



Office of Community Planning and Development Washington, DC

Technical Assistance Awards for Continuum of Care and Homeless Programs

**Office of Audit, Region 9
Los Angeles, CA**

**Audit Report Number: 2018-LA-0003
August 7, 2018**





To: Lori Michalski, Acting General Deputy Assistant Secretary for Community Planning and Development, HHQ

//SIGNED//

From: Tanya E. Schulze, Regional Inspector General for Audit, 9DGA

Subject: HUD's Technical Assistance Award Selection and Assignment Process for Continuum of Care and Homeless Programs Was Conducted in an Appropriate Manner

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) final results of our review of HUD's technical assistance award selection and assignment process for Continuum of Care and homeless 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 8M, requires that OIG post its publicly available reports on the OIG website. 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 213-534-2471.



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HUD's Technical Assistance Award Selection and Assignment Process for Continuum of Care and Homeless Programs Was Conducted in an Appropriate Manner

Highlights

What We Audited and Why

We audited the U.S. Department of Housing and Urban Development's (HUD) Community Compass and Technical Assistance and Capacity Building program due to a complaint specific to the Continuum of Care (CoC) and homeless portion of the program. The complaint alleged that the Office of Special Needs Assistance Programs had been steering technical assistance notice of funding availability applicants toward coordinating or subcontracting with a particular nonprofit, as part of the nonprofit's initiative, rather than directly addressing the needs of the grantees. Our audit objective was to determine whether the technical assistance award selection and assignment process for applicants qualifying for CoC and homeless programs was conducted in an appropriate manner.

What We Found

The technical assistance award selection and assignment process appeared to have been conducted in an appropriate manner. Although we determined that some aspects of the complaint were true, such as the establishment of initiatives and nonprofits acting as a subcontractor on their own initiatives, we found no program violations or evidence that the needs of grantees were not being met.

What We Recommend

There are no recommendations.

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Background and Objective

The Community Compass Technical Assistance and Capacity Building program is designed to help the U.S. Department of Housing and Urban Development's (HUD) customers navigate complex housing and community development challenges by equipping them with the knowledge, skills, tools, capacity, and systems to implement HUD programs and policies successfully. The goal of Community Compass is to empower communities by providing effective technical assistance and capacity building so that successful program implementation is sustained over the long term.

Recognizing that HUD's customers often interact with a variety of HUD programs as they deliver housing or community development services, Community Compass brings together technical assistance investments from across HUD program offices, including the Offices of Community Planning and Development, Fair Housing and Equal Opportunity, Housing, and Public and Indian Housing. Applicants are encouraged to procure subcontractors and consultants to demonstrate expertise across a wide range of HUD programs as well as in specific skills and policy areas. Community Compass is centrally managed by HUD headquarters with involvement of the HUD regional and field offices.

HUD awarded 21 technical assistance awards for fiscal year 2017, 22 for fiscal year 2016, and 23 for fiscal year 2015; however, only 9 of the grantees selected between fiscal years 2015 and 2017 worked with Continuum of Care (CoC) and homeless grantees.

	Technical assistance provider	Fiscal year 2015 funding amount	Fiscal year 2016 funding amount	Fiscal year 2017 funding amount	Total amount
1	Abt. Associates, Inc.	\$ 9,100,000	\$ 8,415,119	\$ 5,965,000	\$ 23,480,119
2	Cloudburst Consulting Group	4,800,000	3,875,000	4,955,000	13,630,000
3	Collaborative Solutions, Inc.	1,325,000	1,350,000	500,000	3,175,000
4	Corporation for Supportive Housing	675,000	5,000,000	3,125,000	8,800,000
5	HomeBase/The Center for Common Concerns	1,700,000	3,500,000	2,000,000	7,200,000
6	ICF Incorporated	11,225,000	11,544,121	13,509,000	36,278,121
7	Partnership Center, Ltd.	525,000	1,000,000	1,000,000	2,525,000
8	TDA Consulting, Inc.	500,000	1,875,000	2,308,608	4,683,608
9	Technical Assistance Collaborative	500,000	1,000,000	1,400,000	2,900,000
	Total	30,350,000	37,559,240	34,762,608	102,671,848

Our audit objective was to determine whether the technical assistance award selection and assignment process for applicants qualifying for CoC and homeless programs was conducted in an appropriate manner.

Results of Audit

Finding 1: HUD’s Technical Assistance Award Selection and Assignment Process for Continuum of Care and Homeless Programs Was Conducted in an Appropriate Manner

HUD’s technical assistance award selection and assignment process for applicants qualifying for CoC and homeless programs was conducted in an appropriate manner. Our review of four of the nine technical assistance providers that worked with CoC and homeless grantees found aspects of the complaint to be true, such as the establishment of initiatives. We also found that there were at least two cases in which a technical assistance provider used a subcontractor for its own initiative. However, we found no program violations with this aspect of Community Compass or evidence that the needs of grantees were not being met.

HUD Established Initiatives Through Technical Assistance Funding

Although we confirmed the complaint that the Office of Special Needs Assistance Programs (SNAPS) implemented initiatives related to homelessness through the technical assistance award funding, we identified no associated program violations with this process.

As part of HUD’s strategic plan and goals to end homelessness, a CoC or homeless grantee could ask for direct technical assistance or be offered technical assistance via one of the initiatives. Typically, initiatives are established to serve difficult populations, such as veterans, youth, and chronically homeless groups. Instead of waiting for communities to request assistance, HUD makes the initiatives proactive. SNAPS uses the data that it reports to Congress to get the initiative technical assistance providers on the ground to provide outreach. Initiatives can be created by the Director of SNAPS, Congress, or other Federal agencies or as the result of another entity’s¹ request to partner with HUD.

Subcontractors Had Acted as the Lead on Their Own Initiatives

Although we did find examples where technical assistance providers subcontracted with entities to work on their own initiatives, we did not find that SNAPS steered the providers toward coordinating or subcontracting with the particular entity.

The assignment of technical assistance providers to lead initiatives is decided by HUD headquarters,² and the assistance is spread out nationally to various cities and counties. We sampled four technical assistance providers from the nine that worked with the CoC and

¹ These entities may have no other relationship with HUD but provide a value to the community, such as veterans’ initiatives.

² HUD assigns technical assistance providers previously selected and determined to be qualified through the notice of funding availability process.

homeless grantees. (See the Scope and Methodology section.) For two of the four providers, a subgrantee spearheaded its own initiative for the technical assistance provider.

- Corporation for Supportive Housing subcontracted with Community Solutions to assist with its own Zero: 2016 campaign, which HUD had adopted. This initiative was a movement of communities working to end veterans' homelessness by the close of 2015 and end chronic homelessness 1 year later.
- HomeBase/The Center for Common Concerns subcontracted with Rapid Results Institute for the 100-Days Challenge initiative. This initiative was designed to support and guide three communities (Austin, TX, Cleveland, OH, and Los Angeles, CA) in their efforts to develop and implement a coordinated community approach to end youth homelessness.

With each of the above technical assistance providers, HUD did not require them to select the subcontractor. Corporation for Supportive Housing's 2016 application identified 13 subcontractors and 4 consultants that it would possibly work with if needed, and Community Solutions was included as one of the subcontractors. Corporation for Supportive Housing confirmed that it found Community Solutions to be adequately qualified or it would not have selected it as a subcontractor.

Technical Assistance Addressed the Needs of Grantees

Although the complaint alleged initiatives did not directly address the needs of the grantees, we found no evidence this was the case. Grantees were not required to respond to or accept outreach related to an initiative, but were able to do so when they had a need in the respective area. The initiatives were appropriately focused on addressing homelessness. In addition, grantees could still request direct technical assistance in areas they needed assistance. The local field offices could also request direct technical assistance on behalf of the grantee after consulting with the grantee or noticing problems during monitoring the grantee. Our review of sample direct requests indicated they were appropriately evaluated and assigned to a technical assistance provider.

Conclusion

HUD's technical assistance award selection and assignment process for applicants qualifying for CoC and homeless programs was conducted in an appropriate manner. Aspects of the complaint were accurate, such as the establishment of initiatives and the technical assistance providers' subcontracting with entities on their own initiatives. However, we found no issues or program violations with this aspect of Community Compass.

Recommendations

There are no recommendations.

Scope and Methodology

We performed our audit fieldwork from March to June 2018 at our offices in Los Angeles, CA. Our audit period covered technical assistance providers related to CoC and homeless programs awarded funding from fiscal years 2015 through 2017 and technical assistance requests for the same period.

To accomplish our objective, we

- Reviewed applicable HUD requirements and internal procedures;
- Interviewed appropriate HUD personnel from SNAPS;
- Interviewed HUD Office of Community Planning and Development directors;
- Interviewed technical assistance providers;
- Reviewed technical assistance provider applications, application ratings, cooperative agreements, and workplans; and
- Reviewed technical assistance requests made in 2017.

Only 9 of at least 21 technical assistance awardees for fiscal years 2017, 2016, and 2015 worked with CoC and homeless grantees. Four of the nine technical assistance providers were selected for review during the audit. We randomly selected three providers and included one additional sample provider to ensure that we included the entity mentioned in the complaint. The four selected technical assistance providers were Abt. Associates, Inc., Corporation for Supportive Housing, HomeBase/The Center for Common Concerns, and Partnership Center, Ltd.

We also reviewed technical assistance requests made in 2017. We received a file from HUD, which included a universe of 826 technical assistance requests. After filtering out the 2015 and 2016 requests, along with all ineligible requests (requests made by individuals seeking housing or rental assistance), we were left with a universe of 319 technical assistance requests. We then used Excel to randomly select four technical assistance requests. We reviewed four direct technical assistance requests submitted in 2017 related to CoC and homeless grantees. All four requests were received, were recorded, and had a technical assistance provider assigned to them in an appropriate manner.

We relied on data received from HUD. Specifically, we relied on data HUD retrieved from grantsolutions.gov. This website supports Federal agencies throughout the full grant life cycle, from preaward planning through application, award, and closeout. HUD uses this website to obtain a list of all applications submitted for technical assistance awards, rating the applications

and tracking the assignment of providers. We also relied on data from the Technical Assistance Portal on the HUD Exchange, which is used to request technical assistance. Although we did not perform a detailed assessment of the reliability of the data, we determined that that data were sufficiently reliable for the purposes of our review because that data in the sampled items were supported by interviews with the technical assistance providers and HUD Office of Community and Planning and Development directors.

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 objective(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Internal Controls

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.

Relevant Internal Controls

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

- Controls to ensure that HUD does not violate program rules in the award selection and assignment process for technical assistance providers.

We assessed the relevant controls identified above.

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 the internal controls related to the audit objective in accordance with generally accepted government auditing standards. Our evaluation of internal controls was not designed to provide assurance regarding 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

Appendix A

Auditee Comments and OIG's Evaluation

Ref to OIG Evaluation

Auditee Comments



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

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

TO: Tanya E. Schulze
Regional Inspector General for Audit, Los Angeles Region, 9DGA

FROM: Lori Michalski
Deputy Assistant Secretary for Operations, Office of Community Planning and Development, DO

SUBJECT: HUD Comments for Discussion Draft Report – Technical Assistance Awards for Continuum of Care and Homeless Programs

The Office of Community Planning and Development (CPD) has reviewed the draft report. CPD provides comments below to correct or clarify statements made in the report. The report contains no recommendations for response.

Comments on Report:

P. 5 (Finding 1 and Heading), P. 6 (Conclusion): In several places, the report refers to a technical assistance provider using a subcontractor “for its own initiative.” This characterization is not accurate: technical assistance initiatives are directed and initiated by HUD. Throughout an initiative, the technical assistance provider’s (and the subcontractor’s actions) are guided by HUD’s TA assignment to the assigned TA provider (the prime), the work plan approved by HUD, and the subcontractor agreement with the technical assistance provider.

P. 5: The statement that HUD assigns the technical assistance provider to lead an initiative and “the funding is spread out nationally to various cities and counties” is not accurate. The funding is not distributed – it remains with the technical assistance provider, which enables them to provide nationwide technical assistance to cities, counties and other HUD customers.

P.7: Scope and Methodology: The audit period covered is for technical assistance providers awarded funding from fiscal years 2015 through 2017, not 2018 as the report states.

P. 7: Data Sources: Please note that the sources of data for this study included Grant Solutions, as well as data extracted from Technical Assistance Portal on the HUD Exchange.

1

Comment 1

Comment 2

Comment 3

Comment 4

OIG Evaluation of Auditee Comments

- Comment 1 The OIG agrees technical assistance initiatives are directed and initiated by HUD; however, the initiative itself is not always originated by HUD. We found instances when the idea for the initiative came from the subcontractor and associated activity had already been underway, such as with Zero: 2016 and the 100-Days Challenge. We agree that the technical assistance providers and their subcontractors are guided by HUD's assignments, approved workplans, and subcontractor agreements.
- Comment 2 We agree, by saying the funding is spread out, the OIG was trying to convey that technical assistance does not only go to larger cities or to only a few areas but is spread out across the United States to make sure all cities and counties small and large are able to benefit from technical assistance. We adjusted the report to clarify this.
- Comment 3 We agree and the change was made to the report.
- Comment 4 We agree that data also came from the Technical Assistance Portal and added this information to the report.