

Common Deficiencies in Homelessness Program Oversight Across Five U.S. Jurisdictions

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Overview

For more than 10 years, the federal Continuum of Care (CoC) Program has funded homelessness assistance efforts across the United States. Implemented at the local level by a consortia of government agencies, nonprofit housing and services providers, advocates for the homeless, and other stakeholders, every state has been impacted by the CoC Program.

The impacts of the CoC Program are being called into question by states and watchdog groups concerned that the funding, oversight, accountability, and data support is inadequate and often ineffective. The purposes of CoCs are to promote the goal of ending homelessness, provide funding to house homeless individuals, effectively utilization of government assistance programs, and help the homeless become more self-sufficient. Its duties include evaluating outcomes of federally funded projects and operate a data collection and analysis system. A number of states have conducted their own audits and reports and two reports have focused on cities significantly impacted by homelessness.

This brief synthesizes recent performance audits from **Arizona, California, City of Los Angeles, New Orleans,** and **Washington State**. Despite billions in public spending, all five jurisdictions face significant challenges in ensuring homelessness programs are effective, accountable, and equitable. The findings suggest systemic deficiencies that undermine outcomes and public trust. Moreover, the concerns raised points up commonalities that can be attributed to the federal program adding weight to calls for federal reform of the CoC Program.

KEY TAKEAWAYS

- **Oversight is consistently inadequate:** From unverified payments to missed site inspections, all jurisdictions fail to enforce program standards.
- **Data systems are fragmented or flawed,** hindering informed decision-making and transparency.
- **Strategic planning is either missing or poorly aligned** with statutory goals.
- **Grantee accountability is weak,** with rare or inconsistent corrective actions.
- **Service access remains inequitable** across vulnerable populations.

Jurisdictional Deficiencies Summary

Issue Area	Arizona	California	Los Angeles	New Orleans	Washington State
Lack of Oversight/Monitoring	Failed site inspections; no risk assessments	No recent outcome tracking; No reporting enforcement, poor data validation	Providers paid without verification	Monitoring paused during COVID; providers unchecked	No contract enforcement; few corrective actions taken on poor performance
Financial Oversight/Unverified & Disallowed Spending	\$8.1M unverified spending; personal staff loan	\$24B spent with no recent accountability; Grantees self-certified	Disconnected financial records; spending difficult to trace	Failure overseeing major grants	Performance not linked to funding; no enforcement language in contracts
Missing or Incomplete Reporting	Incomplete/missing/ignored grantee reports	No updated public data since 2021; many outcomes unreported	Undefined metrics and tracking; unclear outcomes	Strategic plan in progress; gaps in reporting	Strategic plans lacked outcomes
Data Access & Transparency Issues	Moderate issues (focus was financial)	Fake entries; no cross-agency scorecard	No unified HMIS access; manual invoice review	Providers lack access to key data; Limited HMIS access for City	Limited integration with provider systems
Service Gaps	Unsafe housing; lack of services; no tracking of services provided	Not assessed	High return to homelessness (48%); wide cost variance	Families face barriers in entry; coordination gaps	Prioritization driven by politics
Staffing/Capacity	High turnover; no training; staff trained to ignore policy	Not noted	Delays in contracting 82 days on average; manual processes	Staffing gaps delayed inspections	Staff lack contract management training

Cross-Cutting Patterns

1. Weak Oversight and Accountability

- Monitoring often delayed, suspended, or incomplete.
- Most jurisdictions failed to enforce performance standards or reclaim unallowable expenditures.

2. Poor Financial Controls

- Millions in public funds were reimbursed without adequate documentation.
- Some grantees submitted fraudulent or vague expenses without consequence.

3. Lack of Real-Time, Accurate Data

- Jurisdictions operate in silos, without unified data systems or access to relevant outcome tracking.
- Data inaccuracies (e.g., duplicate or fake entries) were widespread.

4. Strategic Misalignment

- Existing plans lacked measurable outcomes or failed to address root causes.
- Inter-agency coordination was inconsistent or entirely absent.

5. Service Gaps and Fragmentation

- Vulnerable populations (e.g., families, those with disabilities) experienced inconsistent access.
- Housing was often unsafe, unsanitary, or temporary without paths to permanent stability.



Policy Recommendations

1. Mandate Risk-Based Oversight

Require routine site inspections, financial audits, and annual risk assessments across all state- and city-funded homelessness programs.

2. Establish Unified, Transparent Data Systems

Develop or integrate systems across jurisdictions to share performance data, service utilization, and spending.

3. Tie Funding to Outcomes

Link future funding to housing stability, reduction in returns to homelessness, and equitable access. Ensure outcomes are supported by data collection and analysis.

4. Standardize Grantee Accountability

Include escalation clauses, defined corrective actions, and required reporting in all provider contracts.

5. Invest in Oversight Capacity

Fund and train oversight staff and require jurisdictions to publish scorecards and reports tracking outcomes, spending, and results.

Conclusion

Despite diverse geographies and governance structures, all five jurisdictions studied suffer from similar root problems: weak oversight, fragmented systems, and lack of accountability. To ensure public funds are effectively reducing homelessness, the federal program must be reformed to strengthen monitoring, improve data systems, and demand results from providers.

The CoC Program was implemented to coordinate and lead regional systems and initiatives to end homelessness. After more than 10 years of increasing federal funding and resources to support the CoC Program, the results are more homelessness, poor coordination and accountability, and fragmented and unworkable systems—particularly data systems.

Audits and reviews from state auditors and a court assigned independent assessment and management firm demonstrate disturbing patterns across the country. The CoC Program has failed to produce the desired results congress envisioned when the Program was created.



Key Patterns and Similarities Across All Jurisdictions

1. Inadequate Monitoring & Enforcement

- Every report identified weak or absent monitoring of providers.
- Most governments failed to take **corrective action**, even when performance was poor (e.g., Seattle: 18/23 underperformers saw no action; Arizona: years without site visits).

2. Weak Financial Oversight

- Improper payments were common due to lack of invoice review or documentation.
- In LA and Arizona, **millions in reimbursements lacked receipts or approval procedures**.

3. Data Problems Undermine Accountability

- Poor data collection (California: fake client records; LA: siloed systems).
- Lack of unified, transparent data systems prevented effective evaluation and coordination.

4. Unclear or Missing Strategic Direction

- All but Arizona had **incomplete or outdated strategic plans**, often misaligned with goals or missing metrics.
- New Orleans, LA, and Washington lacked unified governance structures or coordination mechanisms.

5. Service Quality & Equity Concerns

- Unsafe or unsanitary housing conditions documented in Arizona and LA.
- Washington and New Orleans highlighted **politics or grant restrictions shaping services**, not needs.
- Several audits noted lack of access for families or high-needs populations.

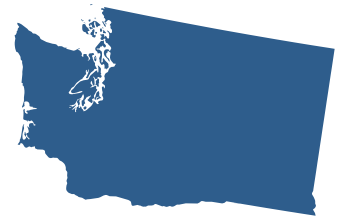
6. Internal Weaknesses

- Arizona and LA had **staff not trained or even instructed to bypass oversight policies**.
- Pandemic-related suspensions in oversight were not promptly corrected in multiple jurisdictions.

Overall Themes

- **Oversight and accountability are systemically weak** across states and cities, regardless of funding levels.
- Billions are being spent, yet **outcomes (housing retention, reduction in homelessness) remain unclear or unimproved**.
- There's an urgent need for **standardized data systems, risk-based monitoring, real-time performance feedback, and legally enforceable provider accountability**.
- **Structural governance issues (fragmentation, duplication, unclear roles)** hinder systemic progress in every report.

Summary and highlighted deficiencies from the *Washington State Auditor's 2022 Performance Audit on Contracted Homeless Services*:¹



Executive Summary Highlights

- Governments are spending more to address homelessness, but the number of homeless individuals continues to rise.
- Permanent housing with social support is a long-term solution, but governments must also manage short-term interventions effectively.
- The audit reviewed four jurisdictions: **Seattle, Spokane, Snohomish County, and Yakima County**.
- The audit focused on how these governments:
 - **Prioritize** services based on needs.
 - **Monitor and improve** provider performance.

KEY FINDINGS

1. SERVICE PRIORITIZATION

- All governments involved stakeholders in identifying needs.
- Only **Snohomish County** used a partially data-driven process.
- Most governments relied more on **grant requirements and political decisions** rather than data analysis.

2. INVESTMENT PATTERNS

- **Seattle** heavily favored temporary shelter over permanent housing.
- **Spokane** and **Snohomish** increased investment in permanent housing.
- **Yakima** spent the majority on supportive services, very little on permanent housing.

KEY FINDINGS, *continued*

3. STRATEGIC PLANS

- Some plans lacked required components like:
 - Clear responsibilities
 - Timelines and milestones
 - Measurable outcomes
- **Seattle** was not required to submit a strategic plan due to its funding structure.

4. PERFORMANCE MONITORING

- **Seattle** and **Snohomish** used data to monitor performance; **Spokane** and **Yakima** did not.
- **Only Snohomish** used data in funding decisions consistently.
- Many lacked contract language or processes for taking action on poor provider performance.

5. PROVIDER ACCOUNTABILITY

- Few corrective actions were taken across all governments:
 - 18/23 underperforming Seattle programs received no corrective action.
 - **None** of Yakima's underperformers received action.
- No governments had:
 - Standardized escalation procedures.
 - Tracking tools for corrective actions.
 - Contract clauses requiring providers to improve performance.

Highlighted Deficiencies

- **Lack of data-driven prioritization:**
 - Services were selected more by grant restrictions and politics than by analysis of need.
- **Underinvestment in permanent housing:**
 - Especially in Seattle and Yakima.
- **Incomplete strategic planning:**
 - Missing milestones, metrics, or clearly assigned responsibilities.
- **Weak oversight of service providers:**
 - Inconsistent use of performance data.
 - Rarely enforced accountability measures.

- **Lack of infrastructure:**
 - No tools or processes for tracking underperformance.
 - No contractual obligation for providers to collaborate on improvement.
- **Staffing issues and turnover:**
 - Particularly in Spokane and Yakima, hampering progress.
- **COVID-19 response impacts:**
 - Limited monitoring activities and capacity.

Recommendations

- Build capacity in departments for data collection and analysis.
 - Implement data-driven approaches to service prioritization.
 - Improve provider monitoring using established performance metrics.
 - Establish escalation procedures and include expectations in contracts.
 - Train staff in contract and performance management.
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Summary and highlighted deficiencies from the *March 2025 Louisiana Legislative Auditor's Performance Audit of Homelessness Initiatives in New Orleans*:²



KEY FINDINGS

- **Total Expenditures:** \$216.3 million spent from Jan 2019–June 2024, mostly federal funds.
 - **56.6%** (\$122.4M) spent on permanent supportive housing.
 - UNITY (New Orleans CoC) spent 82.4% of total; the City spent 17.6%.
- **Encampment Decommissioning:**
 - 275 individuals housed.
 - Process generally followed best practices.
- **COVID-19 Impact:** Monitoring of providers was suspended or reduced across the board.
- **Program Monitoring:**
 - UNITY, Louisiana Housing Corporation (LHC), and the City have processes, but monitoring was inconsistent.

KEY FINDINGS, *continued*

- **Service Coordination:**
 - Weekly and monthly meetings occur.
 - City is developing a strategic plan (due March 2025).
 - UNITY lacks a current strategic plan or annual gap analyses.
- **HUD Funds:** \$252.4 million awarded (2018–2023), primarily for permanent housing and emergency shelters.
- **OHSS (Office of Homeless Services and Strategy):**
 - Created in 2023.
 - Leads the “Home for Good” initiative.
- **Data Use:**
 - UNITY manages HMIS.
 - Limited access for the City and providers.
- **Encampment Strategy:** Formalized planning underway, but lacks overarching policies.
- **Survey Feedback:**
 - Mixed reviews on coordination effectiveness.
 - Providers cite poor communication, data access, and responsiveness.

Highlighted Deficiencies

1. Lack of Strategic Planning:

- No current cohesive plan by UNITY or the City (though City’s is in development).
- UNITY failed to meet HUD expectations for annual gap analyses.

2. Insufficient Monitoring:

- UNITY skipped annual provider monitoring in multiple years (e.g., 56% not reviewed in 2023).
- OCD conducted no programmatic monitoring 2019–2022.
- LHC did not monitor UNITY for major contracts (e.g., ERAP funds).

3. Poor Data Sharing and Access:

- Providers can’t access critical HMIS data (e.g., prior services, shelter history).
- City lacked access to HUD’s Stella tool.
- UNITY resisted some transparency requests.

4. Inequitable Access to Services:

- Families struggle to access coordinated shelter entry.
- UNITY did not consistently evaluate entry system as required.

5. Shelter Oversight Gaps:

- City did not inspect for HUD health/safety compliance regularly.
- Ongoing issues at low-barrier shelters (e.g., sanitation, maintenance).

6. Funding & Program Duplication Risks:

- Multiple entities overlap roles and responsibilities.
- Unclear accountability and performance measurement.

7. External Barriers Not Fully Addressed:

- No clear strategy for severe mental illness (SMI) or substance use disorder (SUD) treatment.
- Lack of affordable housing and living-wage jobs remain unaddressed core issues.

Recommendations

- UNITY and City should finalize and align strategic plans with measurable goals.
- Conduct required annual monitoring of all providers.
- Improve data transparency without compromising confidentiality.
- Regularly inspect shelters and ensure HUD standards are met.
- Enhance accessibility to coordinated entry, especially for families.
- Improve provider communication, support, and responsiveness.

Summary and highlighted deficiencies from the *March 6, 2025, Independent Assessment of City-Funded Homelessness Assistance Programs in Los Angeles*, submitted to Judge David O. Carter:³



KEY FINDINGS

- **\$2.3 billion** was appropriated, committed, or spent on homelessness programs from **June 2020 to June 2024**.
- The programs assessed included:
 - **Roadmap Program (Freeway Agreement)**
 - **LA Alliance Settlement Program**
 - **Mayor Bass' Inside Safe Program**

Highlighted Deficiencies

1. Poor Financial Oversight and Data Quality

- Inconsistent and incomplete financial data across City departments, Los Angeles Homeless Services Authority (LAHSA), and County.
- LAHSA could not identify all provider contracts tied to specific programs.
- Multiple funding sources with fragmented records made tracking total expenditures nearly impossible.
- Budget allocations were not regularly reconciled with actual spending.

2. Fragmented and Disjointed Systems

- No integrated or coordinated entry system; various siloed referral processes used by City, County, and LAHSA.
- Inconsistent prioritization methods caused confusion and likely inequities in access to shelter and housing.
- Poor alignment between City Council districts and LAHSA Service Planning Areas (SPAs).

3. Weak Monitoring and Accountability

- LAHSA often approved provider invoices without verifying service delivery.
- City–LAHSA invoicing process was manual, error-prone, and lacked timely oversight.
- Contracts were executed on average **82 days after service start dates**.
- Contracts lacked specificity on services like “Residential Supervision” and “Case Management.”

4. Inconsistent Service Costs and Outcomes

- Significant cost variation across providers (e.g., per-bed, per-day costs for meals ranged from \$7–\$18; security from \$2–\$32).
- In FY 2023–24, only **22%** of participants exited to permanent housing; **47.8%** returned to homelessness.

5. Encampment Resolutions Lack Outcome Data

- 1,688 encampments resolved vs. 1,125 targeted.
- No data on whether individuals were housed or relocated sustainably.

6. Unclear Governance & Overlapping Responsibilities

- LAHSA’s and City’s roles were not clearly defined.
- Broad contract language led to lack of consistency and performance evaluation.
- Multiple programs operated without a unified strategy.

Recommendations

- **Establish a unified homelessness strategy** across City, County, and LAHSA.
- **Create integrated data systems** and standardized definitions to enable better coordination and transparency.
- **Appoint an independent financial manager** to oversee invoicing, contract compliance, and spending.
- **Enforce real-time monitoring and detailed invoice submissions** by providers.
- **Tie future funding to outcomes** like housing retention, service access, and returns to homelessness.
- **Commission an operational assessment of LAHSA** to evaluate structure, staffing, and interagency coordination.

Summary highlighted deficiencies from the *California State Auditor's April 2024 Report (Report 2023 102.1) on state homelessness spending and program effectiveness*:⁴



KEY FINDINGS

- **More than 180,000 Californians were homeless in 2023**, a 53% increase since 2013.
- **\$24 billion allocated** to homelessness and housing from FY 2018–19 through 2022–23.
- **Nine state agencies** manage over 30 homelessness programs.
- **Cal ICH** (California Interagency Council on Homelessness) is responsible for coordination, evaluation, and policy.

Program Assessments

- **Homekey** (housing through property conversions):
 - Found to be **cost-effective**: ~\$144,000 per unit vs. \$380,000–\$570,000 for new construction.
- **CalWORKs Housing Support Program** (rental and services for families):
 - Also **cost-effective**: \$12,000–\$22,000 per family vs. \$30,000–\$50,000 estimated cost of chronic homelessness.

Highlighted Deficiencies

1. Failure to Track Costs and Outcomes

- Cal ICH has **not updated statewide financial and outcome data since 2021**, despite billions in new spending.
- **No consistent methodology** to collect cost/outcome data across programs.
- **Scorecard system** for comparing program results does not exist yet.

2. Misalignment of Action Plans

- Cal ICH's action plans are **not aligned** with statutory goals, especially around financial reporting and performance metrics.
- Performance measures do not provide program-specific accountability or comparability.

3. Data Accuracy Issues

- State's Homeless Data Integration System contains:
 - **Test/fake client records** (e.g., "Mickey Mouse").
 - **Duplicate or deleted entries** still counted.
 - **Overreported enrollments** (e.g., 1,100 people in a shelter with 300 beds).

4. Inadequate Program Data Collection

- For **SRAP, HHAP, and ERF** programs (totaling over \$9 billion):
 - Lack of meaningful outcome data.
 - SRAP did not collect eviction outcome data.
 - HHAP had ~1/3 of exits listed as "unknown" destinations.
 - ERF grantees submitted incomplete data or skipped reporting templates.

5. Weak Oversight and Enforcement

- Cal ICH **relied on grantees to self-certify** expenditure and outcome data.
- No enforcement when grantees failed to report or used incorrect formats.

Recommendations

- Cal ICH **should be required to**:
 - Mandate **annual cost and outcome reporting** by all state agencies (by March 2025).
 - Publish a **standardized, public-facing scorecard** for all programs.
- Cal ICH **should**:
 - Align its action plan with statutory goals.
 - Develop consistent, statewide **data standards and accuracy protocols**.
 - Ensure future grants (especially HHAP and ERF) collect useful outcome data.

Summary with highlighted deficiencies from the *October 2024 Arizona Auditor General's Report on the Arizona Department of Housing's oversight of homelessness and affordable housing programs*.⁵



KEY FINDINGS

- Arizona Department of Housing (ADOH) administers federal and state housing programs including emergency shelters, supportive housing, and rental development.
- Approximately **\$1.26 billion** in federal and state funds committed in FY 2023.
- Programs include:
 - **Emergency Shelter**
 - **Special Needs Housing** (e.g., for homeless individuals with disabilities)
 - **Rental Housing Development**
- The audit reviewed **12 projects (2021–2023)** and found major oversight lapses.

Highlighted Deficiencies

1. Inadequate Site Inspections

- ADOH did **not conduct required inspections** for six of seven applicable projects.
- Some funded projects went uninspected for years, despite high-risk conditions (e.g., rodent infestation, broken infrastructure).
- One grantee (Community Assistance Center) neglected safety issues in housing, which were only discovered after a public complaint.

2. Unverified and Unallowable Payments

- ADOH **approved over \$8.1 million** in payments without sufficient documentation.
 - **\$7.8M** in emergency shelter costs unsupported.
 - **\$190K** in unverified rent/lease payments.
 - **\$88K** in vague staffing/admin costs.
- One payment included a **\$2,000 personal loan** to a staff member—clearly unallowable.

3. Missing Grantee Reports

- Grantees **failed to submit or submitted incomplete required progress reports**.
- ADOH took **no enforcement action**, such as withholding payments.
- Lack of reporting hindered project accountability and timely intervention.

4. Absent Risk Assessments

- ADOH **failed to conduct mandatory risk assessments** for all six special needs housing grantees reviewed.
- Did not use risk levels to guide oversight or prioritize monitoring, despite federal requirements.

5. Staff Turnover and Poor Training

- High turnover in oversight positions (four program administrators from 2020–2022).
- Staff were **instructed to ignore policy** and approve payments without adequate review.

6. Suspended Inspections Due to COVID

- Required monitoring was paused during the pandemic, but ADOH **delayed resuming site visits** until late 2023.
- No compensatory measures were implemented in the interim.

7. Lack of Written Procedures

- ADOH **lacked formal policies** for emergency shelter and rental housing oversight.
- As of mid-2024, oversight processes for key programs still incomplete.

KEY RECOMMENDATIONS

- Develop a written implementation plan for proper oversight procedures, with deadlines.
- Conduct all required **site inspections**, especially for special needs and emergency shelters.
- Ensure all payments are **supported by invoices, receipts, and allowable under contract**.
- Require and enforce **grantee reporting**; deny payments for noncompliance.
- Implement **annual risk assessments** and increased oversight for high-risk grantees.
- Create **staff training** and clear written policies for monitoring, documentation, and enforcement.
- Recover any **unallowable expenses** paid since 2021.

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