

Accelerating Homeless Set-Aside Placements in New York City

Evaluation for the City of New York, Department of Housing Preservation and Development, Department of Homeless Services, Human Resources Administration, and Housing Development Corporation

August 8, 2023

Agenda

90-Day Evaluation of Homeless Set-Aside Processes

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- 02** **Understanding the Agency Landscape**
- 03** **Current State Homeless Set-Aside Placement Process**
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Opportunity Overview

90-Day Evaluation of Homeless Set-Aside Processes

Background

- Homeless set aside units are the second-largest exit pathway for NYC DHS shelter residents.
- In **FY2022, 2,175 homeless** households moved into homeless set-aside units.
- The current placement process leaves homeless set-aside units **vacant for a median of 19 weeks**.

Current Challenges

- Leasing up new construction affordable buildings in NYC has become more challenging.
- As of June 2018: HDC underwrote to an average lease-up term of **8.5 months**.
- As of 2023: Average lease-up term for a building increased to **11 months**.

Impact

- Each month of delay costs an additional:
 - **\$2,000 of capital subsidy** per unit
 - **\$3,419 of City-tax levy** for family in shelter
- **A month of delay across all FY2022 placements would total \$11.75 million**

Data provided by the Office of Management and Budget Policy and Operations Research Task Force



Goal: Identify improvements to reduce lease-up from 19 to 10 weeks

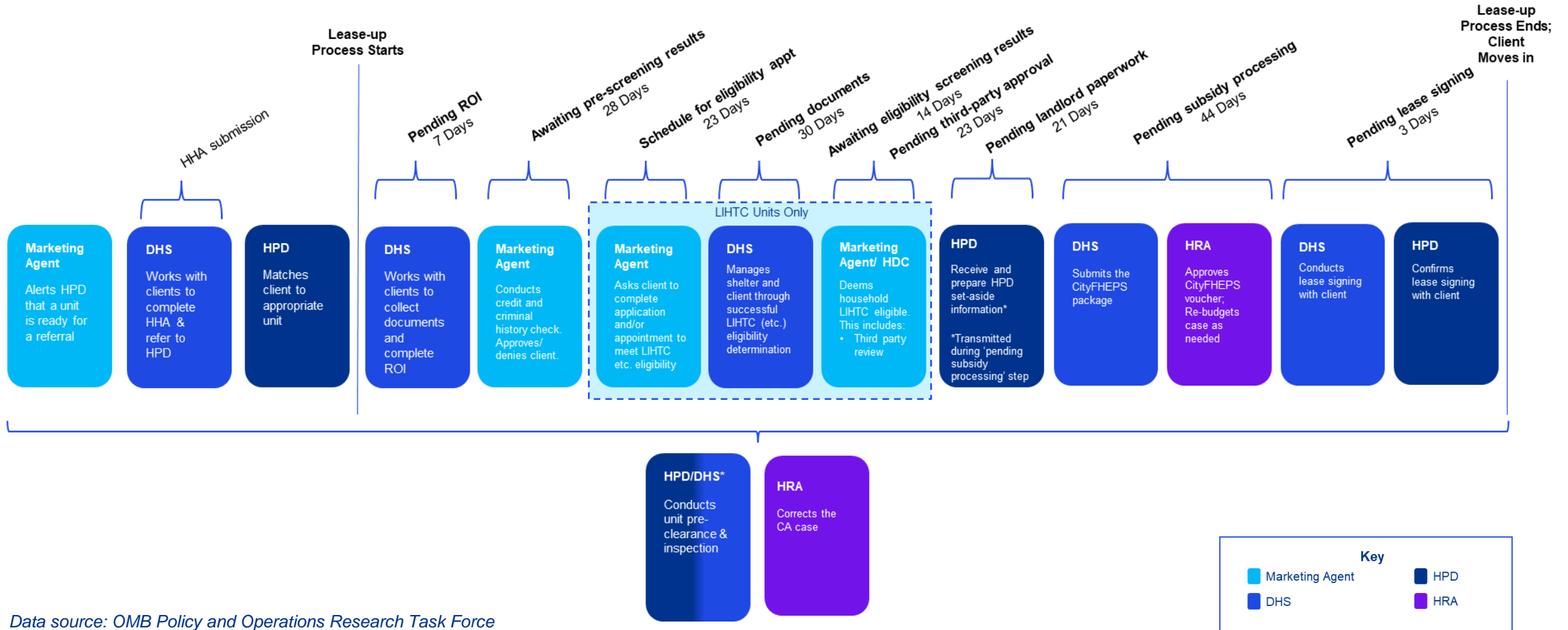
Understanding the Agency Landscape

Stakeholders involved in homeless set-aside placement processes



Current state homeless set-aside process

Overview of process by Lease-Up Status



Data source: OMB Policy and Operations Research Task Force



Current state homeless set-aside metrics

Analysis from OMB Policy and Operations Research Task Force

Unit's Farthest Referral Status	Owner	Applicable Units	Target	Median Days	% within 7 Days of Target
Pending ROI	Shelter/Client (DHS)	All Units	3 Days	7 Days	65%
Referral Made Awaiting Pre-Screening	Marketing Agent	All Units	5 Days	28 Days	17%
Scheduled Eligibility Appointment	Marketing Agent	Tax Credit Only	3 Days	23 Days	37%
Awaiting Eligibility Screening	Marketing Agent	Tax Credit Only	5 Days	14 Days	49%
Pending Documents	Shelter/Client (DHS)	Tax Credit Only	10 Days	30 Days	21%
Accepted Pending Third-Party	Syndicator/HDC	Tax Credit Only	5 Days	23 Days	34%
Approved Pending Landlord Paperwork	Marketing Agent	All Units	5 Days	21 Days	30%
Approved Pending Subsidy Processing*	DHS/HRA	All Units	12 Days	44 Days	13%
Approved Pending Lease Signing	Marketing Agent	All Units	5 Days	3 Days	85%



Key Evaluation Findings

Challenges across the current state operation

- ✓ Commitment to helping DHS shelter residents find housing
- ✓ Multiple points of income verification
- ✓ Unnecessary process steps
- ✓ Manual process with multiple handoffs
- ✓ Shelter resident and unit readiness activities are performed during lease-up
- ✓ Technology platforms are not universally leveraged across agencies
- ✓ Limited visibility for marketing agents and shelter residents
- ✓ Lack of process governance and standard timelines
- ✓ Limited access to updated shelter resident information
- ✓ Limited data available to drive performance and accountability

Key Evaluation Objectives

Themes for improving the process

Remove unnecessary steps and handoffs

Reduce delays through policy alignment and increased resources

Increase information sharing across agencies

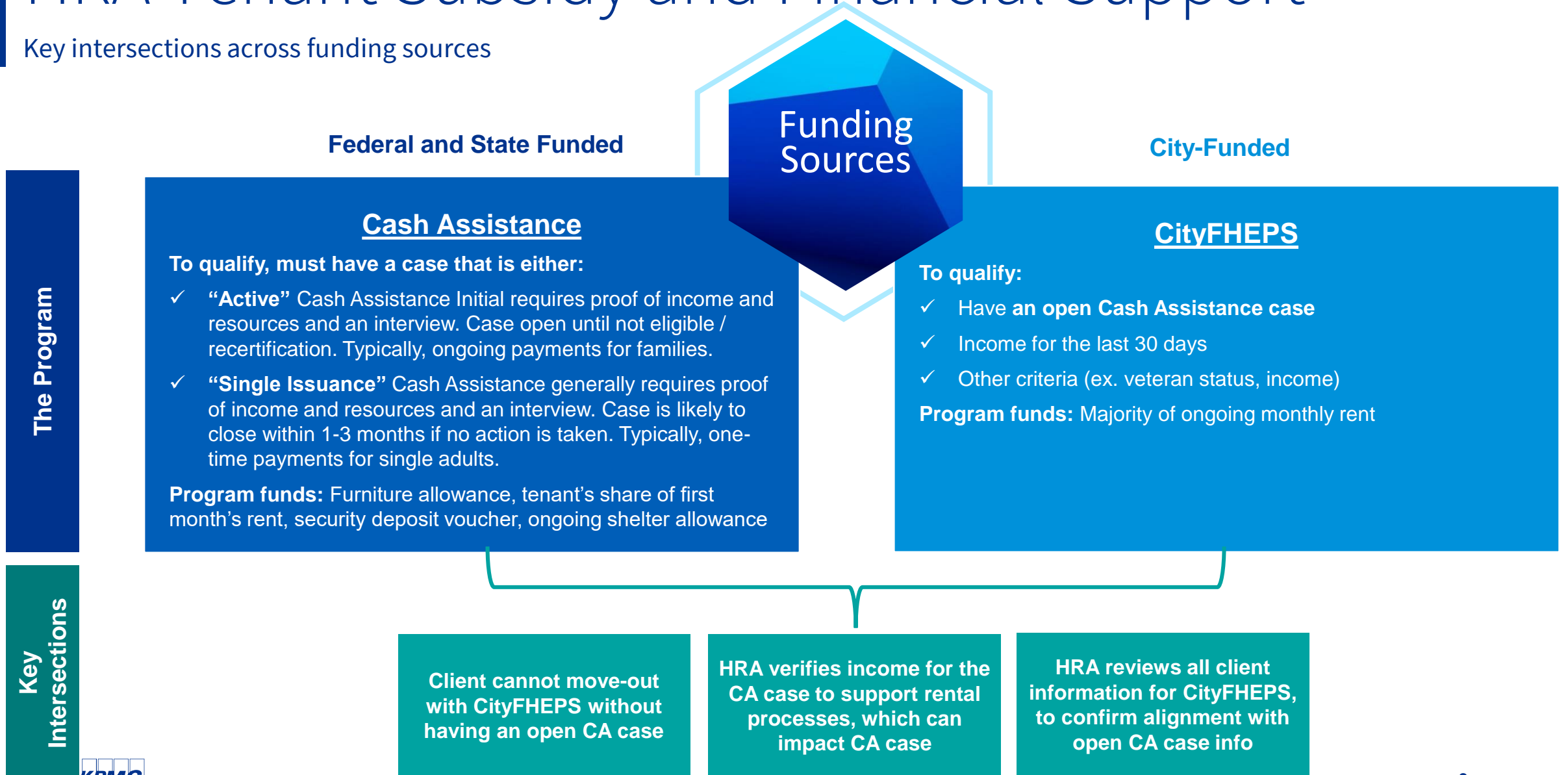
Set and enforce clear process step policies and timelines

Leverage smart automation to match shelter residents and units

Improve shelter resident and marketing agent engagement

HRA Tenant Subsidy and Financial Support

Key intersections across funding sources



The Focus – Aligning CA and CityFHEPS

Streamlining eligibility across programs

Key Intersection

HRA verifies income for CA case when determining eligibility for rental assistance

Dependency

When HRA receives income for CityFHEPS eligibility, they must also compare and re-verify income for Cash Assistance case.

The Question

Why are shelter residents held to a more stringent standard for income verification?

Can HRA reuse a client's validated income from active CA case when determining eligibility for CityFHEPS?

The Big Idea

- **Use the already verified CA case information** for the client's income during CityFHEPS eligibility.
- Stop requesting income from clients **with active CA cases**.

The Focus – Aligning CA and CityFHEPS

Streamlining eligibility across programs

Key Intersection

HRA reviews all client information (including income) for CityFHEPS eligibility, to confirm alignment with open CA case budget

Dependency

HRA is an additional step for CityFHEPS approval

The Question

Can DHS approve CityFHEPS applications using current CA case information?

Why does HRA have to determine eligibility for CityFHEPS?

The Big Idea

- **DHS HRP**U to approve CityFHEPS for specific cases

The Focus – Aligning CA and CityFHEPS

Streamlining eligibility across programs

Key Intersection

Client cannot move-out with CityFHEPS without open CA case

Dependency

Client must apply for CA cases, and can potentially close due to CA case rules (i.e., SI case close ~30 days after application date)

The Question

Can HRA keep SI cases open for DHS shelter residents after they apply, until CityFHEPS eligibility is determined?

The Big Idea

- For DHS shelter clients, **maintain SI status for CA case through moveout**
- **Open CA cases earlier** in the lease-up process

The Focus – Aligning CA and CityFHEPS

Streamlining eligibility across programs

Key Intersection

HRA verifies income for CA case when determining eligibility for rental assistance

HRA reviews all client information (including income) for CityFHEPS eligibility, to confirm alignment with open CA case budget

Client cannot move-out with CityFHEPS without open CA case

Dependency

When HRA receives income for CityFHEPS eligibility, they must also compare and re-verify income for Cash Assistance case.

HRA is an additional step for CityFHEPS approval

Client must apply for CA cases, and can potentially close due to CA case rules (i.e., SI case close ~30 days after application date)

The Question

Why are shelter residents held to a more stringent standard for income verification than the non-DHS shelter CA population?

Can HRA reuse a client's validated income from active CA case when determining eligibility for CityFHEPS?

Can DHS approve CityFHEPS applications using current CA case information?

Why does HRA have to determine eligibility for CityFHEPS?

Can HRA keep SI cases open for DHS shelter residents after they apply, until CityFHEPS eligibility is determined?

The Big Idea

- **Use the already verified CA case information** for the client's income during CityFHEPS eligibility.

- **DHS HRP** to approve CityFHEPS for specific cases

- For DHS shelter clients, **maintain SI status for CA case through moveout**
- **Open CA cases earlier** in the lease-up process

HPD/HDC – Dependency on External Stakeholders

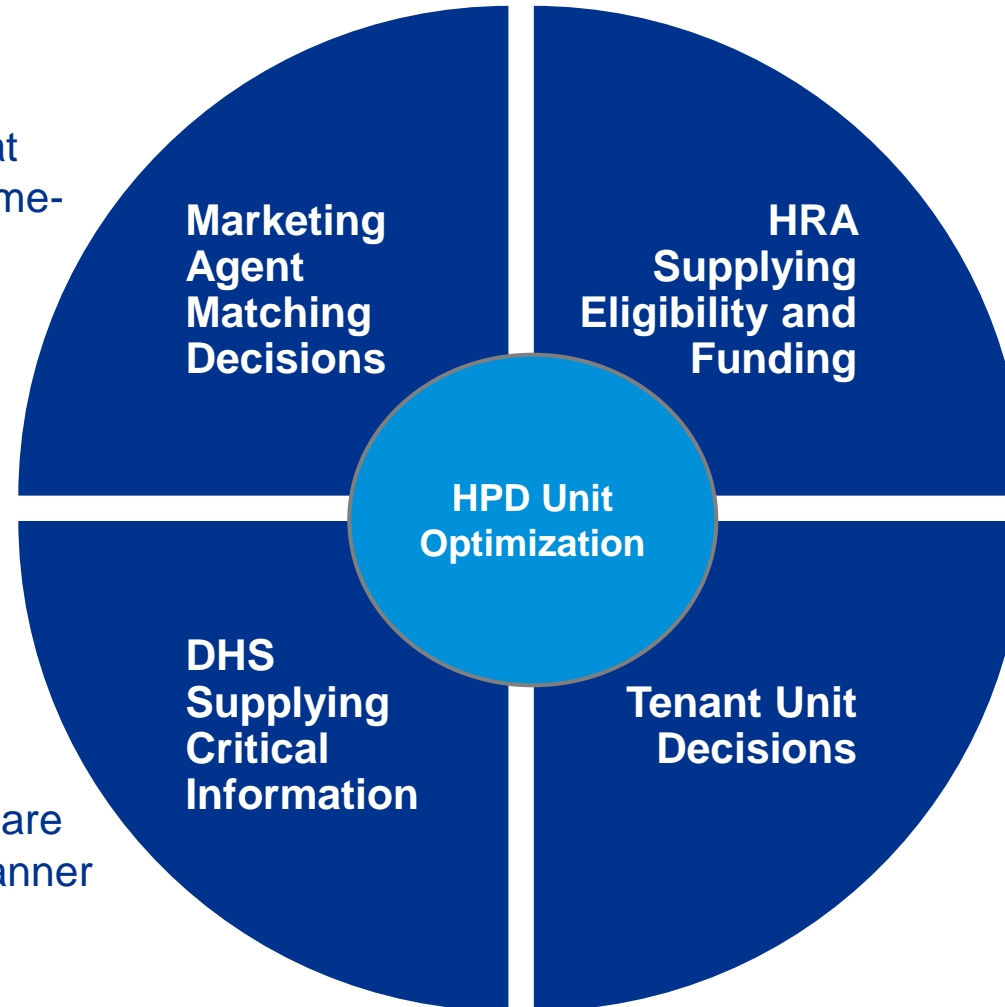
Forcing case management over unit optimization

Decisions / Determinations –

Marketing agents have SLAs that are not enforced, and conduct time-consuming, unnecessary background checks.

Providing Accurate / current

Information – Need DHS to share client information in a timely manner to support key HPD processes.



CA and CityFHEPS Determinations –

Dependent on client eligibility processes in order to fill vacant unit.

Unit Decision – Dependent on client readiness within the process and client acceptance of the available unit.

The Focus – focus on enforcement vs. workarounds

Streamlining eligibility across programs

Key Intersection

Limited enforcement on Marketing agent SLAs

Dependency

Dependent on Marketing agent making decision on client referral

The Question

Can HPD enforce eligibility SLAs and discontinue background checks?

The Big Idea

- Enforce transparency of rejection reasons
- Remove all background checks

The Focus – focus on enforcement vs. workarounds

Streamlining eligibility across programs

Key Intersection

HPD needs updated client information from DHS to support processes

Dependency

DHS has access to critical client data that HPD can't readily access. In order to obtain must work through DHS

The Question

Can HPD receive updated DHS client information more systemically?

The Big Idea

- DHS/HRA must send HPD updated client information regularly
- HPD to take ownership over HHA / client intake processes

The Focus – focus on enforcement vs. workarounds

Streamlining eligibility across programs

Key Intersection

Dependent on client timeliness of unit decisions

Dependency

Balancing client choice with unit optimization

The Question

Is there a way have fewer “rejections” of units?

The Big Idea

- Continuously improve matching logic to improve acceptance rate
- Limit referrals to 2 units (requires better use of data for matching)

The Focus – focus on enforcement vs. workarounds

Streamlining eligibility across programs

Key Intersection

Dependent on client eligibility processes in order to fill vacant unit.

Dependency

HPD vacancies dependent on eligibility processes for client performed at HRA

The Question

Is there a way to streamline a client's CA and CityFHEPS eligibility?

The Big Idea

- DSS to initiate CA eligibility at the point a unit is accepted by the client

The Focus – focus on enforcement vs. workarounds

Streamline using service level agreements

<p>Key Intersection</p>	<p>Limited enforcement on Marketing agent SLAs</p>	<p>HPD needs updated client information from DHS to support processes</p>	<p>Dependent on client timeliness of unit decisions</p>	<p>Dependent on client eligibility processes in order to fill vacant unit</p>
<p>Dependency</p>	<p>Dependent on Marketing agent making decision on client referral</p>	<p>DHS has access to critical client data that HPD can't readily access. In order to obtain must work through DHS</p>	<p>Balancing client choice with unit optimization</p>	<p>HPD vacancies dependent on eligibility processes for client performed at HRA</p>
<p>The Question</p>	<p><i>Can HPD enforce eligibility SLAs and discontinue background checks?</i></p>	<p><i>Can HPD receive updated DHS client information more systemically?</i></p>	<p><i>Is there a way have fewer "rejections" of units?</i></p>	<p><i>Is there a way to streamline a client's CA and CityFHEPS eligibility?</i></p>
<p>Big Idea</p>	<ul style="list-style-type: none"> ○ Enforce transparency of rejection reasons ○ Remove all background checks 	<ul style="list-style-type: none"> ○ DHS/HRA must send HPD updated client information regularly ○ HPD to take ownership over HHA / client intake processes 	<ul style="list-style-type: none"> ○ Continuously improve matching logic to improve acceptance rate ○ Limit referrals to 2 units (requires better use of data for matching) 	<ul style="list-style-type: none"> ○ DSS to initiate CA eligibility at the point a unit is accepted by the client

Where to start

Key business process improvements to cut processing time

HPD / HDC

- #2 Create a universal Release of Information consent form and complete with HHA submission
- #3 Remove third-party reviews as a dependency for lease-up
- #4 Update HPD policies to remove credit and criminal background checks during the pre-screening process
- #5 Remove the LIHTC eligibility appointment from the LIHTC eligibility determination process
- #13 Publish a definitive guide for LIHTC audit standards
- #9 Document and enforce a LIHTC document submission timeline for shelter residents

DHS

- #1 Consolidate resident-specific documentation asks at HHA submission
- #17 Improve validation of HHAs in the HPD referral pool
- #25 DHS should initiate CA case changes when a shelter resident accepts a unit
- #26 Consolidate all DHS CA case management activities under HRP
- #27 DHS to approve CityFHEPS for cases that are in Active or Single Issuance status that do not have income

HRA

- #17 Improve validation of HHAs in the HPD referral pool
- #23 Increase staffing in CBT unit with New Needs request for November plan
- #24 Confirm alignment on keeping SI cases open past 30 days
- #28 HRA to waive 30-day CityFHEPS income requirement for Active Cash Assistance and SI cases with income
- #29 DSS to leverage NYC integrated eligibility system modernization to eliminate system workaround

HPD/HDC Focus

Reduce client-coordination activities and unnecessary dependencies

Quick Win

BPI #2: Implement the Universal ROI

Review the existing ROI consent forms from marketing agents and sponsors/ landlords and confirm any language and notices required by law. Once confirmed, update the marketing agent handbook, and require that all residents submit the ROI with their HHA.

BPI #4

Initiate activities to remove credit checks and obtain agency agreement to remove criminal background checks. Eliminating these can cut up to 28 days of processing time and has limited dependencies to implement.

BPI #5

Remove the dependency to third-party review prior to submission

BPI #9

Enforce expectations for DHS shelter residents returning documents (BPI #9) and start activities to remove the LIHTC eligibility appointment downstream (BPI #5). Consolidating documentation requests with the HHA submission and establishing expectations for returning additional LIHTC documents should reduce the need for the LIHTC eligibility appointment.

BPI #13

Provide marketing agents and syndicators with a single source of information to rely on for LIHTC compliance standards to streamline move-ins by reducing unnecessary requests by marketing agents

DHS Focus

Empower HRP, Reduce redundancies and Provide updated information to HPD

Quick Win

BPI #1: Do Not Submit HHA without All Documents

At HHA submission, DHS HRP should provide items collected for pre-screening, CityFHEPS, or Cash Assistance. When HPD implements the universal ROI, HRP should be included in the submission.

BPI #25, #26, #27

HRP to initiate establishing the CA cases at the time a client is matched with a unit (BPI #25).
DHS to start resource planning to consolidate HRP and OAS business units and to approve CityFHEPS applications for cases with no income (BPI #26, #27).

This will standardize operations and reduce unnecessary handoffs.

BPI #17

DHS and HRA should provide updated information to HPD on a regular basis to identify shelter residents that may no longer be looking for housing.

HRA Focus

Leverage CA information for CityFHEPS, Empower CBT, Reduce hand-offs

Quick Win

BPI #24: Obtain Alignment to Keep SI Cases Open for 30+ Days

SI cases should remain open when a shelter resident is going to move-out and the lease-up process has taken longer than 30 days. This procedure is not applied consistently and should be validated across HRA and DHS and implemented.

BPI #28

HRA to collaborate with Office of Legal Affairs (OLA) to use validated income information on active Families with Children (FWC) CA cases for CityFHEPS eligibility. As FWC cases represent the majority population at DHS, focusing on this population for move-out can impact DHS shelter capacity.*

BPI #23

HRA's Centralized Budget Team (CBT) plays a critical role in CA eligibility for DHS shelter clients. HRA should prioritize adequate resourcing of CBT staff and continually assess their caseloads.

BPI #29

DHS and HRA are participating in a large transformation with OTDA to replace the state's existing public benefits eligibility system, WMS. The future state system known as the Integrated Eligibility System (IES) will support programs including Cash and Rental Assistance. DHS and HRA should leverage this opportunity to help ensure the existing barriers (e.g., delays in processing multiple case changes) are addressed.



Recommended Next Steps

Proposed Next Steps

Where to go next

1 Implementation Plan

Create an implementation plan and reporting structure for business process improvements

Example:

- Confirm CA / CityFHEPs alignment with HRA Legal and identify how to reduce repetitive checking of income (i.e., leveraging CA information for income)

2 Implementation Leads

Designate implementation leads at City Hall, HPD, HDC, DHS, and HRA

Example:

- HRPD to identify lead to oversee merger with OAS

3 Executive Report-Out

Establish a bi-weekly executive report-out to City Hall with DSS, HPD, HDC Commissioners

Example:

- HPD begins to enter in landlord profiles in DSS Landlord Management System

KPMG Team – Feel free to contact us!



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Thank you!