



**Homelessness Prevention and  
Rapid Re-Housing Program  
Washington, DC**



Issue Date: October 18, 2012

Audit Report Number: 2013-NY-0001

TO: Ann M. Oliva, Acting Deputy Assistant Secretary for Special Needs, DN

//SIGNED//

FROM: Edgar Moore, Regional Inspector General for Audit, New York-New Jersey,  
2AGA

SUBJECT: HUD Effectively Administered the Homelessness Prevention and Rapid Re-Housing Program, but Measuring the Program's Outcome Presented Challenges

Enclosed is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG), final results of our review of HUD's controls over the Homelessness Prevention and Rapid Re-Housing Program (HPRP) to (1) ensure that grantees expended funds in accordance with Recovery and Reinvestment Act of 2009 and HPRP guidelines and complied with Recovery Act reporting requirements and (2) evaluate the effectiveness of the HPRP so that positive policies can be applied to future HUD-funded homelessness prevention and assistance programs.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, Title 5 United States Code, section 8L, requires that OIG post its publicly available reports on the OIG Web site. Accordingly, this report will be posted at <http://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call me at 212-264-4174.



October 18, 2012

## **HUD Effectively Administered the Homelessness Prevention and Rapid Re-Housing Program, but Measuring the Program's Outcome Presented Challenges**

# **Highlights**

Audit Report 2013-NY-0001

### **What We Audited and Why**

We reviewed HUD's monitoring of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) in support of HUD OIG's audit plan goals to oversee Recovery Act-funded activity and improve HUD's execution of and accountability for fiscal responsibilities.

The objective of the audit was to determine whether HUD had established adequate controls to (1) ensure that grantees complied with Recovery Act expenditure and performance reporting requirements and (2) evaluate the HPRP's effectiveness so that positive policies can be applied to future HUD-funded homelessness prevention and assistance programs.

### **What We Recommend**

We recommend that HUD's Acting Deputy Assistant Director for Special Needs encourage HPRP grantees to identify successful performance evaluation attempts and profiles of HPRP promising practices for analysis and consideration for future study and report on their use of data available in HMIS to identify Emergency Solutions Grant assisted participants who were HPRP participants to assist in the evaluation of the effectiveness of the HPRP assistance.

### **What We Found**

HUD took actions to mitigate program risks and generally ensure that HPRP grantees complied with Recovery Act requirements and HPRP regulations. However, HUD's ability to measure the effectiveness of the HPRP was hampered by data limitations. These limitations are attributed to the limited timeframe for the HPRP and variations in reporting by HPRP grantees. As a result, HUD does not have reliable data for outcome-based measurements of the HPRP. Recognizing these limitations, HUD contracted for a multi-phased study of the HPRP and in the interim, incorporated perceived HPRP successful attributes into the Emergency Solutions Grants program. Nevertheless, additional actions could be taken to develop information to assist in evaluating the effectiveness of the HPRP.

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## BACKGROUND AND OBJECTIVE

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The Homelessness Prevention and Rapid Re-Housing Program (HPRP) was a new program funded under the American Recovery and Reinvestment Act of 2009 enacted on February 17, 2009. The Recovery Act provided a one-time allocation of \$1.5 billion for temporary financial assistance and housing relocation and stabilization services to individuals and families that were homeless or who would be homeless but for this assistance. Accordingly, HPRP assistance was targeted to individuals and families that were (1) currently in housing but were at risk of becoming homeless and needing temporary rent or utility assistance or assistance to move to another unit, and (2) experiencing homelessness (residing in emergency or transitional shelters or on the street) and needing temporary assistance to obtain housing.

The U.S. Department of Housing and Urban Development (HUD) administered the HPRP under its Office of Special Needs Assistance Programs within its Office of Community Planning and Development. HUD issued initial regulations for HPRP on March 19, 2009, in its Notice of Allocations, Application Procedures, and Requirements for Homelessness Prevention and Rapid Re-Housing Program Grantees under the American Recovery and Reinvestment Act of 2009 (Docket No. FR-5307-N-01). The notice required prospective grantees to submit a substantial amendment to their 2008 consolidated action plan within 60 days, outlining their plan for the distribution and administration of their funds, and noted that HUD would review all correctly completed substantial amendments within 45 days of receipt and intended to execute all grant agreements no later than September 1, 2009. HUD later awarded 531 grants by September 1, 2009, and the remaining 4 by September 30, 2009, as required by the Recovery Act.

HUD distributed HPRP funding to cities, counties, States, and territories (grantees) based upon the formula used to distribute its Emergency Shelter Grant program funds. Grantees were required to expend at least 60 percent of grant funds within 2 years of the date HUD signed the grant agreement and 100 percent of grant funds within 3 years of the date HUD signed the grant agreement. Grantees have up to 90 days after the 3-year expenditure deadline to draw down funds for eligible costs incurred during the final quarter of program administration.

HUD regulations provided that HPRP assistance be given to households at or below 50 percent of area median income that were in need of temporary assistance to end or prevent homelessness. Grantees could allocate funds to four different eligible activities: (1) financial assistance, (2) housing relocation and stabilization services, (3) data collection and evaluation, and (4) administrative costs.

The objective of the audit was to determine whether HUD had established adequate controls to (1) ensure that grantees expended funds in accordance with Recovery Act and HPRP guidelines and complied with Recovery Act reporting requirements, and (2) evaluate the effectiveness of the HPRP so that positive policies can be applied to future HUD-funded homelessness prevention and assistance programs.

## RESULTS OF AUDIT

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### HUD Effectively Administered the Homelessness Prevention and Rapid Re-Housing Program, but Measuring the Program's Outcome Presented Challenges

HUD took actions to mitigate program risks and generally ensured that HPRP grantees complied with Recovery Act requirements and HPRP regulations. However, HUD's ability to measure the effectiveness of the HPRP was hampered by data limitations. These limitations are attributed to the limited timeframe for the HPRP and variations in reporting by HPRP grantees. As a result, HUD does not have reliable data for outcome-based measurements of the HPRP. Recognizing these limitations, HUD contracted for a multi-phased study of the HPRP and in the interim, incorporated perceived HPRP successful attributes into the Emergency Solutions Grants (ESG) program. Nevertheless, additional actions could be taken to develop information to assist in evaluating the effectiveness of the HPRP.

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#### **Controls Established To Mitigate Risks and Ensure Grantee Compliance**

HUD identified and addressed HPRP program risks through a front-end risk assessment before implementing the HPRP in accordance with Office of Management and Budget guidelines. Subsequently, HUD established adequate controls to monitor that the HPRP was implemented in accordance with Recovery Act regulations and HUD guidance. After developing and issuing HPRP regulations, HUD headquarters played an active role in monitoring grantees using remote and onsite monitoring to assess compliance with program requirements and provided training and guidance to the grantees via a variety of methods, including webinars, answers to frequently asked questions, and teleconferences. HUD contracted with three technical assistance providers to supplement its headquarters staff to provide remote and onsite technical assistance, develop training webinars, and assist with analysis of grantee-reported data. HUD also established various controls to track grantee expenditures to ensure that funds would be expended within prescribed timeframes. A more detailed description of HUD's actions can be found in appendix A.

#### **Limited Reliable Outcome-Based Performance Data**

While HUD established definitive output measures for the HPRP, it had not identified clear outcome-based measurements for the HPRP. Developing

outcome-based measures for the HPRP was hampered by the finite timeframe in which the HPRP operated.

The HPRP provided funds to both rapidly re-house the homeless and prevent homelessness for those in imminent danger of becoming homeless. Researchers have concluded that little empirical evidence exists on the effectiveness of homelessness prevention activity. This conclusion is attributed to the fact that prior Federal initiatives to address homelessness did not emphasize prevention activities and measuring prevention efforts is inherently difficult.

The U.S. Government Accountability Office (GAO) recently reported<sup>1</sup> that eight Federal agencies administered homelessness programs in 2010 and, while almost all of the programs it reviewed maintained performance information, such as the number of homeless served, only 2 of the 26 programs reviewed had conducted a program evaluation within the past 5 years. Consequently the administering agencies had limited information with which to assess how effective their programs were in achieving their objectives and determine in which strategies to invest. However, the U.S. Interagency Council on Homelessness is required to coordinate the Federal response to homelessness and has taken steps to coordinate and promote initiatives across Federal agencies. In accordance with these efforts, HUD officials meet monthly with Council representatives; however, to date these initiatives have not included actions to evaluate the HPRP.

### **Limited Timeframe for HPRP Hampered Measuring Outcome**

The Recovery Act funded the HPRP as a one-time program, the purpose of which was to promote economic recovery, assist those most affected by the recession, and to expedite eligible assistance to eligible households within the Recovery Act specified timeframes. As such, both HUD and HPRP grantees had to quickly establish an implementation framework and begin expending funds, and HUD worked to focus grantee resources on serving program participants. HUD officials noted that evaluating the housing stability of HPRP-assisted households would have diverted grantees' resources from serving clients, and given the one-time nature of the HPRP, funding would not be available to the grantees after its termination.

HUD's reported overall goal for HPRP was to stably house HPRP-assisted participants by preventing individuals and families from becoming homeless or helping those experiencing homelessness to be quickly re-housed and stabilized. Accordingly, HUD established the percentage of program participants stably housed upon exit from the program as an outcome-based measure of the effectiveness of the HPRP. Using this measure, HUD initially reported in June

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<sup>1</sup> Homelessness: Fragmentation and Overlap in Programs Highlight the Need to Identify, Assess, and Reduce Inefficiencies, May 10, 2012 (GAO-12-491)

2011 in its HPRP year 1 summary that 52 percent of HPRP-assisted participants classified as imminently losing housing or unstably housed upon entry were stably housed upon exit and 88 percent (94 percent when participants with missing data were excluded from consideration) of participants “exited to permanent housing.” However, HUD later reported as an outcome measure in June 2011 in its conclusion section of the Annual Homeless Assessment Report provided to Congress<sup>2</sup> after the first year of the HPRP that 94 percent of HPRP participants assisted at that time “exited to a permanent housing situation.” The difference between “stably housed” and “permanent housing” is that “permanent housing” does not consider the stability of housing.

HUD officials did not draw any conclusions on the data collected on the number of participants stably housed and further stated that any attempts to do so might not be reliable because of potential differences in the way each grantee recorded a participant’s status upon exit from the program. In addition, HPRP data did not account for the number of participants who may have been assisted more than once through the program. HUD officials stated that they did not use the data collected through the annual performance report to analyze the effectiveness of the program but, rather, reported the information received from the grantees. Consequently, HUD did not evaluate the HPRP in terms of stability of the participants’ housing at exit because HUD did not have the ability to track participants’ housing status subsequent to exit from the HPRP (e.g. 3 months, 6 months, or 1 year after exit) and each community might have its own way of tracking the data.

### **Data Integrity Issues Hampered Measuring Effectiveness**

The Recovery Act required HPRP grantees to use the Homeless Management Information Systems (HMIS) or a comparable client-level database to collect and report on their HPRP activity. However, due to grantee staff capability and variances in HMIS database software among grantees, some grantees had difficulty preparing their performance reports in a timely manner, and data were not always accurate or complete. In addition, the unduplicated number of participants reported to Congress might not have been accurate during the initial phase of the program. Since a person or household was allowed to receive HPRP assistance from more than one subgrantee and the subgrantees could use different HMIS or comparable systems, producing unduplicated, aggregated beneficiary data for the annual performance report sometimes required manually entering the number of individuals assisted into e-snaps. Therefore, HUD allowed some grantees to report duplicated numbers.

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<sup>2</sup> This is HUD’s annual report to Congress about homelessness. The report is based upon data obtained from two sources: single-night, point-in-time counts of both sheltered and unsheltered homeless populations reported on the Continuum of Care applications to HUD and counts of the sheltered homeless population over a full year provided by a sample of communities based on data in their local Homeless Management Information Systems.

HUD official believed that they would be able to advance HMIS implementation with the added regulatory guidance and accountability under the HEARTH Act.<sup>3</sup> Through the new HMIS regulations authorized by the Act, HUD was developing more formalized HMIS standards and a procedure to monitor grantee compliance. These regulations were anticipated to be released in the fall or winter of 2012.

### **Some Grantees Attempted To Measure Effectiveness**

Through a literature search and discussion with HUD, we identified several studies of the HPRP that were being conducted locally by HPRP grantees. Two reports reviewed after the first year of HPRP implementation contained outcome-based performance indicators and identified some issues for improvement. One of these studies<sup>4</sup> concluded that, while most subgrantees were meeting or exceeding service volume expectations, less success was achieved in meeting anticipated prevention and diversion outcomes. The second report<sup>5</sup> indicated that it was not possible to draw a direct correlation between homeless preventive services and the prevention of homelessness unless the number of seekers of the homeless prevention was tracked as an indicator of the need for services in that community. Even for the re-housing aspect of the program, the study concluded that although the program had shown that 23 percent of potential clients were served, it was too early to determine whether clients were being permanently stabilized. Both reports agreed that evaluation techniques and practices were not built into the project-program from the beginning and, thus, the data necessary for a comprehensive evaluation were not tracked. The reports recommended that agreement should have been reached on what qualified as program success and then benchmarks to measure those results should have been established, including a long-term tracking mechanism to determine rates of reapplying for assistance.

### **Action Planned To Better Measure HPRP Effectiveness**

Recognizing the need to develop better information with which to measure the effectiveness of the HPRP, in September 2010 HUD competitively awarded a \$1.19 million contract from its HPRP administrative funds for a study to focus on the homelessness prevention aspect of the HPRP. The report was scheduled to be

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<sup>3</sup> The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 amends and reauthorizes the McKinney-Vento Homeless Assistance Act with substantial changes, including consolidation of HUD's competitive grant programs, creation of a Rural Housing Stability Assistance Program, a change in HUD's definition of homelessness and chronic homelessness, a simplified match requirement, increased prevention resources, and an increased emphasis on performance.

<sup>4</sup> An Interim Evaluation of the Massachusetts Homelessness Prevention and Rapid Re-Housing Program by Tufts University Department of Urban and Environmental Policy and Planning, May 2011

<sup>5</sup> Program Evaluation: Homelessness Prevention and Rapid Rehousing, Collier County by Non Profit Consulting

completed by August 2012, but that date was revised to the end of calendar year 2012.

The scope of work included an analysis of the 535 grantees' progress reports, a Web survey of a nationally representative sample of HPRP grantees and subgrantees, and site visits to 15 to 18 selected HPRP-funded communities. The end product of the study would be a summary of the findings and options for future experimental or quasi-experimental studies of homelessness prevention programs. Consequently, an evaluation of the outcome of the homelessness prevention aspect of the HPRP apparently will have to await the action recommended by this study and whatever approach may be implemented.

In the interim, HUD had reviewed several studies related to the HPRP conducted by non-HUD-related organizations and compiled case studies of seven grantees that it posted to the "Promising Practices and Success Stories" section of its Homelessness Resource Exchange website to provide examples of how the HPRP was implemented across the country. HUD identified some operational characteristics of successful homeless programs, which it incorporated into the ESG program. These included requiring grantees to coordinate with the Continuum of Care lead agency and emphasizing the short- and medium-term rental assistance and services to rapidly rehouse the homeless. Similar to the HPRP, the ESG gave grantees flexibility to implement their own program related to determining how to allocate funds each program year, developing performance standards, and evaluating the outcomes of projects and activities assisted. However, due to this flexibility, the risk existed that there would be no uniform method of evaluating the outcome of future homelessness assistance programs.

## Conclusion

While the accelerated timeframe for obligation and expenditure of HPRP funds and an emphasis on homelessness prevention presented implementation challenges, HUD had generally established adequate controls to ensure that the 535 HPRP grantees expended funds in accordance with guidelines and complied with Recovery Act reporting requirements. However, data limitations presented challenges in measuring the HPRP's effectiveness. While HUD has taken actions to address these challenges, additional efforts are possible to conduct the analysis needed.

## Recommendations

We recommend that HUD's Acting Deputy Assistant Director for Special Needs

- 1A. Coordinate with HPRP grantees before grant closeout to document and assess studies of individual grantee programs to identify successful performance evaluation attempts.

- 1B. Encourage HPRP grantees, before the HPRP grant closeout process, to submit profiles of HPRP promising practices to HUDHre.info for analysis and consideration for future study.
- 1C. Encourage local grantees to report on their use of data available in HMIS to identify Emergency Solutions Grant (ESG) assisted participants who were HPRP participants to assist in the evaluation of the effectiveness of the HPRP homelessness prevention assistance.
- 1D. Coordinate any future study of the HPRP's effectiveness with the U.S. Interagency Council on Homelessness to ensure that any related study methodologies are considered.

## SCOPE AND METHODOLOGY

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The audit focused on HUD's monitoring of HPRP grantees (1) to ensure that funds were expended in accordance with Recovery Act and HPRP guidelines and HPRP grantees complied with Recovery Act reporting requirements, and (2) to assess the effectiveness of the program. To accomplish our objectives, we performed the following steps:

- Reviewed the Recovery Act HPRP legislation, HPRP notice, HUD HPRP guidance and various webinars, and the HUD Office of Community Planning and Development HPRP monitoring guide to gain an understanding of the HPRP.
- Reviewed and summarized the results of 25 prior Office of Inspector General (OIG) HPRP external audits to gain an understanding of grantee compliance issues and HUD actions to address them.
- Reviewed HUD's HPRP front-end risk assessment to gain an understanding of the program risks HUD identified for the HPRP and actions it had planned to address those risks.
- Reviewed 80 monitoring reports conducted by HUD headquarters and field officials to document HUD's actions to assist grantees in administering their programs.
- Reviewed background, guidance, and proposed rules for HMIS to gain an understanding of the system used to report on HPRP accomplishments.
- Reviewed obligation information for 55 grantees under the Newark, NJ, and Boston, MA, field office jurisdiction reported in [federalreporting.gov](http://federalreporting.gov) to determine whether grantees had obligated HPRP funds in a timely manner.
- Conducted interviews with HUD headquarters and field staff to gain an understanding of HUD's implementation and monitoring of the HPRP.
- Conducted a literature search to identify evaluations of the HPRP and obtained and analyzed 11 such evaluations.
- Obtained and analyzed the objectives and scope of HUD's contracted study of the HPRP to gain an understanding of its methodology and planned outcome.
- Reviewed and analyzed the interim regulations and HUD's training materials for the fiscal year 2012 Emergency Solutions Grants program to determine the extent to which it incorporated lessons learned from the HPRP.
- Coordinated with HUD Inspections and Evaluations Division staff on its review of Recovery Act-funded programs as it relates to the HPRP to limit duplication.

We performed the audit fieldwork from January through July 2012 at the HUD OIG Office of Audit in Newark, NJ, and HUD headquarters in Washington, DC. Our review generally covered the period March 1, 2009, through June 30, 2012, and was extended as necessary.

We conducted the 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 findings and conclusions based on our audit objective.

## INTERNAL CONTROLS

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Internal control is a process adopted by those charged with governance and management, designed to provide reasonable assurance about the achievement of the organization's mission, goals, and objectives with regard to

- Effectiveness and efficiency of operations,
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations.

Internal controls comprise the plans, policies, methods, and procedures used to meet the organization's mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance.

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### Relevant Internal Controls

We determined that the following internal controls were relevant to our audit objective:

- Program operations – Policies and procedures that management has implemented to reasonably ensure that a program meets its objectives.
- Validity and reliability of data – Policies and procedures that management has implemented to reasonably ensure that valid and reliable data are obtained, maintained, and fairly disclosed in reports.
- Compliance with laws and regulations – Policies and procedures that management has implemented to reasonably ensure that resources use is consistent with laws and regulations.

We assessed the relevant controls identified above and identified no deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, the reasonable opportunity to prevent, detect, or correct (1) impairments to effectiveness or efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations on a timely basis.

We evaluated internal controls related to the audit objectives in accordance with generally accepted government auditing standards. Our evaluation of internal controls was not designed to provide assurance on the effectiveness of the internal

control structure as a whole. Accordingly, we do not express an opinion on the effectiveness of HUD's internal control.

## APPENDIXES

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### Appendix A

## SUMMARY OF ACTIONS HUD TOOK TO MITIGATE RISKS AND ENSURE GRANTEE COMPLIANCE

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### Program Risks Identified and Addressed Before Implementation

HUD identified and addressed program risks through a front-end risk assessment before implementing the HPRP in accordance with Office of Management and Budget guidelines. Through this assessment, HUD identified the following five objectives as requiring emphasis: timeliness, clear and measurable objectives, transparency, monitoring, and reporting. It implemented planned actions to address the five objectives within a reasonable timeframe.

OIG previously reviewed HUD's front-end risk assessment<sup>6</sup> and concluded that HUD adequately identified and disclosed the risks and planned actions needed to mitigate the risks. Nevertheless, the HPRP implementation presented challenges because it was a new program requiring development of regulations and quick implementation.

### Various Mechanisms Used To Provide Program Information

After developing and issuing HPRP regulations, HUD headquarters played an active role in monitoring grantees using remote and onsite monitoring to assess compliance with program requirements and provided training and guidance to the grantees via a variety of methods, including webinars, answers to frequently asked questions, and teleconferences. HUD contracted with three technical assistance providers to supplement its headquarters staff to provide remote and onsite technical assistance, develop training webinars, and assist with analysis of grantee-reported data. HUD headquarters sponsored nine regional 1½-day training conferences between April and July 2009 to provide information and guidance to HPRP grantees and subgrantees. In addition, HUD used its Homelessness Resource Exchange Web site ([www.HUDHre.info](http://www.HUDHre.info)) to update and clarify guidance and respond to grantees' questions. Further, HUD encouraged all grantees and subgrantees to sign up for the HPRP listserv<sup>7</sup> to receive information relevant to HPRP policy and training.

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<sup>6</sup> OIG report 2009-BO-0801, dated August 17, 2009

<sup>7</sup> A listserv is a distribution list enabling homeless service providers, Continuum of Care organizations, technical assistance providers, and other stakeholders to stay informed about HUD's homeless programs, competitions, awards, policy updates, and more. HUD has many lists to more effectively distribute information that is pertinent to a particular audience.

## **Controls Established To Ensure Compliance With Program Requirements**

HUD established various controls to help ensure grantees' compliance with Recovery Act expenditure requirements. While the Recovery Act did not specify a timeframe for the grantees by when HPRP funds had to be obligated, in its March 19, 2009, notice, HUD required that grantees obligate their funds by September 30, 2009. However, HUD did not specifically monitor the timeliness of grantee obligations. HUD officials explained that the obligation timeframe requirement was established to help ensure that grantees expended funds within the required timeframe but that punitive action was not intended.

HUD established mechanisms to track grantee expenditures weekly and issued warning letters to grantees that it projected might not meet the 2-year and 3-year statutory expenditure requirements.<sup>8</sup> While 7 grantees did not meet the 2-year expenditure requirement, HUD used the HUD Secretary's discretion to not recapture these grantees' funds.<sup>9</sup> Rather, HUD provided technical assistance to these grantees to ensure that they would meet the 3-year expenditure deadline. HUD officials expected that all grantees would meet the 3-year requirement.

The Recovery Act required that data on jobs retained and created, funds expended, and activities conducted with Recovery Act funds be publicly reported on the FederalReporting.gov Web site. HUD also required grantees to submit quarterly and annual performance reports on outputs, such as the number of individuals and families assisted and the amount expended by allowable HPRP services, and outcomes, such as participants' housing status upon termination from the HPRP. HUD closely monitored grantees' compliance with these reporting requirements and sought to ensure compliance rather than taking punitive action for noncompliance. Accordingly, HUD sent noncompliant grantees warning letters, and if a grantee failed to submit required reports in a timely manner three consecutive times, HUD would discuss with the applicable field office director what further action to take, such as conducting a monitoring visit or imposing sanctions, such as ceasing drawdowns or recapturing funds. HUD stopped drawdowns for two grantees until they submitted their reports in compliance with regulations.

## **Remote and Onsite Monitoring Used To Ensure Grantee Compliance**

HUD headquarters established a goal for headquarters and field office staff to monitor at least 150 of the 535 grantees based upon grantee perceived risk in accordance with overall Office of Community Planning and Development policy. As of June 30, 2012, HUD had completed reviews of 88 high-risk grantees based on fiscal years 2010 and 2011 risk scores (48 by headquarters and 40 by field offices) and 66 other grantees based on identified issues that raised their risk. Therefore, HUD exceeded its goal of conducting 150 monitoring reviews.

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<sup>8</sup> The Recovery Act required grantees to expend at least 60 percent of awarded funds within 2 years of the date the funds became available for obligation and expend 100 percent within 3 years of that date. The Act further provided that if a grantee did not spend 60 percent of its funds within 2 years, HUD could reallocate the funds; and if 100 percent were not expended within 3 years, the funds were subject to recapture.

<sup>9</sup> The Wall Street Reform Act of 2010 required that any funds recaptured be returned to the U.S. Treasury rather than being available to reallocate among other grantees.

OIG conducted a review of HPRP administration by HUD Region VII's Office of Community Planning and Development<sup>10</sup> and concluded that the office established and implemented an effective risk assessment process and monitored grantees in compliance with HUD's Recovery Act monitoring requirements.

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<sup>10</sup> OIG report 2011-KC-0002, dated June 23, 2011

## Appendix B

### AUDITEE COMMENTS AND OIG'S EVALUATION

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#### Ref to OIG Evaluation

#### Auditee Comments

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
Washington, DC 20410-7000

OFFICE OF COMMUNITY PLANNING  
AND DEVELOPMENT

September 26, 2012

MEMORANDUM FOR: Edgar Moore, Regional Inspector General for Audit, New York-New Jersey, 2AGA

FROM: //SIGNED//  
Ann Marie Oliva, Deputy Assistant Secretary (Acting)  
For Special Needs

SUBJECT: Response to Office of Inspector General Draft Audit Report: HUD Effectively Administered the Homelessness Prevention and Rapid Re-Housing Program, but Measuring the Program's Outcome Presented Challenges (2012-NY-000X)

#### Overview

This is in response to the Office of Inspector General's (OIG) Draft Audit Report on the Homelessness Prevention and Rapid Re-Housing program (HPRP). HUD's Office of Special Needs Assistance Programs (SNAPS) appreciates the opportunity to respond to the findings and conclusions of this report. HUD also appreciates the time and effort that OIG auditors expended to evaluate HUD's implementation of HPRP, as authorized by the American Recovery and Reinvestment Act of 2009 (Recovery Act), and the thoroughness with which they conducted the review. SNAPS has two significant overarching concerns with this report.

First SNAPS believes that the report accurately credits HUD with numerous achievements related to mitigating risk and ensuring grantee compliance, as stated on page 1: "HUD took actions to mitigate program risks and generally ensure that HPRP grantees complied with Recovery Act requirements and regulations." As described in Appendix A, the OIG specifically concluded that:

1. HUD adequately identified and disclosed the risks and planned actions needed to mitigate the risk;
2. HUD Headquarters played an active role and used various mechanisms to provide program information;
3. HUD established various controls to help ensure grantees' compliance with Recovery Act expenditure requirements;

## Ref to OIG Evaluation

## Auditee Comments

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4. HUD established goals to monitor at least 150 of the 535 grantees, and met that goal; and
5. The OIG conducted a review of HPRP administration by HUD Region VII's Office of Community Planning and Development and concluded that the office established and implemented an effective risk assessment process and monitored grantees in compliance with HUD's Recovery Act monitoring requirements.

### **Comment 1**

SNAPS considers these points to be significant conclusions of the audit, and the title of the draft report reflects this positive result. However, SNAPS is concerned that the report itself does not sufficiently highlight this result, as the details are included as an appendix. SNAPS recommends that the details of this conclusion be moved to the body of the report.

### **Comment 2**

SNAPS' second concern is that the report concludes that data limitations hampered HUD's ability to measure the effectiveness of the program. SNAPS asserts that HPRP was, in fact, an effective and successful program according to the measures outlined in the Recovery Act and HUD's HPRP Notice.

The Recovery Act states:

"PURPOSES AND PRINCIPLES.

(a) STATEMENT OF PURPOSES. --- The purposes of this Act include the following:

- (1) To preserve and create jobs and promote economic recovery.
- (2) To assist those most impacted by the recession.

(b) GENERAL PRINCIPLES CONCERNING USE OF FUNDS. ----The President and the heads of Federal departments and agencies shall manage and expend the funds made available in this Act so as to achieve the purposes specified I subsection (a), including commencing expenditures and activities as quickly as possible consistent with prudent management."

The HPRP Notice states:

"The purpose of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) is to provide homelessness prevention assistance to households who would otherwise become homeless-many due to the economic crisis-and to provide assistance to rapidly re-house persons who are homeless as defined by section 103 of the McKinney-Vento Homeless Assistance Act."

HPRP was created as a part of the Obama Administration's response to the recession, and was intended to assist people who were homeless or at risk of homelessness to obtain or remain in housing. HUD achieved this outcome with its implementation of HPRP:

## Ref to OIG Evaluation

## Auditee Comments

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1. HPRP grantees reported creating or retaining approximately 2,411 jobs as of June 30, 2012.
2. HPRP assisted over 1.3 million people to obtain housing or remain in their housing.

### **Comment 2**

3. All but 7 of the 535 grantees (98.7 percent of grantees) expended 60 percent of their grant by their 2 year deadlines. By September 30, 2011, about 77 percent of the total HPRP funds awarded to grantees had been drawn by all grantees nationwide.
4. More than 99 percent of HPRP funds were expended within the 3-year grant period.

### **Comment 3**

It is important to differentiate between evaluating the effectiveness of HPRP as a whole, and the effectiveness of homelessness prevention and rapid re-housing as interventions. Because HPRP was not a demonstration program, its purpose was not to evaluate the effectiveness of types of interventions included in the program and determine whether it should be replicated on a broader scale. Rather, the purpose was to promote economic recovery, to assist those most affected by the recession, and to expedite assistance for eligible applicants for eligible activities. It was designed intentionally to meet the above goals, and it did so.

Also, HUD has been able to apply lessons learned from HPRP to other programs, without conducting a formal evaluation of the effectiveness of the homelessness prevention and rapid re-housing intervention types. HUD included numerous policies in the Emergency Solutions Grant Program (ESG) Interim Rule (effective as of January 4, 2012) as direct result of HPRP experience. The data from the Homeless Management Information System (HMIS) was not the only source of information—communities asked questions and provided HUD with their own “best practices.” These provided a wealth of previously unknown information about the implementation of both homelessness prevention and rapid re-housing.

### **Comment 4**

Finally, SNAPS deliberately chose not to measure the effectiveness of HPRP interventions by evaluating the individual outcomes of program participants. It is not because good data does not exist; community data collection efforts are comprehensive and include data that can be used to measure client-and program-level outcomes. In fact, many communities did use their data to measure the effectiveness of their local HPRP implementation. However, SNAPS provided grantees with discretion in program design, with the parameters set forth in the HPRP Notice. In order to be able to draw any conclusions on the effectiveness of HPRP at the client level, SNAPS would have had to control for all the variations in the programs that were a result of legitimate grantee discretion. A national, cross-site evaluation examining HPRP client outcomes would have been difficult and resource-intensive, and ultimately would not have been a productive use of grantees’ limited time and resources.

SNAPs purposely worked to reduce the burden of HUD’s requirements on grantees, so that grantees could focus their resources on serving the program participants in a manner consistent with the statute and HPRP Notice. SNAPS’ intent was to assess HPRP, but on a broader scale, so it

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purposefully chose a process evaluation as a first step. As discussed below, HUD contracted with Urban Institute to complete this qualitative study, designed to examine how various grantees implemented the homelessness prevention component of their program and to gauge “best practices” for HPRP. This study will provide a framework that will set the stage for an outcome-focused study.

### **Challenges with Measuring the Effectiveness of HPRP**

#### **Comment 5**

The following sections discuss the challenges related to a quantitative measure of HPRP’s effectiveness. The OIG report defines an effective program as whether households were “stably housed” at the end-and for some time period after-the assistance was over, and the evaluation assessed whether HUD met this standard. As discussed below, this approach is problematic for several reasons.

#### *Housing Stability as a Measure of Effectiveness*

#### **Comment 6**

The auditors appeared to have evaluated one specific measure of effectiveness that they themselves selected-based on the particular outcomes of individual households in the program. Although housing stability and participants retaining their housing upon exiting the program are individual-level goals that HUD promotes and supports, SNAPS does not believe this should be the sole measure of effectiveness, for the reasons stated below.

#### **Comment 7**

1. SNAPS did not expect all households to be stably housed at the end of this short-term program. Working with individuals and families that are homeless or at risk of homelessness is, by its very nature, challenging and not predictable. If everyone assisted was stably housed at the end of a given program, then it is more than likely that the program targeted a population that was not the most in need of the assistance.

For example, for some households assisted with HPRP, housing stability is a longer-term goal, and HPRP may have addressed only one aspect of their housing and case management needs. HPRP may have helped improve their housing stability, so that when they exited, their housing status may have been still “at imminent risk of homelessness”(not “stably housed”)-yet, this was an important improvement for them. For some of the harder-to-serve program participants, HPRP was intended to be used as a “bridge” to other housing, in which they may immediately be stable, but in which they would hopefully have the resources to remain housed.

2. Even for those reported to be stably housed at exit, defining and measuring stability is subjective. Determining whether a household is “stably housed” is a judgment of the case

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manager who has knowledge of the household's situation and enters this data into the HMIS along with their exit destination. For example, living with family and friends or renting a unit without any other financial assistance could be considered stable or unstable housing, depending on an individual household's specific circumstances. For this reason, it would be impossible to measure stability consistently across different programs.

### **Comment 7**

In order to have a more concrete idea of a program's impact, HUD asked grantees to report on an objective question about destination upon a participant's exit from HPRP. HUD considers a set list of destinations to be "permanent housing" (including living with family and friends and renting a unit without any other financial assistance) and that exiting to permanent housing is a positive outcome of HPRP, but purposely does not define it as a "success" or "effective" outcome of the program.

3. HUD could have approximated the stability of households by requiring grantees to re-evaluate their housing status several months/years after they left the program; however, HUD decided against this requirement. It would have been time-consuming and overly burdensome for grantees, and would likely not have produced complete or useful data from which to draw accurate conclusions. Also, the Recovery Act prohibited expenditures after grantees' 3-year deadlines; therefore, it would have amounted to an unfunded mandate. It also would have diverted grantees' time and limited resources away from serving existing clients.

### *Measuring Effectiveness under a Formula Grant Program*

Because HPRP is a formula grant program, HUD established key requirements, and provided grantees with flexibility to design programs that best addressed homelessness in their unique communities. While a "one-size-fits-all" approach would have been more easily measured, such an approach would have resulted in barriers to meeting local needs and the needs of the intended population. HUD would need to look at similar programs in order to conduct a national outcome evaluation. Since communities implemented HPRP in many different and unique ways, too many variables existed to be able to complete a meaningful comparison of the effectiveness of HPRP interventions across cities, counties, and states.

### *The Challenges of an Outcome Evaluation of Homelessness Prevention*

A quantitative program evaluation to determine whether a homelessness prevention program "worked" is difficult to undertake for a number of reasons. It cannot be known with absolute certainty whether an individual program participant would have become homeless without the intervention of HPRP assistance. The model to best approximate this is an evaluation of experimental design, with a control group that does not receive the same level of assistance, or receives no assistance at all. Using

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this type of study design would have been counter to the exact purpose of HPRP-to assist eligible people in need.

At the time HPRP was implemented, little was known about the best strategies for implementing a homelessness prevention program. In fact, one of the benefits of HPRP was the diversity of programs that communities were able to develop and adjust in response to lessons learned while administering the program. For that reason, it was important to carefully obtain a more complete understanding of the different types of programs that existed under HPRP. That is why the Urban Institute study was designed as a descriptive and qualitative study, focused on understanding homelessness prevention program design under HPRP, including initial approaches and changes made along the way, and how communities measured outcomes related to the program. It also provided recommendations should HUD choose to proceed with a more quantitative outcome evaluation in the future.

### *HUD's Response to OIG Recommendations*

*1A. Coordinate with HPRP grantees before grant closeout to document and assess studies of individual grantee programs to identify successful performance evaluation attempts.*

#### **Comment 8**

**HUD Response:** SNAPS could send out a listserv message to obtain this type of information that may already exist; though it is important to note that it would be an incomplete sample. HUD does not have a comprehensive list of all grantees that are performing this type of assessment and cannot require grantees to respond without clearance from the Office of Management and Budget through the Paperwork Reduction Act requirements for information collection. In addition, many grantees have already terminated HPRP staff and would not be able to provide HUD with any information.

*1B. Encourage HPRP grantees, before the grant closeout process, to submit profiles of HPRP promising practices to HUDHRE. Info for analysis and consideration for future study.*

#### **Comment 9**

**HUD Response:** SNAPS has been encouraging grantees to provide such information since the summer of 2011, both through written listserv messages and verbally, when monitoring and speaking at conferences. HUD does not endorse these practices or consider them "successes"-SNAPS has not evaluated any local program to determine whether the "promising practice" identified resulted in improvements. SNAPS merely posted the write-ups submitted because communities themselves found that they worked locally and wanted to share with others. HUD's Homelessness Resource Exchange (HRE) provides a venue to do this at a national level.

*1C. Use data available in HMIS to identify ESG (Emergency Solutions Grants)- assisted participants who were HPRP participants to assist in the evaluation of the effectiveness of the HPRP homelessness prevention assistance.*

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### **Comment 10**

**HUD Response:** SNAPS does not believe that participants exiting to ESG assistance is an appropriate national measure of the effectiveness of HPRP as an intervention, for several reasons. HUD expected that some households assisted with HPRP would need additional assistance. Also, some people exiting HPRP who still need assistance to remain housed would be assisted by other programs, not just ESG. It would be an incomplete sample and SNAPS could not draw meaningful conclusions from looking at this limited data set. However, the data collected in HMIS can accommodate this type of analysis should communities choose to undertake it locally.

*1D. Coordinate any future study of the HPRP's effectiveness with the US Interagency Council on Homelessness to ensure that any related study methodologies are considered.*

### **Comment 11**

**HUD Response:** HUD officials do coordinate closely with USICH and intends to allow USICH to participate in the design and review should a future study of HPRP occur.

### **Detailed Analysis of Draft OIG Report**

SNAPS is addressing below several points made in the report, and conclusions reached, with HUD's responses or corrections.

### **Comment 12**

**Page 3, 4<sup>th</sup> paragraph:** The Report states: "HUD Regulations provided that HPRP assistance be given to households at or below 50 percent of area median income that were in need of temporary assistance to end or prevent homelessness but had the capacity to maintain stable housing upon the conclusion of the assistance." (emphasis added)

**HUD Response:** The italicized portion of that sentence was discussed in the HPRP Notice, but was not a requirement for eligibility for the program. This is an important distinction. Stable housing was a general goal-not an explicit outcome expected or to be measured at the end of the program. The HPRP Notice stated:

"While HUD will allow grantees the discretion to develop prevention and/or rapid re-housing programs that meet locally-defined needs, HUD also expects that these resources will be targeted and prioritized to serve households that are most in need of this temporary assistance and are most likely to achieve stable housing, whether subsidized or unsubsidized, outside of HPRP after the program concludes."

This is a fairly nuanced statement, and HUD explained the difference between the eligibility criteria and targeting to grantees, in presentations and training documents. HUD's intent in including this language was to clearly state that the populations most often served with HPRP assistance was different than the homeless populations most often served with HUD's other homeless assistance programs. The

HPRP eligibility criteria were the minimum requirements described in Section IV.D. of the HPRP Notice: each household assisted had to be at or below 50 percent Annual Median Income (AMI), had to have no other support networks, and no other financial resources to help them obtain or remain in their housing. If SNAPS found that a grantee did not meet these, HUD would recapture funds. However, if grantees only assisted persons who they could document would be stably housed upon program exit, they would not be assisting those most in need of the assistance (e.g., those who had lost jobs, etc.).

**Comment 13**

**Page 4, 3<sup>rd</sup> paragraph:** The report states, “While HUD established definitive output measures for the HPRP, it had not identified clear outcome-based measurements for the HPRP. Developing outcome-based measures for the HPRP was hampered by the finite timeframe in which the HPRP operated.”

**HUD Response:** HUD established the following two outcome measures:

- Percentage of program participants stably housed at exit after receiving homelessness prevention assistance -70 percent.
- Percentage of program participants stably housed at exit after receiving rapid re-housing assistance-70 percent.

The report acknowledges on page 14 that these are outcome measures, so it is not clear why the report states on page 4 that there were no clear out-come-based measurements for the program.

**Comment 14**

**Page 5, 2<sup>nd</sup> paragraph:** The report states: “HUD officials meet monthly with (US Interagency Council on Homelessness) representatives; however, to date these initiatives have not included actions to evaluate the HPRP.

**HUD Response:** The mission of USICH, as correctly summarized in the report, is to coordinate the federal response to homelessness. It does not have a specific directive nor is it part of its mission statement to measure the effectiveness of HUD’s programs. HUD can involve USICH in its research agenda, should future funding allow for an outcome study of the impact of HPRP interventions.

**Comment 15**

**Page 5, 3<sup>rd</sup> paragraph under “Limited Timeframe for HPRP Hampered Measuring Outcome”:**

**HUD Response:** This section discusses HUD’s measurement of stable housing and does not mention the limited timeframe in which HPRP was administered. SNAPS recommends that this section title be adjusted to more accurately reflect the information in the paragraph.

**Comment 16**

More importantly, this section cites data that HUD provided to the auditors and their attempts to draw conclusions from it, but it is missing information in the comparison. The report cites the statistic that:

“52 percent of HPRP-assisted participants classified as imminently losing housing or unstably housed upon entry were stably housed upon exit and 88 percent of participants ‘exited to permanent housing.’”

The report implies that this is an inconsistency in the data. However, it is important to note that the 52 percent figure is not the total universe of program participants-it only counts the exit destination of those who were “imminently losing housing” or “unstably housed” upon entry. It does not include those who were classified as “literally homeless” or “stably housed” at entry, whereas the 88 percent figure is the exit destination of all program participants.

**Comment 17**

**Page 6, first paragraph, first sentence:** The Report states: “HUD officials stated that they had been unable to measure the number of participants stably housed and any attempts to do so might not be reliable because of potential differences in the way each grantee recorded a participant’s status upon exit from the program.”

**HUD Response:** SNAPS does not recall stating that HUD was unable to measure the number of participants stably housed. In fact, SNAPS did collect this information in the Annual Performance Reports. However, SNAPS did not draw conclusions based on this data because “stably housed” is subjective, and it is true that there are differences in the way each grantee recorded this status.

It is important to reiterate that housing stability was a goal, not a requirement of HPRP. Participants exiting to permanent housing, as opposed to temporary or shelter housing, is consistent with the purpose of HPRP.

**Comment 18**

**Page 6, first paragraph, last sentence:** The report states: Consequently, HUD did not have the ability to track participants’ housing status one year later, and each community might have its own way of tracking the data.

**HUD Response:** As discussed above, HUD chose not to evaluate HPRP in terms of the stability of the participants’ housing at exit. In fact, HUD could have required grantees to track participants’ housing status after they exited the program. However, as discussed above, the purpose of this program was to disburse funds quickly and to assist as many individuals and families as possible who were in an immediate housing crisis. This requirement would have been labor-intensive, burdensome, and costly for grantees that were already challenged with this new program, and not directly aligned with the purpose of the program.

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Also, this is the first time in the report that the auditors introduce the concept of looking at a household's living situation or housing status after they exited the program, and it is not clear why the report mentions 1 year as the appropriate timeframe for its measurement. Further, it would exceed the timeframe that the Recovery Act established for HPRP expenditures.

### **Comment 19**

**Page 6, heading that reads: "Data Integrity Issued Hampered Measuring Effectiveness."**

**HUD Response:** SNAPS disagrees that data integrity issues resulted in HUD not measuring effectiveness. As noted, HMIS is not a perfect system, and some grantees submitted reports with erroneous data. HUD provided significant resources throughout the program to enable and assist grantees to improve their data collection, including extensive training, webinars, step-by-step guidebooks, and on-site technical assistance. The primary reasons HUD did not measure the effectiveness of HPRP interventions were addressed above.

### **Comment 20**

**Page 7, middle of the first paragraph:**

The report refers to "homeless preventive services" and "re-housing aspect..."

**HUD Response:** These terms are not used in the HPRP Notice. SNAPS recommends that they be changed to "homelessness prevention services" and "rapid re-housing."

**Page 8, first paragraph:**

The report states: "In the interim, HUD had reviewed several studies related to the HPRP conducted by non-HUD-related organizations and compiled case studies of seven grantees that it identified as "successful communities."

### **Comment 21**

**HUD Response:** HUD did not identify or refer to them as "successful communities," nor did it define successful implementation of HPRP, other than grantees would serve the eligible population(s), spend funds on eligible activities, and meet the expenditure deadlines. The community examples were posted early in the program and advertised as "case studies" that were provided to describe the various ways that a diverse sample of grantees responded to the challenge of implementing HPRP.

At a later date, HUD created a "Promising Practices and Success Stories" section on the HRE, and these seven case studies were added to that page so that they would be included in community examples of how HPRP was implemented by organizations across the county. HUD did not intend to imply that they were successful communities."

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**Page 14, fourth paragraph:**

**HUD Response:** SNAPS recommends that the report clarify that the goal was for both HUD Headquarters and Field Offices, and explicitly states that HUD exceeded its goal of 150 monitoring reviews (88 plus 66 equal 154).

Again, SNAPS appreciates the opportunity to comment on the report. Please let me know if you have any questions about this response.

**OIG Evaluation of Auditee Comments**

- Comment 1** HUD officials agree that the report accurately credits HUD with numerous achievements related to mitigating risk and ensuring grantee compliance, and that the title of the draft report reflects this positive result. However, these officials are concerned that the report itself does not sufficiently highlight this result. We believe, as HUD acknowledges, that the subject of the report, the finding title, the discussion on p.4 of the report, and the appendix appropriately acknowledge HUD's accomplishments; accordingly, the report does sufficiently highlight HUD's actions taken to achieve these accomplishments .
- Comment 2** HUD officials are concerned with the report conclusion that data limitations hampered HUD's ability to measure HPRP's effectiveness, and assert that HPRP was successful according to the measures outlined in the Recovery Act and HUD's HPRP notice. However, these measures emphasized by HUD are output-type measures that report the number of individuals served and the percent of funds expended within the two and three year deadlines. The report does not question the usefulness of these measures as one means of evaluating the HPRP, but suggests that outcome measures should have been used to determine whether participants were stably housed as proposed in its Front-End Risk Assessment of the program.
- Comment 3** While the output-type measures HUD has established do provide a basis upon which to assess the extent to which the HPRP met its stated goals, in its front-end risk assessment HUD noted that the outcome data it planned to collect would allow it to evaluate the effectiveness of the HPRP in terms of the effect on homelessness status and housing stability. Such evaluation would be important to assist HUD in determining how best to target future resources assisting the homeless and preventing homelessness.
- Comment 4** HUD officials note that while they have been able to apply lessons learned from HPRP to other programs, they chose not to measure the effectiveness of HPRP interventions by evaluating individual participant outcomes. HUD officials further note that a national, cross-site evaluation examining HPRP client outcomes would have been difficult. This is consistent with our report that data limitations challenge measuring the effectiveness of HPRP. As HUD further notes, its contracted study is intended to provide a framework that will set the stage for an outcome-focused study.
- Comment 5** HUD officials state that whether households were "stably housed" at the end - and for some time period after - the assistance was over is a problematic approach to measuring the effectiveness of the HPRP. However, the report does not endorse any particular approach to measuring the effectiveness of the HPRP, but discussed this approach because it was the approach HUD noted in its Front-End Risk Assessment Summary and Program-Level Plan for the HPRP in May 2009.

- Comment 6** Contrary to HUD officials’ statement, OIG did not select one specific measure of HPRP effectiveness. Rather, HUD had reported that its overall goal for HPRP was to stably house HPRP-assisted participants and initially reported in its front-end risk assessment that the percent of participants stably housed would be used to evaluate the HPRP. OIG in the report neither identified nor endorsed a specific outcome measure, but noted that a lack of data and the finite existence of the HPRP limited evaluating the effectiveness of the HPRP.
- Comment 7** OIG agrees that these are some of the conditions that currently limit HUD’s ability to assess the effectiveness of the HPRP.
- Comment 8** The intent of this recommendation is to enable HUD officials to identify, evaluate and consider any HPRP evaluation attempts by HPRP grantees. HUD’s proposed action to use listserv to obtain this information is responsive to the recommendation.
- Comment 9** HUD officials stated that they have been requesting information on promising practices from HPRP grantees, but that they have not evaluated any local program to determine whether the “promising practice” identified resulted in improvements. While collecting this information is a first step, HUD should evaluate the information collected, either on its own or as part of its planned contracted study of the HPRP to aid in identifying best practices which could be the subject of further assessment.
- Comment 10** HUD officials stated that using data in the Homelessness Management Information System (HMIS) on participants exiting to Emergency Shelter Grant assistance would not be an appropriate national measure of the effectiveness of the HPRP for several reasons. However, they stated that the data collected in HMIS can accommodate this type of analysis on a local level. The intent of the recommendation to use HMIS data on individuals who were assisted by HPRP and are seeking Emergency Shelter Grant assistance was not to provide a comprehensive set of data with which to evaluate the HPRP, but to make use of data currently available to assist in the evaluation of the effectiveness of the HPRP. Nevertheless, we have changed the report to recommend that HUD encourage local grantees to report on their use of data in the Homelessness Management Information System (HMIS) on participants exiting to Emergency Shelter Grant assistance to assist in the evaluation of the HPRP. Again, this could aid HUD to identify best practices that could be the subject of further assessment.
- Comment 11** HUD’s action is responsive to the recommendation.
- Comment 12** OIG agrees that the italicized portion of the sentence in the background section of this report that reads “...but had the capacity to maintain stable housing upon the conclusion of assistance” was a general goal of the HPRP, but was not a specific requirement for eligibility. Therefore, we removed the italicized portion of the sentence.

- Comment 13** The report acknowledged on p. 4 and 5 that HUD established the percentage of program participants who were stably housed upon exit as an outcome-based measure. However, while HUD reported on this measure in its year 1 summary, in its subsequent Annual Homeless Assessment Report to Congress, HUD highlighted the measure of exiting to a “permanent housing destination”. However, this later measure does not consider the stability of housing to which a participant exits. Thus, the report concluded that clearly defined outcome-based measurements had not been established because of the different measures reported without clear definitions.
- Comment 14** The comments made by HUD officials’ agree with the information in our report.
- Comment 15** HUD officials note that there is no mention of the limited timeframe in which the HPRP was administered. Therefore, additional information was added to note that the HPRP was a one-time program with specific timeframes in which the funds had to be expended.
- Comment 16** HUD officials believe that the report implies an inconsistency in the statistics reported. There is no intent to imply an inconsistency in the statistics, but only to note that the second report emphasized the permanent housing status of HPRP-assisted participants, and not their stability of housing. This may be due to the limited timeframe in which the participant status could be evaluated.
- Comment 17** HUD officials comments support the report statement that measuring the number of participants stably housed might not be reliable. Nevertheless, the report was changed to read that HUD did not draw any conclusions on the data collected regarding the number of participants stably housed.
- Comment 18** HUD officials’ comments support the report conclusion that data limitations, as a result of the high cost to collect the necessary data and the one-time nature of the program, hampered the evaluation of the effectiveness of the HPRP.
- Comment 19** HUD officials’ concur that some grantees submitted reports with erroneous information, which is the basis for concluding that there were data integrity issues. Further, the report does not conclude that data integrity issues were why HUD did not measure the effectiveness of HPRP; only that such issues would present challenges to measuring the effectiveness.
- Comment 20** The term homeless preventive services and the prevention of homelessness is used in the noted reference; it is not quoting the HPRP notice.
- Comment 21** While HUD officials stated that they did not intend to imply that the communities posted on the Homelessness Resource Exchange website were “successful communities”, the communities highlighted were posted in a section of the Homelessness Resource Exchange website entitled “Promising Practices and

Success Stories”. Nevertheless, we added HUD officials comment that “the community examples were posted to the “Promising Practices and Success Stories” section of its Homelessness Resource Exchange website to provide examples of how the HPRP was implemented across the country.

**Comment 22** The report was clarified to note that the monitoring goal was for both HUD headquarters and field offices and HUD exceeded its goal of conducting 150 monitoring reviews.