For each city, selected two agreements for each of fiscal years 2020–21 through 2022–23 based on funding source, program type, and funding amount. We tested the agreements to ensure that they had defined performance measures and that the cities had received required performance reporting. We also verified whether the cities had evaluated the effectiveness of the services provided. • Reviewed the adopted budgets of each city and reports from its financial management systems to identify full-time equivalent staff engaged in abating encampments and those focused on solutions to homelessness. • Reviewed financial documentation from San José’s budget department that identified and summarized the city’s operational costs associated with this work. • Reviewed financial documentation from the San Diego departments involved with this work that identified and summarized their operational costs.

AUDIT OBJECTIVE	METHOD
<p>9 Identify San José's and San Diego's proposed sites for building interim and permanent housing for individuals experiencing homelessness.</p> <p>a. Identify each city's policies and processes for approving housing sites.</p> <p>b. Determine how many approved sites each city owns or controls.</p> <p>c. Determine whether the sites are equally distributed among each city council district.</p> <p>d. Assess each city's efforts to identify potential additional sites for both interim and permanent housing, the locations of those sites, and the status of any plans to build more housing.</p>	<ul style="list-style-type: none"> • For each city, interviewed staff and reviewed city records to identify proposed interim and permanent housing sites for individuals experiencing homelessness. • Interviewed staff in each city to identify policies and processes for approving interim and permanent housing sites. We then reviewed these policies and processes. • Requested that each city identify the proposed interim and permanent housing sites it owns. • For each city, created a map graphic of the proposed interim and permanent housing site locations to demonstrate the distribution of sites across city council districts. • Obtained information about each city's potential additional interim and permanent housing sites. We identified and reviewed each city's plans for future interim and permanent housing.
<p>10 Review and assess any other issues that are significant to the audit.</p>	<p>None identified.</p>

Source: Audit workpapers.