



NEW YORK CITY COMPTROLLER
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Audit of the Department of Homeless Services' Role in the "Cleanups" of Homeless Encampments

ME23-059A | June 28, 2023



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

June 28, 2023

To the Residents of the City of New York:

My office has audited the New York City Department of Homeless Services' (DHS) role in the "cleanups" of homeless encampments. We conducted this audit to assess the effectiveness of the program against DHS' stated goal of providing homeless individuals living in encampments with access to shelter, social services, and other assistance. We perform audits such as this to increase transparency and to ensure that City programs operate in the best interests of those they serve.

The audit found that DHS had limited success in convincing the homeless individuals encountered during "cleanups" to enter temporary shelters. Of the 2,308 individuals present during "cleanups" conducted between March 21, 2022 and November 30, 2022, only 119 (or 5%) accepted temporary shelter, and of these, 29 immediately left shelter before spending a single night inside and only 3 individuals were placed in permanent housing.

Observations conducted by auditors in April 2023 at 99 encampment sites cleared by the Task Force found that homeless individuals were still present at 31% of those sites. The audit also found that DHS did not adequately track the results of engagements made during the "cleanups" or the results of its placement referrals. DHS is unable to say how many individuals received social services or other assistance during the sweeps, and as a result, DHS lacks the ability to measure the degree to which individuals approached during the "cleanups" received needed services. The auditors also found that DHS publicly reports few outcomes to the public.

The audit recommends that DHS consider alternative approaches to engaging with homeless individuals to improve its success rate in encouraging individuals to accept placements in temporary shelter; consistently track its key activities and outcomes on an aggregate level; re-configure its systems so that the agency can readily capture all shelter entry and re-entry dates for each individual; and consult with other localities while it considers other approaches for tracking and reporting its encounters with individuals living at homeless sites.

The results of the audit have been discussed with DHS officials, and their comments have been considered in preparing this report. DHS' complete written response is attached to this report.

If you have any questions concerning this report, please e-mail my Audit Bureau at audit@comptroller.nyc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Lander".

Brad Lander
New York City Comptroller

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AUDIT IMPACT

Summary of Findings

The Department of Homeless Services (DHS) had limited success in convincing the homeless individuals encountered during the sweeps¹ of homeless encampments to enter temporary shelters. Of the 2,308 individuals present during “cleanups” conducted between March 21, 2022 and November 30, 2022, only 119 (or 5%) accepted temporary shelter. Subsequent observations conducted by auditors in April 2023 at 99 encampment sites cleared by the City found that homeless activity had resumed at 31% of those sites.

The audit also found that DHS did not adequately track the results of engagements made during the cleanups or the results of its placement referrals. This hindered DHS’ ability to measure the degree to which individuals approached during the cleanups received needed services.

Intended Benefits

The audit made several recommendations designed to help DHS more effectively track the results of its efforts to encourage the homeless individuals at the cleanup sites to accept temporary shelter, to accept support services and to consider alternative approaches to engaging with these individuals.

¹ Referred to as “cleanups” by DHS.

INTRODUCTION

Background

DHS works with not-for-profit partners to prevent homelessness before it occurs, to provide shelter and services to the homeless, and to assist the homeless transition to permanent housing. According to the Mayor's Management Report, there were an estimated 3,439 individuals living on the street, in parks, under highways, on subways, and in public transportation stations during Fiscal Year 2022.

In March 2022, the Mayor created a task force involving four City agencies: DHS, the Police Department (NYPD), the Department of Sanitation (DSNY) and the Department of Parks and Recreation (NYC Parks) to dismantle and remove homeless encampments in the City and to provide the street homeless individuals who were living in these encampments with access to housing, social services, and other assistance.²

According to DHS' *Encampments and Cleanups Procedure*, the agency's Joint Command Center (JCC) is responsible for coordinating the City's response to service requests related to street homeless conditions (i.e., encampments and pop-ups).³ These requests mainly come from the City's 311 system. 311 requests for cleanups are originally sent to the NYPD. If the NYPD determines that there are individuals at the site, they refer the 311 requests to DHS so that DHS can engage such individuals. Upon receipt of such a request, JCC assigns an outreach team (consisting of a crisis coordinator and a community associate) to the reported location to assess the conditions, to engage with the homeless individuals present at the site and to offer them temporary shelter and access to other supportive services (such as medical assistance and social services). JCC then contacts other City agencies in the task force to schedule a cleanup of the homeless site.

Approximately two days prior to the cleanup, the DHS outreach team visits the site again (accompanied, if necessary, by a social worker or a nurse) and informs people living there about the scheduled cleanup. Notices of the scheduled cleanup are posted at the site and provided to anyone present. At that time, homeless individuals are encouraged to accept temporary shelter and support services. On the day of the cleanup, the outreach team visits the site and once again engages with the individuals there to encourage them to accept temporary shelter and support services.

According to DHS, between March 21, 2022 and November 30, 2022, the task force conducted a total of 2,154 cleanups, 196 of which were cleanups of 161 encampment sites (some sites required more than one cleanup); 1,958 cleanups were to address 1,093 pop-up sites. According to DHS, the agency spent approximately \$61.4 million on all of its street outreach efforts for

² Encampments are sites with fixed or temporary physical structures built or erected as shelters or dwellings in areas not meant for human habitation, such as areas lacking access to sanitation services, water, trash removal, etc.

³ Pop-ups are areas not meant for human habitation where individuals and groups regularly sleep but which lack fixed comforts (e.g., furniture, standing structures, curtains, tents, or mattresses).

Calendar Year 2022.⁴ A portion of this was allocated to the cleanup of homeless sites. The amount incurred by DHS in the cleanup process was not identified.

During the scope period, City agencies did not re-inspect swept locations to ensure that encampments were not re-established or to re-engage individuals found there. DHS generally only returned to sites if the agency received a service request/complaint that a homeless encampment or pop-up site had been re-established.

Beginning in February 2023, NYPD was tasked with re-visiting sites to see if encampments have been re-established. Under this new process, if new encampments are found, NYPD refers the sites to DHS to re-engage individuals found there. If individuals refuse services, another sweep may be scheduled.

This report focuses on DHS' role as part of the interagency initiative. DHS does not have an enforcement role and instead is focused on offering individuals at swept sites access to temporary placements.⁵

Objectives

The objectives of this audit were to determine whether DHS is accurately tracking and reporting the results of the sweeps of homeless sites and to assess the degree to which individuals at these sites are directed to temporary shelter, permanent housing, and support services.

Discussion of Audit Results with DHS

The matters covered in this report were discussed with DHS officials during and at the conclusion of this audit. An Exit Conference Summary was sent to DHS and discussed with DHS officials at an exit conference held on May 18, 2023. On May 24, 2023, we submitted a Draft Report to DHS with a request for written comments. We received a written response from DHS on June 9, 2023.

In its response, DHS expressed "sincere appreciation for the efforts that your office has invested in this audit." It also thanked the "NYCC [the New York City Comptroller] for their partnership as we continue our critical mission." However, DHS stated that it disagreed with four of the five recommendations presented in the report and that it partially agreed with one.

DHS' written response has been fully considered and, where relevant, changes and comments have been added to the report.

The full text of DHS' response is included as an addendum to this report.

⁴ This amount does not include payments to contracted shelter providers.

⁵ Temporary placements include a number of different placement types, including stabilization beds (located in places like motels and YMCAs, and less restrictive than regular shelters), drop-in centers (places that lack beds but where individuals can rest, eat, bathe and access services), Safe Havens (these are operated by nonprofit providers and provide a more relaxed setting than traditional shelters), and Adult and Family Shelters.

DETAILED FINDINGS

DHS' efforts to convince homeless individuals encountered during sweeps to enter temporary shelters met with limited success. Of the 2,308 individuals that DHS reports were present during sweeps conducted between March 21, 2022 and November 30, 2022, only 119 accepted temporary shelter. In addition, observations conducted by auditors at 99 encampment sites cleared by the City found that homeless activity had resumed at 31% of those sites by April 12, 2023. The percentage of persons who were initially cleared from these sites and were also at these sites when auditors conducted their observations on April 12, 2023 is unknown.

The audit also found that DHS did not track individuals who did not accept a shelter placement, or the support services provided to those individuals encountered during cleanup procedures. The auditors also found that the results of its placement referrals were not adequately tracked. This hindered DHS' ability to measure the degree to which individuals approached during cleanups received needed services.

The following sections of this summary discuss these issues in further detail.

Few Positive Outcomes from “Cleanups”

Few Individuals Accepted Shelter Placements

According to DHS' *Encampments and Cleanups Procedure*, the primary goal of the procedure is to help unsheltered people at encampments gain access to temporary shelter. The data indicates that DHS had very limited success in meeting this goal.

Between March 21, 2022 and November 30, 2022, DHS outreach staff participated in sweeps that reportedly involved 2,308 homeless individuals at the encampments. Only 119, or 5%, of the 2,308 individuals engaged during such procedures accepted temporary shelter and, of these, 29 left shelter on the very same day they entered. Effectively, only 90 individuals stayed in shelter for any length of time.

Auditors reviewed records provided by DHS from CARES, DHS' system of shelter records, to determine the housing outcomes of the individuals placed following sweeps. Of the 90 referenced above, 47 remained in temporary shelter, 3 had been placed in permanent housing, and 40 (who remained in temporary shelter for at least one day) had exited the shelter system by January 23, 2023 (the most recent placement information provided by DHS). Of the 40 individuals who exited the system, 11 stayed 10 days or less and a total of 21 stayed for less than a month. The low success rate in moving people from the street to shelter and housing as a result of sweeps suggests it is not an effective method to meet the stated goal.

At the exit conference, DHS stressed the challenges inherent in getting the street homeless to accept temporary shelter. DHS referenced mental health and/or substance abuse issues that make street homeless more resistant to accepting temporary shelter. Given this, and given the limited success achieved during cleanups, DHS should seriously re-assess its current approaches to this problem.

Please see a breakdown of the reported outcomes for these persons as reported in CARES in Chart I below.

Chart I: Length of Time in Temporary Housing and Outcomes



Homeless Individuals Remain at 31% of “Cleaned” Sites

In an effort to assess the effectiveness of the City’s homeless encampment cleanups, on April 12, 2023, auditors conducted observations at 99 sites swept during Calendar Year 2022 to determine whether homeless sites had been re-established at the sites or at nearby locations. Auditors selected the sites to visit based on whether DHS’ records clearly identified the locations. A clear location was present for 99 of the 161 sites.

The auditors found that homeless sites appeared to have been re-established at 31 (31%) of the 99 locations visited. The percentage of individuals who were at these sites on April 12, 2023 and who had also been present when the sites were swept in Calendar Year 2022 is unknown. Auditors shared the results of their observations of these 31 sites with DHS on April 25, 2023.

DHS' Tracking of the Results of "Cleanups" Was Incomplete and Inaccurate

DHS Does Not Collect Data Needed to Fully Determine Outcomes

Comptroller's *Directive #1*, §4.4, Information and Communications, states that "[m]anagement requires both operational and financial data to determine whether they are meeting their agencies' strategic and annual performance plans as well as achieving their goals for the effective and efficient use of resources." DHS does not collect the operational data needed to determine the effectiveness of its participation in the cleanup of homeless encampments. DHS does not account for all homeless people encountered during the procedures; it does not accurately track the housing outcomes of the individuals encountered; and it does not systematically track support services that are offered or provided to homeless individuals who decline temporary shelter.

Outreach Activity Not Recorded

Although DHS used a spreadsheet to track the number of homeless individuals who were present at the homeless sites being swept, it did not consistently record the numbers of homeless individuals that DHS outreach teams interacted with or the results of those interactions. In 91% of the sweeps conducted between March 21, 2022 and November 30, 2022, DHS recorded nothing more than the number of homeless individuals who were present at the sites. The spreadsheet used for tracking reported the presence of 1,936 individuals at these sites but did not note how many of the 1,936 individuals were actually engaged by members of the outreach teams. DHS recorded the number of individuals engaged at only 9% (193) of the remaining sites —at these locations, DHS recorded that its teams engaged all 372 individuals present at the sites.

According to DHS' *Encampments and Cleanups Procedure*, the agency's outreach teams are responsible for encouraging the individuals they encounter at the homeless sites to accept temporary shelter or, failing that, to offer access to support services, such as public assistance, medical care, and mental health and substance abuse services. The outreach teams are then charged with helping people obtain needed services. If DHS does not track engagement activities during cleanups, it cannot determine if services were offered.

DHS officials stated that it is difficult to accurately track how many homeless individuals at the sites DHS outreach teams interact with, because these individuals are generally not willing to provide their names unless they accept temporary shelter. However, DHS could still record the number of individuals it engages each time it visits a site and the attempts to assess service needs. Indeed, as noted above, DHS already records this information about 9% of the time. The concern is that this information is not being recorded consistently.

DHS Only Tracks Individuals Who Accept Shelter

DHS' outreach teams engage with homeless individuals at the homeless sites and offer them access to a range of services. However, DHS only tracks individuals in the agency's CARES system if they accept temporary shelter. DHS does not systematically track the results of their engagements with homeless individuals at these sites if they reject temporary shelter, even if they accept offers of support services, such as opportunities to receive public assistance, health care

services (including mental health services), or free food and clothing. Such interactions, including what was done to help the individuals who requested support services, are on occasion reported by the outreach teams through emails to managers and supervisors in the office, but are not systematically recorded by DHS for tracking purposes.

Not consistently tracking the results of the agency's outreach teams' interactions with individuals at homeless sites means DHS is less able to assess the success of its engagement efforts. Successfully handling support service requests is important, not just for the services that the homeless individuals might receive, but also because the services that the individuals receive can help build trust and ultimately help encourage these individuals to accept temporary shelter.

Additionally, by not systematically tracking the results of homeless individuals' requests for support services, DHS is unable to assess the success of this aspect of its engagement efforts, or to ensure that individuals who did not accept shelter were referred for future outreach efforts.

Following the exit conference, DHS indicated that it is in the process of building out StreetSmart, its system of record for tracking street homeless outreach activities, to capture engagement information at cleanups.⁶ The agency also stated that it is currently working with its interagency partners to develop a tracking system to record the services offered by each agency.⁷

The information that is expected to be captured in the future includes but is not limited to the following: (1) number of individuals present at site; (2) number engaged by DHS; (3) number known to outreach teams; (4) number referred to contracted outreach teams for future tracking; (5) number referred to the Department of Health and Mental Hygiene for services; and (6) number referred for placement.

Other Localities Report More Data

The audit found that at least three other localities—Los Angeles County (CA), San Francisco (CA), and Portland (OR)—have been collecting and reporting information on their cleanups of homeless encampments that has not been reported by DHS. Table I below shows the performance indicators reported by the three cities and the most recent data reported.

Information reported by these localities includes the number of encampment sites in the locality (Portland), the number of homeless individuals that their outreach teams have interacted with (Los Angeles and San Francisco), the number of individuals who were referred for mental health and substance abuse services (Los Angeles), the number of individuals who accepted temporary shelter as a result of a cleanup and later exited the shelter system and returned to the street (Los Angeles), the number of individuals who accepted temporary shelter and were later placed in permanent housing (Los Angeles), and the total cost of the encampment removals (Portland).

⁶ StreetSmart is used by DHS to record activities relating to its street outreach efforts only, while CARES (the agency's other system of record) records activities relating to services provided to all DHS clients.

⁷ Partner agencies identified by DHS include the Department of Health and Mental Hygiene, New York State Office of Addiction Services and Supports, and New York State Safe Options Support (SOS) Teams.

The data reported by Los Angeles and San Francisco⁸ suggests better outcomes than here. For example, Los Angeles reports engaging with 86% of the individuals located at encampments and close to one-third entering interim housing. San Francisco reports nearly 45% accepting shelter placements.

Table I

City	Publicly Reported Indicators	Figures Reported
Los Angeles County (CA)	<i>As of 4/27/2023:</i>	
	Number of Distinct Individuals (number of people who have been contacted by an outreach worker within the specified encampment(s) within the previous 90 days)	5,708
	Number of Participants Engaged (number of participants in the encampments who have the beginnings of a case plan and/or an assessment with their outreach worker)	4,929
	Number of Participants Referred to Interim Housing	2,267
	Number of Participants Entering Interim Housing	1,845
	Number of Participants Referred to or Provided Mental Health Services	517
	Number of Participants Referred to or Provided Substance Use Disorder Services	40
	Number of Participants Who Exited Back to the Street	1,564
	Number of Participants Placed in Permanent Housing	196
San Francisco (CA)	Total Encampments (January 2023)	471
	Engagements (1/1/2023 to 3/31/2023)	1,094
	Shelter Placements	489
	Shelters Referrals Declined	605
Portland (OR)	<i>FY 2021 – 2022:</i>	
	Encampment Removals Performed	1,087
	Total Encampment Removal Costs	\$4,398,370
	Average Direct Cost Per Removal	\$2,267

In its response, DHS states that New York City has “lower rates of unsheltered homeless than most other large U.S. cities, both on a per-capita basis and percentage of homeless who are unsheltered.” DHS also argues that comparisons to outcomes in other cities are misleading

⁸ The audit did not verify the accuracy of this data.

because of variations in available shelter resources among cities. The audit notes DHS' arguments. Nonetheless, auditors continue to believe that DHS could derive benefits from considering some of the practices used by other cities. DHS could certainly improve its tracking and public reporting of the results of its engagements with individuals at encampments.

DHS' Data Does Not Adequately Track the Results of Placement Referrals Made during "Cleanups"

DHS does not systematically record shelter re-entry dates. While DHS tracks referrals for temporary shelter, it does not track shelter entry dates (i.e., check-ins). DHS does not consider this information essential. DHS officials have indicated that the number of individuals referred for temporary housing is the key indicator.

However, because DHS does not track outcomes from shelter referrals, it is unable to assess the placement results of its referrals. The agency also misses opportunities to better understand the habits of its clients in terms of their lengths of stay at the shelters. At the exit conference, DHS officials stated that they consider "every night an individual spends inside to be a success." Consequently, it is important to track actual check-ins and overnight stays at the shelters. In terms of the 119 individuals referred to shelter during the cleanups considered during this audit, only 90 checked into a temporary shelter and actually stayed there at least one night.

DHS indicated during the exit conference that the CARES system records a start date that reflects the date that a new case is opened for an individual entering the shelter system. The system does not currently have the ability to record a re-entry date if the individual exits the shelter and then returns for a re-entry to the shelter later. Currently, the only way for the re-entry date to be recorded in CARES is to open a new case for the person, which is a lengthy process for the agency and the individual. Because homeless individuals engaged during these cleanups often enter and exit temporary shelters, DHS does not want to have to open a new case each time that happens. Once a start date is set for an individual, DHS uses that same start date each time the individual re-enters a shelter during a one-year period following the opening of the case. This potentially leads to misleading data.

The auditors recommend that DHS develop the capacity to record all shelter entry and re-entry dates for each individual. This is necessary not only to better understand the outcomes of its referrals, but also the patterns of individuals who interact with DHS over time.

RECOMMENDATIONS

To address the abovementioned findings, the auditors propose that:

1. In addition to tracking the referral of homeless individuals to temporary shelters as a result of sweeps, DHS should also consistently track on an aggregate level its key activities and outcomes, including, but not limited to, the number of engagements with individuals, the number of individuals engaged who accepted temporary shelter and later exit the shelter system, the number of individuals who request support services (including mental health services), the number of those who received requested services, and the number of persons placed in permanent housing.

DHS Response: DHS partially agreed with this recommendation. DHS stated that “[t]he main system for street services, StreetSmart, was developed as a case management tool and was not built with this kind of reporting capability. While we agree that aggregate reporting is useful, we are able to extract data on an individual basis ... to create ad hoc reports.” The agency also stated that it will “explore feasibility and cost for updating StreetSmart to add aggregate reports of DHS’ work at clean-up sites.”

Auditor Comment: The auditors continue to believe that systematically tracking the results of engagements with homeless individuals at encampments would aid DHS in assessing the success of those efforts. The auditors appreciate DHS’ commitment to exploring the feasibility of updating StreetSmart to add capacity to collect data during sweeps.

2. DHS should publicly report key indicators that provide transparency relating to the effectiveness of its outreach efforts in connection with the removal and dismantling of homeless encampments and other homeless sites.

DHS Response: DHS disagreed with this recommendation and stated that it “has been and will continue to publicly share referrals to placements from clean-up sites. DHS publicly reports the number of clients who were engaged at clean-up sites and are currently checked in at shelters.”

Auditor Comment: DHS provided no evidence to the audit that it reports the aggregate number of clients who are engaged at “cleanup” sites. The audit suggests that DHS report this data along with information on other indicators, such as the number of individuals referred for mental health and substance abuse services. Such information would provide a more complete picture of DHS’ outreach efforts. Auditors urge DHS to reconsider its response and implement this recommendation.

3. DHS should re-assess how it engages with homeless individuals at the homeless encampment and pop-up sites to improve its success rate in encouraging these individuals to accept placements in temporary shelter.

DHS Response: DHS disagreed with this recommendation, stating that it “continuously assesses its outreach efforts across the portfolio to try to find new ways to convince clients experiencing unsheltered homelessness to access services.” The agency goes on to discuss its current efforts, including its partnerships with various City and State agencies, and the characteristics of the individuals who make up this particular population and the difficulties in persuading them to accept temporary shelter.

Auditor Comment: Auditors acknowledge the difficulties faced by DHS and the challenges inherent in dealing with this population. Nonetheless, it is clear that sweeps have limited success in meeting DHS' stated goals. In light of this, DHS should reconsider how it engages with homeless individuals at encampment and pop-up sites. DHS should also reconsider, in consultation with its partner agencies in the Mayor's task force, whether sweeps should continue and whether there are more effective means to reach this population.

4. DHS should re-configure its systems so that the agency can readily capture all shelter entry and re-entry dates for each individual.

DHS Response: DHS disagreed with this recommendation and stated that its "system of record, CARES, already captures entry and re-entry dates for individuals. DHS staff and contracted providers have access to CARES in order to get more information about client entries and exits."

Auditor Comment: The auditors were informed by DHS throughout the audit and at the exit conference that the agency is unable to capture in CARES the date that a homeless individual re-enters a temporary shelter (when the individual exits a shelter and returns within one year of their initial entry). In fact, DHS attributed certain data anomalies identified during the audit to this weakness in CARES.

5. DHS should consult with other localities and establish effectiveness best practices for engaging, and tracking and reporting encounters with, individuals living at homeless sites.

DHS Response: DHS disagreed with this recommendation and stated that it "has spoken with and will continue to engage other localities to determine best practices and learn about new approaches to encouraging individuals experiencing unsheltered homelessness to access services."

Auditor Comment: Although DHS ostensibly disagrees with this recommendation, their response suggests partial agreement. DHS states that the agency will continue to engage other localities to determine best practices and learn about new approaches for encouraging homeless individuals to accept services. The auditors urge DHS to do so, and to improve its tracking and public reporting of outreach encounters.

Recommendations Follow-up

Follow-up will be conducted periodically to determine the implementation status of each recommendation contained in this report. Agency reported status updates are included in the Audit Recommendations Tracker available here: <https://comptroller.nyc.gov/services/for-the-public/audit/audit-recommendations-tracker/>

SCOPE AND METHODOLOGY

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires 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 objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The primary scope of this audit was March 21, 2022 through November 30, 2022. In addition, on April 12, 2023, auditors visited 99 former homeless encampment sites to determine whether homeless sites had been re-established there or nearby.

To obtain an understanding of DHS' roles and responsibilities related to the homeless encampment "cleanups", the auditors interviewed the Deputy Commissioner of DHS' Division of Street Homeless Solutions; the Assistant Commissioner of Partnership, Capability Building and Strategy; and the Assistant Commissioner of Program Support. To understand the roles and responsibilities of JCC and its operations related to the homeless encampment "cleanups", the auditors interviewed two Program Administrators, a Director of Special Projects, and two Managers. To learn how the Metropolitan Transportation Authority (MTA) helps homeless individuals in the subway system and how it coordinates this work with DHS, the auditors interviewed the Senior Director of Homeless Security and Quality of Life Program at the MTA. To better understand how the agency tracks the service requests it receives on homeless sites and the homeless "cleanups" conducted, the auditors attended a DHS demonstration session of the Dynamics system.

To understand the encampment "cleanup" process and to determine whether DHS is accurately tracking and reporting the results of its "cleanups" of homeless encampments, auditors reviewed and used the following documents as criteria:

- *DHS Encampments and Cleanups Procedure*, effective August 12, 2022;
- *Street Homeless Solutions Joint Command Center: Overview and Best Practices Guide* [BK-37(E) Rev. 11/21]; and
- New York City Comptroller's *Directive #1*.

To assess the degree to which individuals at the encampments have been directed to temporary shelter, permanent housing, and support services, auditors analyzed DHS' homeless sites "cleanups" data and the shelter placement information in the Task Force Placement Tracker.

In an effort to assess DHS' collection and reporting of information on the results of its participation in the "cleanups" of homeless sites, the audit reviewed the types of information collected and reported by several other localities, including Los Angeles County (CA), San Francisco (CA), and Portland (OR).

To determine the lengths of stay of the 119 homeless individuals at the homeless encampment sites who were referred for temporary shelter between March 21, 2022 and November 30, 2022, auditors reviewed DHS data on the 119 individuals that showed the dates they entered the shelter system and the exit dates for those who had exited the system by January 23, 2023.

The above audit steps provided the auditors with a reasonable basis to assess the accuracy of DHS' tracking and reporting of the results of its "cleanups" of homeless encampments and the degree to which individuals at these encampments are directed to temporary shelter, permanent housing, and support services.



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Human Resources
Administration

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Homeless Services

DSS Accountability Office

June 9, 2023

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Re: Agency Response to the Draft Audit Report on the Department of Homeless Services' Role in the "Cleanups" of Homeless Encampments ME23-059A

Dear Ms. Hayes-Chaffe,

We have received the draft report for the New York City Comptroller's Audit on DHS' Role in the "Cleanups" of Homeless Encampments (ME23-059A). Please find enclosed our Agency response, which identifies the actions taken in accordance with the plan to address the recommendation(s) noted in the report, or the reason why we disagree with the recommendation(s).

We would like to express our sincere appreciation for the efforts that your office has invested in this audit. The Agency remains committed to its mission of serving New York City's most vulnerable population in the most efficient and effective manner, while adhering to all applicable rules, regulations, and laws by which we are bound. We include below several clarifications to improve the general public's understanding of the report's contents.

First, we would like to reiterate that encampment cleanups are an interagency initiative – DHS is not the lead agency and does not control other Agencies' policies. DHS works with the *people* living in the encampment site and has no role regarding the physical encampment site itself. DHS' primary role in the initiative is to offer temporary housing placements and/or other services that may be appropriate for each individual. DHS takes this role seriously, and has attended *100 percent* of encampment cleanups, offering services including placement in low barrier safe haven or stabilization programs, temporary shelter, drug/alcohol treatment, mental health services, etc.). The report notes that 31 percent of "cleanups" result in encampment re-establishment. Our Agency's intention, of course, is that each individual avail themselves of our services; however, under current law and regulations, DHS can only *offer* services and must respect the wishes of individuals who decline.

Second, there are features of encampment sites that may make them particularly appealing, such as proximity to services or site's physical characteristics, e.g., sidewalk sheds and underpasses. When a group of individuals experiencing homelessness is connected to services or leaves the encampment sites, others may take their place because of the nature and physical characteristics of the site. We do not consider this a failure of the cleanup but rather a reflection of the nature of the site and the needs of individuals experiencing homelessness. Additionally, and conversely, 69% of cleanups do not result in encampment re-establishments, which is a remarkable success, given the difficult nature of the work.

The report recommends that NYC reach out to other localities for best practices. We of course agree, and NYC participates in national conversations about best practices and is frequently contacted by other jurisdictions for insight into our policies and practices. However, we also want to note the important larger context: NYC has lower rates of unsheltered homeless than most other large U.S. cities, both on a per-capita basis and percentage of homeless who are unsheltered. For example, the proportion of street homeless individuals in New York City as a share of the total homeless population (6%) is markedly lower than in San Francisco (where 57% of the homeless are unsheltered) or Los Angeles (where 70% of the homeless are unsheltered) (HUD 2022 PIT).¹ Similarly, NYC has 39 unsheltered homeless residents per 100,000 residents, which is a rate more than 10 times lower than San Francisco (503) and Los Angeles (458). NYC has one of the lowest percentages of street homeless individuals among large U.S. Cities. These data points are a reflection of NYC's right to shelter policies and diligent outreach efforts to unsheltered individuals.

Finally, we believe comparisons to outcomes in other U.S. cities are misleading because the underlying availability of shelter services varies substantially across cities. Critically, outreach workers in other cities, which may lack Right to Shelter laws, may be encountering unsheltered individuals who have not previously had access to shelter services due to lack of capacity and resources in the jurisdiction. In New York City, by contrast, individuals in encampments may have already made a choice not to enter the shelter system or accept a low-barrier bed and may be among the most difficult to engage. DHS' role is to continue to offer services, build trust and rapport, and meet people where they are. To that end, DHS, service providers and sister agencies across the City continue to invest resources and develop new models to serve these clients.

We are confident that our progress, and our response to this audit, demonstrates the Agency's commitment to continually improving our operations. Should you have any questions regarding the enclosed, please contact Victoria Arzu, Assistant Director of the DSS External Audit Facilitation at 929-221-7067. We thank NYCC for their partnership as we continue our critical mission.

Yours sincerely,

Christine Maloney

Christine Maloney
Deputy Commissioner, Office of Audit & Quality Assurance Services

Enclosures

¹ U.S. Department of Housing and Urban Development. (2022). Point-in-Time Estimates by CoC. Retrieved from: <https://www.hudexchange.info/resource/3031/pit-and-hic-data-since-2007/>

**NYC DEPARTMENT OF SOCIAL SERVICES
OFFICE OF AUDIT SERVICES
CORRECTIVE ACTION PLAN**

Audit Name: Audit of the Department of Homeless Services’ Role in the “Cleanups” of Homeless Encampments
Audit Number: ME23-059A

Date: 06-09-2023

Auditor’s Recommendations	Agency Response	Responsible Unit	Agency Corrective Action	Target Date
<p>Recommendation 1:</p> <p>In addition to tracking the referral of individuals to temporary shelters as a result of the “cleanups”, DHS should also consistently track on an aggregate level its key activities and outcomes, including, but not limited to, the number of engagements with individuals, the number of individuals engaged who accepted temporary shelter and late exited the shelter system, the number of individuals who requested support services (including mental health services), the number of those who received the requested services, and the number of persons placed in permanent housing.</p>	<p>Partially Agree</p> <p>DHS has two systems of record for homeless clients, including the unsheltered. The main system for street services, StreetSmart, was developed as a case management tool and was not built with this kind of reporting capability. While we agree that aggregate reporting is useful, we are able to extract data on an individual basis (see below) to create ad hoc reports.</p> <p>Currently, DHS tracks engagements by individual, at each encampment cleaning. DHS tracks the number of individuals present, as well as engagements and placements. The DHS outreach teams enter data into StreetSmart including demographics, data regarding an individual’s health, service plans and placement history.</p> <p>In addition, when clients are known and have chronic issues, further information may be tracked via the Coordinated Behavior Health Task Force.</p>	<p>Street Homelessness Solutions</p>	<p>Explore feasibility and cost for updating StreetSmart to add aggregate reports of DHS’ work at clean-up sites.</p>	<p>January 1, 2024</p>

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<p>Recommendation 2:</p> <p>DHS should publicly report key indicators that provide transparency relating to the effectiveness of its outreach efforts in connection with the removal and dismantling of homeless encampments and other homeless sites.</p>	<p>Disagree</p> <p>DHS has been and will continue to publicly share referrals to placements from clean-up sites. DHS publicly reports the number of clients who were engaged at clean-up sites and are currently checked in at shelters.</p> <p>The Mayor’s Management Report (MMR) includes data on reducing the number of unsheltered homeless individuals (which includes homeless individuals at encampment sites as appropriate). It should be noted here that the success rate of NYC is laudable, with just 6% of all individuals experiencing homelessness in NYC classified as street homeless (2022 HUD Point in Time Survey Estimate).</p> <p>To that point, DHS is present at every encampment cleanup within the City. DHS Outreach Staff are responsible for engaging clients at the clean-up site both before and during the clean-up, informing of the coming clean-up, and offering placements and transports to temporary shelters. Outreach teams must build trust and rapport with clients, and it may take some time for our clients to accept a shelter placement. Additionally, DHS Contracted Outreach Teams operate 24 hours a day, 365 days a year, canvassing for individuals experiencing unsheltered homelessness, connecting them to services and supports, and encouraging them to come indoors.</p>			

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<p>Recommendation 3:</p> <p>DHS should re-assess how it engages with homeless individuals at the homelessness encampment and pop-up sites to improve its success rate in encouraging these individuals to accept placements in temporary shelter.</p>	<p>Disagree</p> <p>DHS continuously assesses its outreach efforts across the portfolio to try to find new ways to convince clients experiencing unsheltered homelessness to access services. <u>DHS suggests that the final report clarify that “temporary placements”</u> can include a number of different placement types, including Stabilization Beds, Drop-in Centers, Safe Havens, Adult Shelters, Adult Family Shelters, Family Shelters, etc. DHS also refers these individuals to other appropriate care, such as mental health or SUD treatment.</p> <p>DHS is present at every encampment cleanup within the City. Our DHS Outreach Staff are responsible for engaging our clients at the clean-up site both before and during the clean-up, informing of the coming clean-up, and offering placements and transports to those placements.</p> <p>DHS has formed partnerships with our sister agencies including the NYS Office of Addiction Services and Supports (OASAS), NYS Department of Health and Mental Hygiene (DOHMH) and our outreach providers to try to connect individuals at clean-up sites with social services and supports and convince them to access temporary placements.</p> <p>DHS’s contracted outreach teams are out on the streets and subways 24x7, engaging vulnerable unsheltered individuals</p>			

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	<p>and working to build trust and encouraging such individuals to come inside and accept services. Individuals living on the street may have experienced multiple traumas, may be using substances to deal with such traumas and/or to treat underlying mental health issues, and may distrust anyone attempting to engage them. It generally takes multiple engagements to truly address long overlooked and complicating factors, including mental health and substance use; challenges which can result in a cycle of housing instability.</p> <p>DHS currently has more than 3,500 low barrier beds and is on track to expand to a capacity of 4,000 specialized beds for this vulnerable group so that placements can occur with this population.</p> <p>Additionally, DHS considers the scope of what the Agency provides to clients vis a vis the Homeless Encampments initiative, to be focused on service provision and placements, not sweeps of the encampment sites. As such, the budget for street services in DHS alone is at an historic high point and is inclusive of the following: in FY22 \$65.5M for outreach contracts, \$13M for DHS Street staff and \$124.8M for street beds (total = \$203.3M). In FY23 the budget is \$70.5M for outreach contracts, \$12.8M for DHS Street staff, and \$202.3M for street beds (total of \$285.6M).</p>			

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	<p>Note: NYC’s provision of shelter services is a complex system and operations vary depending on the population served. As previously stated, DHS is laser focused on supporting clients who are unsheltered and has different facilities that offer varying levels of service based upon the need:</p> <ul style="list-style-type: none"> • Safe Havens – low barrier with limited rules/restrictions, high levels of services, must be referred for access. • Stabilization Beds – low barrier with limited rules/restrictions, appropriate for clients with lesser service needs. • Drop-In Centers – no beds but provides basic necessities such as showers and meals, and chairs for clients to stay for brief periods of time. The Drop-In Centers are open around the clock. 			

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<p>Recommendation 4:</p> <p>DHS should re-configure its systems so that the agency can readily capture all the shelter entry and re-entry dates for each individual.</p>	<p>Disagree</p> <p>DHS’s system of record, CARES, already captures entry and re-entry dates for individuals. DHS staff and contracted providers have access to CARES in order to get more information about client entries and exits.</p> <p>In addition to entries, StreetSmart captures data around engagement of clients who are unsheltered.</p>			

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<p>Recommendation 5:</p> <p>DHS should consult with other localities and establish effectiveness best practices for engaging, and tracking and reporting encounters with, individuals living at homeless sites</p>	<p>Disagree</p> <p>DHS has spoken with and will continue to engage other localities to determine best practices and learn about new approaches to encouraging individuals experiencing unsheltered homelessness to access services.</p> <p>It should be noted that, compared to other localities referenced in the Comptroller’s review, the success of NYC in engaging unsheltered individuals is remarkable. In 2022 the federal Department of Housing and Urban Development published its annual point-in-time homeless population estimates and, among the 10 largest cities, NYC ranked second lowest in the proportion of homeless population who were unsheltered. Just 6% of people experiencing homelessness in NYC were unsheltered compared to 70% in LA, 56% in Phoenix, and 33% in Chicago. Only Boston, with a population about 1/10th of NYC, was lower at 3%. The same HUD data show that on a per capital basis, NYC’s unsheltered population is only 39 per 100,000 residents compared to 503 per 100,000 in San Francisco, which is referenced in the report as a municipality that NYC can learn from.</p> <p>While the agency absolutely values the collaboration and sharing of information between other municipalities and NYC, it should be also noted that New York is significantly</p>			

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	<p>larger and works with a higher number of people than any other locality. For instance, San Francisco, which is referenced in the Comptroller’s report, currently reports a shelter population of roughly 3,600, while New York City reports a shelter population of 80,000+. Additionally comparing results is inappropriate, as other localities may be encountering individuals in encampments who have not had the prior opportunity to go to shelter, or who may have had to leave because of time limits, etc.</p> <p>The NYC unsheltered homeless population and the City’s response to unsheltered homelessness must also be viewed in the national context. NYC has the largest budget for homeless services of any municipality in the country. While related to the right to shelter mandate, DHS’s fiscal year 2023 budget for street homeless services, includes funds for a capacity of 4,000 specialized beds for this vulnerable group. This commitment has produced measurable results that make NYC a unique leader among cities.</p>			



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