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**The City spent nearly \$69 million over the last 3 years on contracts to provide various homelessness services, but audit reveals Oakland needs to do more to ensure our unhoused residents' living situations are vastly improved**

*The City had mixed results in placing homeless residents into permanent housing and better information is needed to determine whether they remain housed*

OAKLAND, Calif. (September 19, 2022): Today, Oakland City Auditor, Courtney Ruby released a performance audit of the City's homelessness services including crisis response, longer-term housing, and other supportive services. The scope of the audit includes fiscal years 2018-19, 2019-20 and 2020-21. The audit reveals the City has not adopted a strategic plan for providing homelessness services during one of the most significant crises in Oakland's history.

Auditor Ruby notes, "Given the magnitude of this crisis, the Office of the City Auditor and the City Council placed a high priority on audits related to homelessness services and partnered together to establish the audit objectives for this audit, as well as the [Performance Audit of the City of Oakland's Homeless Encampment Management Interventions and Activities](#) released in April 2021."

This audit not only identifies ways the City Administration could effectively move homelessness services forward – including adopting an actionable strategic plan and strengthening oversight, but it also quantifies the number of participants to whom the City provided short-term, long-term, and permanent housing and how long they stayed. The audit further examines the City's performance in delivering housing and other supportive services and evaluates whether these programs met intended program outcomes.

While there are many organizations involved in the City's homelessness response, the report focuses on the critical coordination and partnership with the City's contracted service providers, and the Oakland/Berkeley/Alameda County Continuum of Care (CoC) that is responsible for maintaining both the Coordinated Entry System that provides the entry point for many homeless people to access

homelessness services, and the federally-mandated Homeless Management Information System (HMIS) database that tracks the services being provided.

The audit also sought to identify racial disparities in how the City provided homelessness services during the audit scope. The audit found the City delivered homelessness services in proportion to the racial make-up of the City's homeless population, per program data and the latest official counts of Oakland's homeless population (PIT Counts).

Homelessness in Alameda County and Oakland has grown over the years. Between 2015 and 2022, observed homelessness increased 131 percent and 141 percent in Oakland and Alameda County, respectively. In 2022, 5,055 people were identified as experiencing homelessness in Oakland, and 9,747 in Alameda County. While homelessness in Oakland continues to grow, it has slowed, growing only 24 percent between 2019 and 2022 compared to a 47 percent increase between 2017 and 2019.

The 2022 PIT Count estimated 1,718, or 34 percent of people experiencing homelessness in Oakland were sheltered, meaning they resided in supervised shelters designed to provide temporary living arrangements and were receiving some services. Additionally, the number of sheltered individuals almost doubled since the 2019 PIT Count. Since the 2017 PIT Count, the City has made significant investments in new beds and RV spaces to provide emergency housing to people experiencing homelessness.

The remaining 3,337, or 66 percent of people experiencing homelessness in Oakland were unsheltered meaning they resided in places not meant for human habitation. "These homeless individuals are those we see sleeping in cars, on streets, and parks. It pulls at our heartstrings and leaves us wondering what we could do differently to solve this seemingly intractable problem."

As such, the audit focused on the performance of the City's crisis response programs, including Community Cabins, Emergency Shelters, Transitional Housing, and RV Safe Parking, and longer-term housing programs, including Rapid Re-Housing, the Oakland Path Rehousing Initiative (OPRI), and Permanent Housing Services.

Overall, the City's housing programs, which are primarily managed by third-party service providers, served a total of 8,683 participants during the three years audited. Out of the 8,683 participants served over the three fiscal years, 6,697 participants were in crisis response programs and 1,986 were in longer-term housing programs. During these three years, the City spent nearly \$69 million on contracts for service providers to provide various housing services.

The audit used HMIS data to analyze where participants went after they exited from one of the homelessness services programs. Auditor Ruby notes, "These are called "exit destinations" and are the most important metrics for a homelessness response strategy because they identify where program participants landed after leaving City programs. For example, exit destination data answer the question: how many participants exited to permanent housing and how many returned to the street?"

Our audit found the City's homelessness services housing programs had mixed results in finding permanent housing for participants. During the audit period, 4,110 participants exited crisis response programs and 729 exited longer-term housing programs. The audit evaluated these programs

separately to determine if they met defined performance targets related to exit destinations. For instance, the City did not meet its performance targets for most crisis response programs for single adults, except for single adult Transitional Housing, which in one fiscal year, exited 10 out of 163 total exiting participants to homelessness (less than 10 percent). Family crisis response programs performed better with family Emergency Shelter and Transitional Housing programs meeting their targets for exits to permanent housing in all three years audited. Family Emergency Shelters exited a total of 67 participants to permanent housing over the three-year period the audit reviewed, exceeding the target of 30 percent in all years, and Family Transitional Housing exited 176 to permanent housing, exceeding the 80 percent target each year. Family Transitional Housing exits to homelessness in all three fiscal years were under the target of 10 percent. Transitional Housing for transition-aged youth did not meet the targets for exits to permanent housing or exits to homelessness in any of the three fiscal years.

Longer-term housing programs, which serve far fewer people than crisis response programs and commit to providing more intensive services over longer periods of time, were more successful in meeting performance targets. For example, family Rapid Re-Housing programs exited 372 participants over the three years, meeting its target to have over 80 percent of its participants exit to permanent housing and their target to have less than 5 percent of participants return to homelessness in all three fiscal years. The audit also noted improvement in the Rapid Re-Housing exits to permanent housing among single adult program participants, exiting 135 participants, and transition-aged youth Rapid Re-Housing, exiting 92 participants. Similarly, Single Adult OPRI exited 82 participants and Permanent Housing Services exited 48 participants over the 3-year period and met their target to have 95 percent of participants remain housed for one-year or longer in all three fiscal years. OPRI also met its target to have less than 5 percent of its participants exit to homelessness in two of the three fiscal years and Permanent Housing Services met this target in one of the three fiscal years.

Auditor Ruby stated, “While meeting defined performance targets in percentages is important, the City must critically evaluate program and provider performance to determine if the programs are operating effectively and efficiently and are operating at capacity. Until the City knows how many participants it can and should serve in each program, the performance targets tell only part of the story.”

The audit also found the City had mixed results in assisting homeless residents enroll in benefit programs such as federal Supplemental Security Income (SSI), federal Social Security Disability Insurance (SSDI), and state CalWORKs benefits (Temporary Assistance for Needy Families). Enrolling homeless residents into these benefits programs is critical in helping them secure and maintain permanent housing. On the other hand, the majority of homelessness services programs achieved targets for enrolling participants in health insurance benefits, though results varied by program category and by fiscal year.

Underlying these mixed results is the City’s access to timely, accurate, and complete data and the ability to use this data to adequately evaluate its own performance and the performance of the service providers contracted to provide direct homelessness services.

The audit identified numerous issues related to data, much of which comes from HMIS. First, the majority of data analyses included in the report was performed by the City Auditor's Office, identifying a critical deficiency in the City's capacity to effectively manage homelessness services. The audit found the City does not have the requisite analytical and technical skills to consistently analyze, track, and monitor data, all of which is needed to effectively manage homelessness services and hold service providers accountable.

Second, service providers were not entering timely and accurate data into HMIS. For example, the audit revealed that the single adult Emergency Shelter exit data was likely inaccurate because of two significant data issues. In fiscal year 2018-19, one of the three emergency shelter providers did not accurately enter information into HMIS, affecting both that specific program's data, but also the systemwide data that quantifies performance across all of Oakland's programs. Then, this provider misclassified the vast majority of exits from this shelter in fiscal year 2019-20.

Third, the City is unable to effectively track participants after they secure some form of permanent housing. Thus, the City is unable to determine whether participants securing some form of permanent housing remain housed.

Fourth, the City has data to track some outcomes by race, but technical challenges within HMIS at the County level have precluded it from identifying some critical outcomes by participants' race, including exits to positive destinations, exits to streets or unknown destinations, maintaining or increasing incomes, and enrollments in mainstream benefits and health insurance.

Lastly, the City's lacks adequate data to effectively determine how many of the City's beds are available on any given night. Such information is needed to ensure the City optimizes the use of all available beds intended for homeless residents.

Additionally, the audit found the City provided homeless services to participants of different races roughly proportionate to their share of Oakland's homeless population, except for the RV Safe Parking program.

The audit also found the City's current approach to contract monitoring is impractical and inadequate. Contract monitoring activities were incomplete, inadequately documented, and did not sufficiently address service delivery concerns.

Overall, the audit found that to move homelessness services forward and achieve measurable, impactful, and lasting results, the City needs to address the deficiencies identified in the audit and formally adopt a strategic plan with goals and objectives, corresponding strategies, and annual workplans. The strategic plan needs to ensure meaningful program outcomes are defined for Oakland. Additionally, public accountability and transparency must be improved, and to accomplish this, the audit recommends periodic reporting on a newly developed strategic plan, on the funding of homelessness services, as well as general updates concerning the City's homelessness response, service delivery, workplans, and performance results. Lastly, the City needs a staffing review to determine appropriate staffing levels, composition, and roles for its homelessness response.

The audit has a total of 30 recommendations and includes 27 recommendations for the City Administration to address the issues raised in the audit and the City Administration has committed

to implementing all 27 recommendations. The report also includes two recommendations to the City Council and one recommendation to the Commission on Homelessness.

Auditor Ruby stated, “We can do better, and we must do better. I believe establishing and adopting better strategies, management, oversight and staffing is essential to sustaining a successful homelessness response, which addresses the issues outlined throughout this audit report.”

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To read the full report please click [here](#).



**ABOUT OAKLAND CITY AUDITOR COURTNEY RUBY**

City Auditor Courtney Ruby was re-elected as Oakland’s City Auditor on November 6, 2018 and sworn into office on January 7, 2019. She previously served as Oakland’s City Auditor for eight years, between 2007 and 2014. During her tenure, she turned around a troubled agency and made it a model of accountability, transparency, and results. The office was honored in 2014 with a national award for its work and Courtney was named one of the most influential professionals in government auditing. She has been an executive in governmental and nonprofit organizations for over twenty-five years, including Chief Financial Officer for the Association of Bay Area Governments (ABAG), and Chief Financial Officer for the State of Illinois Department of Human Rights. Courtney most recently served as the Director of Administration and Facilities at the Metropolitan Transportation Commission, the transportation planning, financing, and coordinating agency for the Bay Area’s nine counties prior to assuming her duties as the elected City Auditor of Oakland. A graduate of American University, a Certified Public Accountant, and a Certified Fraud Examiner, Courtney has dedicated her life to the service of others, creating organizational change, and ensuring organizations manage their financial resources effectively. Prior to becoming Oakland’s elected City Auditor, Courtney spent almost a year in Ghana creating an independent educational support system for children and their families, in addition to providing capacity building for a national NGO.

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