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March 13, 2023

To **Alexander Merchant**
Director of Process Improvement for Housing Placements

Thank you for the opportunity to discuss our proposal last week. As requested, we are submitting an adjusted approach removing the DHS Shelter Resident Voucher Eligibility component from Phase 1 and updated pricing that we believe addresses your needs. The attached document replaces the following Sections in our original proposal:

- Project Understanding and Approach
- Project Plan
- Proposed Budget

All other sections in our original proposal remain unchanged and in effect, except for the agreed upon changes regarding the terms and conditions discussed previously. If this is acceptable, we look forward to discussing next steps.

Please feel free to let us know if you have any additional feedback you'd like to see incorporated.

Thank you!

A handwritten signature in blue ink, appearing to read 'Cindy Cohen', written in a cursive style.

Cindy Cohen, Principal
KPMG, LLP
City of New York Account
345 Park Ave, New York, NY



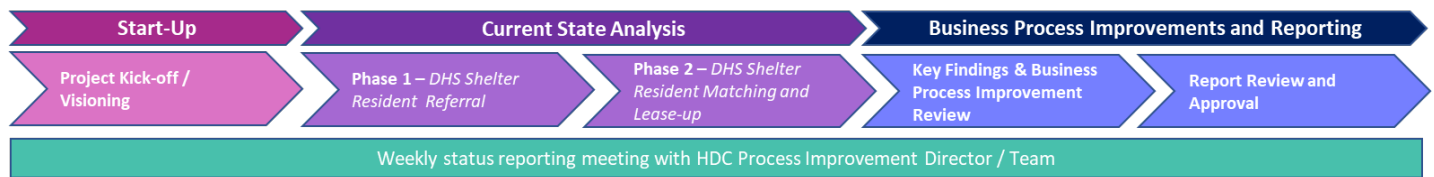
Project understanding and approach

From RFP: Project Understanding and Approach: A statement of no more than two pages demonstrating your understanding of the project and explaining your approach

We understand what you need for this evaluation. Expanding the number of housing units for formerly homeless households, as the City accomplished over the past year, is only the first part of the equation. Making those units easily accessible is also critical. We understand the City’s goal to increase transparency and hold itself accountable for these results. Having completed similar journey mapping initiatives in the City as well as supported subsequent implementation efforts, we understand that this evaluation needs to be more than just a “report”- it needs to be a catalyst for actionable change that HDC/HPD can use to implement improvements identified, as well as inform HDC/HPD’s messaging strategy and communication plan related to this initiative.

Our Operations-First Approach. KPMG will take a human centered design approach to discover and address needs and challenges throughout the process for tenant applicants, DHS providers, HDC/HPD caseworkers supporting tenants, marketing agents, and the other stakeholders identified. We have broken our analysis down in phases based on the rehousing lifecycle. Below is our high-level approach to completing the work, all deliverables are **highlighted in green** in the below approach section, as well as defined in the [Proposed Budget](#) section:

NYC HDC/HPD 90 Day Assessment Approach



Project Kick-off and Visioning / Ongoing Check-ins

Visioning and Project Kick-off – At the start of the project we will confirm scope/objectives, the overall project schedule, deliverable templates, stakeholders for the workshops, components for the communications plan and any questions with documentation/HDC analysis that was provided. We will also document “Guiding Principles” or key HDC/HPD goals to guide the evaluation. This will be likely be a onetime workshop for a duration of an hour.

Ongoing Weekly Status Check-ins and Leadership check-ins – KPMG will coordinate with the Director of Process Improvement for HDC Housing Placements on a weekly basis to provide updates on project tasks and scope, escalate risks, and discuss upcoming activities. Additionally, at the conclusion of each phase we will have a Leadership Check-ins to allow us to stay aligned on what is being produced so we can navigate and pivot if needed. Traditionally the attendees are the primary project sponsor and key stakeholders from the kickoff and visioning sessions.

Current State Analysis / Journey Mapping

Current State Analysis and Workshop Structure – We will use our industry leading proprietary KPMG Enterprise Reference Architecture (KERA) © methodology and housing and homelessness assets. KERA is an integrated knowledge base which uses the enterprise architecture (EA) principles of business and IT alignment. Using EA techniques, we will assess how information is received, stored, and shared, including IT systems or other formats (e.g., spreadsheets, paper logs). This will inform our current state analysis, key findings, business process improvements, and our evaluation report.

Using a combination of Human Centered Design (HCD) and KERA our team can better verify stakeholder interactions throughout the process, while also evaluating internal operations, areas of redundancy and opportunities for greater efficiencies. We will assess the overall placement ecosystem that synthesizes administrative complexities, outlines estimated timeframes, and describes how information flows between steps; and determine potential opportunities for improvement.

The **HDC/HPD Rehousing Journey maps** deliverable will depict the actions of key users and clarify the “what are they doing?” and the related risks, as well as the “what do they want to do?” and related success factors. We assess each step of the rehousing

process, detailed as “Phase 1” and “Phase 2” below. From a technology perspective, the current state analysis will identify how information is currently received, stored, and shared within the HDC/HPD and between external stakeholders. We will be reviewing current policies guiding the work and system needs by reviewing the different platforms supporting the processes.

Needed documentation and attendee participation – As we start each of the phases, we will submit a document request to understand the current environment to support our workshops. This could include items such as: organizational charts, policies for voucher eligibility, and current state data for eligibility and residents. To advise on system needs, we would also request demos of existing systems supporting the process (e.g., HOME/CARES, CAPS assessments). Attendee participation is key, and it will be critical to have individuals from the impacted organizations involved to clearly understand the barriers and challenges that are not apparent with reviews of policies, procedures, and systems. It is from these interactions that we learn the “this is how it has always been done”, or the “I wish it could be done in this way”. For each workshop we would work with you to determine the attendees, many of which are noted below.

Current State Analysis – Phase 1: DHS Shelter Resident Current State Journey Mapping

Based on our knowledge of DHS voucher processes (e.g., CityFHEPS), we have organized the following workshops:

DHS Shelter Resident HPD Referral – This is the process by which a DHS Shelter resident is linked/referred to the associated HPD Caseworkers/Homeless Placement Unit. Here we will focus on the handoffs and the processes/infrastructure which support them. We will work with HPD’s data and analytics team to better understand how these referrals are tracked and reported.

Current State Analysis – Phase 2: DHS Shelter Resident Client Matching and Lease-up

As the longest portion of our analysis, we have organized this phase into the following workshops:

Client Unit Matching – We will review the process by which a DHS Shelter Resident is matched with a HPD set-aside unit / other unit to meet their needs. This will cover the viewings/interviews that shelter residents have with landlords/agents, as well as the identification of units. We will meet with HPD’s Homeless Placement Services (HPS) to review housing stock from both the set-aside required by property owners, volunteered properties and the properties taken from the Housing Connect lottery system.

Lease-Up Process – Based on our experience supporting DSS, NYCHA, and HPD in reviewing their lease-up efforts and reviewing critical reports produced by the agency we expect many of our findings and improvements to be focused on the lease-up process. For these workshops we will focus on inspection needs (if applicable), processes to receive, review and confirm leases and all follow-ups tracked with landlords/agents.

Voucher/payment Issuance – Leveraging our extensive experience in subsidy/voucher payments from the City, we understand that payment can be a pain point for landlords, agents, and clients alike. This series will focus on these pain points.

Resident Move-out – Processes to move-out clients from shelter and receiving the access to their new home is an exciting milestone. We will be reviewing this as well as the coordination required to effectively place the client into their new home and initiate ongoing payments where needed.

Business Process Improvements (BPI) and Final Report

This phase will be focused on finalizing the BPIs, identifying dependencies/potential owners and summarizing key findings from the work that was completed. **The Key Findings and Business Process Improvement Register** will be a work product that is updated throughout the evaluation and will capture a series of key findings/observations including identified gaps and improvement areas. Each key observation will be mapped to an identified HDC/HPD Guiding Principle from our visioning workshop. Each BPI will have implementation dependences/considerations identified, as well as key next steps.

Workshop A and B: Reviewing Business Process Improvements for Phase 1 and Phase 2. Here we will be conducting a review of the observations and business process improvements that have been identified within the journeys and personas. Where possible, we will work with HDC/HPD to identify “owners” for BPIs and the key next steps to implementation of the BPI. This will be completed for Phase 1 and Phase 2.

The HDC/HPD Final Evaluation Report deliverable will summarize the current state gaps and challenges in the processes, and the observations and recommendations to improve the client experience, reduce redundancies, and increase efficiencies. It will include information on the approach taken for the study, business units and stakeholders engaged, and processes reviewed.

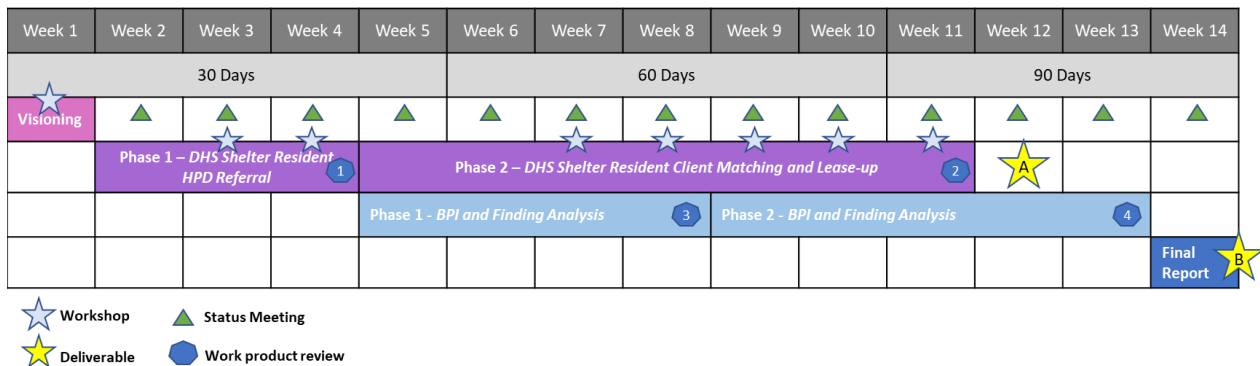


Project plan

From RFP: Proposed project plan with a roadmap of sub-deliverables and client review cadence

Below is a high-level summary of our timeline to address the evaluation needs. Based on our knowledge of rehousing within the City, we have sequenced these activities by core modules and specific business units that will be engaged. Further detail of the phases and corresponding workshops are included in the [Approach section](#). At project kick-off, KPMG will provide a detailed project with proposed workshop dates and review timelines.

**Housing Development Corporation
Homeless Housing Placements Evaluation High-Level Timeline**



We anticipate that the phases and review timelines will overlap and that we are working towards an overall timeline of 90 days. The above timeline will be confirmed upon project start and exact number and dates for workshops will be finalized at that time, in discussions with HDC.

During the **Start-Up**, we will conduct a Project Kick-Off and Visioning workshop. Weekly status meetings will be scheduled with the Director of Process Improvement for HDC Housing Placements throughout the engagement. In this meeting we will discuss schedule updates, risks, issues, and deliverable reviews. We anticipate this being a single workshop with the Director of Process Improvement for HDC Housing Placements as well as any identified leadership.

Project Visioning

Are Guiding Principles defined for this evaluation?

*Kick-off and
Visioning Workshop*

During **Current State Analysis**, we will complete two iterations of assessment and journey mapping. We plan to have 1 workshop for the below module number noted in gray below and it is planned to be generally 1-2 hours in length. We will discuss attendees, and frequency at the project start.

Phase 1 – DHS Shelter Resident HPD Referral

How is a DHS Shelter Resident navigated to the HPD/HDC pipeline?

Workshop A:
DHS Shelter Resident HPD
Referral

Phase 2 – DHS Shelter Resident Client Matching and Lease-Up

How does a DHS Shelter Resident get matched with a unit? How are Marketing Agents/Landlords engaged? What are the challenges with lease-up? How are vouchers issued/payments made?

Workshop A:
Client Unit Matching

Workshop B:
Lease-up Process

Workshop C:
Voucher Issuance

Workshop D:
Resident Move-out

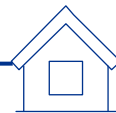
During **Business Process Improvement Analysis and the Final Report** phase, we will iterate on observations and recommendations for each of the phases and collating them into a Final Report.

Business Process Improvement Analysis and Final Report

Given what we've learned and confirmed as key findings, what are the key business process improvements to help streamline rehousing? What are the key next steps to improve these processes?

Workshop A :
Business Process
Improvement
discussion for Phase 1

Workshop B :
Business Process
Improvement
discussion for Phase 2



Proposed budget

From RFP: Proposed budget with a detailed breakdown

To support the work we have described in our approach, we are proposing the following deliverable schedule. This is based on our current understanding of the work and scope of the solicitation. We would welcome the opportunity to discuss if our assumptions and understandings are incorrect.

Deliverable	Descriptions	Deliverable fees
HDC/HPD Journey Maps for Phase 1 and Phase 2	HDC/HPD Journey Maps for Phase 1 – <i>DHS Shelter Resident Matching, and Referral</i> HDC/HPD Journey Maps for Phase 2 – <i>Lease-up Processes, Voucher Submission/Financing, Shelter Resident Move-out</i>	\$200,000
HDC/HPD Final Evaluation Report (includes business process improvement register)	Key Findings Analysis for the individual personas explored. Using the key findings identified, map out the business process improvements to address each finding as well as the key action steps to execute/identify needed inputs for each BPI. For detail on the Key Finding Register and BPI Scorecard, please see our sample work products in the following Appendix . HDC/HPD Final Evaluation Report will summarize the evaluation analysis.	\$120,000
Total Fees		\$320,000